PROSPECTUS

IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR FINANCIAL ADVISER.

NATIXIS INVESTMENT FUNDS U.K. ICVC

(An open-ended investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC000968)

NATIXIS INVESTMENT MANAGERS S.A.

(AUTHORISED CORPORATE DIRECTOR)

This Prospectus has been prepared in accordance with the Rules of the Financial Conduct Authority as contained in the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and is dated and is valid as at 27 February 2020.

IMPORTANT INFORMATION

The Company is an open-ended investment company with variable capital incorporated with limited liability and registered in England and Wales under number IC000968.

Copies of this prospectus have been sent to the Financial Conduct Authority and the Depositary.

Natixis Investment Managers S.A., the Authorised Corporate Director of the Company, is the person responsible for the information contained in this prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information in this document does not contain any untrue or misleading statements or omit any matters required by the Open-Ended Investment Companies Regulations 2001 and the Collective Investment Schemes Sourcebook to be included in it. Natixis Investment Managers S.A. accepts responsibility accordingly.

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

The distribution of this prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Shares in the Company are not listed or dealt on any investment exchange.

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

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

This prospectus has been approved for the purpose of section 21 of the Financial Services and Markets Act 2000 by Natixis Investment Managers S.A.

This prospectus is based on information, law and practice at the date hereof. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus, and investors should check with Natixis Investment Managers S.A. that this is the most recently published prospectus.

The Depositary is not a person responsible for the information contained in this prospectus and accordingly does not accept any responsibility therefore under the Regulations or otherwise.

AUTOMATIC EXCHANGE OF INFORMATION FOR INTERNATIONAL TAX COMPLIANCE ("AEOI")

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including European Union directives and the United States provisions commonly known as "FATCA" and other intergovernmental agreements. As a result the Company may need to disclose the name, address, taxpayer identification number and investment information relating to certain investors in the Trust to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

By signing the application form to subscribe for Shares, each prospective Shareholder is agreeing to provide information upon request to the Company or its agent. If a Shareholder does not provide the necessary information, the Company will be required to report it to HM Revenue & Customs who may, in turn, report it to foreign tax authorities.

NO FUND IS OPEN FOR INVESTMENT BY ANY U.S. PERSON (AS DEFINED BELOW) EXCEPT IN EXCEPTIONAL CIRCUMSTANCES AND ONLY WITH THE PRIOR CONSENT OF THE ACD.

The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the "1933 Act") and the Company has not been registered under the Investment Company Act of 1940, as amended, (the "1940 Act") and, accordingly, the Shares may not be assigned, offered or sold, directly or indirectly, in the United States (including its territories and possessions) or to or for the account or benefit of any U.S. Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable securities laws.

Definition of U.S. Person

"U.S. Person" is as defined in either of the U.S. Internal Revenue Code of 1986 or under Regulation S of the U.S. Securities Act of 1933, each as set out below and as may be amended from time to time:

The U.S. Internal Revenue Code of 1986 defines a U.S. person as:

(a) a citizen or resident of the United States;

(b) a partnership created or organised in the United States or under the law of the United States or of any state, or the District of Columbia;

(c) a corporation created or organised in the United States or under the law of the United States or of any state, or the District of Columbia;

(d) any estate or trust other than a foreign estate or foreign trust (see Internal Revenue Code section 7701(a)(31) for the definition of a foreign estate and a foreign trust)

(e) a person that meets the substantial presence test

(f) any other person that is not a foreign person.

Regulation S of the U.S. Securities Act of 1933 defines a U.S. person as:

(a) Any natural person resident in the United States;

(b) Any partnership or corporation organized or incorporated under the laws of the United States;

(c) Any estate of which any executor or administrator is a U.S. person;

(d) Any trust of which any trustee is a U.S. person;

(e) Any agency or branch of a foreign entity located in the United States;

(f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;

(g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and

(h) Any partnership or corporation if:

(i) Organized or incorporated under the laws of any foreign jurisdiction; and

(ii) Formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.

The ACD may amend the definition of "U.S. Person" without notice to Shareholders as necessary in order to reflect current applicable U.S. law and regulations. If you have further questions, please contact your sales representative for a list of persons or entities that qualify as "U.S. Persons".

Each of the Funds is managed for longer-term investment, as such, the ACD discourages excessive short-term trading that may be detrimental to the Funds and their Shareholders. Frequent purchases and redemptions of Shares may present certain risks for other Shareholders in a Fund. This includes the risk of diluting the value of Shares held by long-term Shareholders, interfering with efficient management of each Fund's portfolio and increasing brokerage and administrative costs. Funds investing in securities that require special valuation processes (such as foreign securities or below investment-grade securities), also may have increased exposure to these risks. Therefore, the ACD may, at its discretion, refuse to accept applications for purchase of, or requests for exchange of, Shares where it believes such detriments to a Fund may arise.

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

DIRECTORY

Natixis Investment Funds U.K. ICVC

Head Office
One Carter Lane
London
EC4V 5ER

Authorised Corporate Director
Natixis Investment Managers S.A.
2 rue Jean Monnet
L-2180 Luxembourg

Administrator
State Street Bank and Trust Company
20 Churchill Place
Canary Wharf
London
E14 5HJ

Auditor
PricewaterhouseCoopers LLP
Erskine House
68-73 Queen Street
Edinburgh
EH2 4NH

Depositary
State Street Trustees Limited
20 Churchill Place
Canary Wharf
London
E14 5HJ

Transfer Agent
DST Financial Services Europe Ltd
St. Nicholas Lane
Basildon, Essex
SS15 5FS

Investment Managers
H2O Asset Management LLP
10 Old Burlington Street
London
W1S 3AG

Harris Associates L.P.
111 S. Wacker Drive, Suite 4600
Chicago, Illinois 60606, USA

Loomis, Sayles & Company, L.P.
One Financial Center
Boston, Massachusetts 02111, USA

CONTENTS

DEFINITIONS

"Administrator"	State Street Bank and Trust Company and/or such other person appointed from time to time to provide administration services to the ACD.
"Accumulation Shares"	Shares in respect of which income is accumulated and added to the capital property of a Fund.
"ACD" or "Authorised Corporate Director"	Natixis Investment Managers S.A.[1] which acts as the authorised corporate director of the Company.
"Approved Bank"	in relation to a bank account opened by the Company: (a) if the account is opened at a branch in the United Kingdom; (i) the Bank of England; or (ii) the central bank of a member state of the OECD; or (iii) a bank or a building society as defined in the glossary of definitions in the FCA Rules; or (iv) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or (b) if the account is opened elsewhere: (i) a bank in (a); or (ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or (c) a bank supervised by the South African Reserve Bank.
"Auditor"	PricewaterhouseCoopers LLP.
"Business Day" or "Dealing Day"	means any day on which banks are open for business in the U.K. and/or such other place or places and such other day or days as the ACD may determine.
"COLL Sourcebook" or "COLL"	refers to the rules contained in the Collective Investment Schemes Sourcebook of the FCA Rules as amended, excluding, for the avoidance of doubt, any guidance or evidential provisions.

[1] The ACD changed its name from NGAM S.A. to Natixis Investment Managers S.A. on 20 November 2017.

“Company”	Natixis Investment Funds U.K. ICVC.
“Depositary”	State Street Trustees Limited.
“Distribution Shares”	Shares in respect of which income is distributed to Shareholders periodically as detailed in Appendix 3.
“EEA State”	a member state of the European Union and any other state which is within the European Economic Area.
“Eligible Markets”	such markets meeting the requirements set out in paragraph 3 of Appendix 1.
“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 Rules, or a MiFID (Markets in Financial Instruments Directive) investment firm authorised by its home state regulator as defined in the glossary of definitions in the FCA Rules.
“FCA”	the Financial Conduct Authority of the United Kingdom and/or any successor regulatory body thereto.
“FCA Rules”	the FCA handbook of rules and guidance made under the Financial Services and Markets Act 2000, as amended, revised, updated or supplanted from time to time, including for the avoidance of any doubt, the COLL Sourcebook.
“Fund” or “Funds”	a Fund or Funds of the Company. Each Fund forms part of the property of the Company but is pooled separately and is invested in accordance with the investment objective applicable to that Fund.
“Instrument of Incorporation	the instrument of incorporation of the Company as amended from time to time.
“Investment Manager”	such entity or entities for the time being appointed as (an) investment manager(s) to provide investment management services to any or all of the Funds as set out in Appendix 3.
“ISA”	an individual savings account set up under the Individual Savings Account Regulations 2008.
“KIID”	Key Investor Information Document.
"Level 2”	Commission Delegated Regulation EU No 2016/438 supplementing the UCITS Directive.
“Net Asset Value” or “NAV”	the value of the property of (or attributable to) the Company, a Fund or a Share Class (as the context may require) less the liabilities of (or attributable to) the Company, Fund or Share 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 Share Class in issue in respect of any Fund divided by the number of shares of the relevant Share Class in issue or deemed to be in issue in that Fund.
"Non-Qualified Person"	any U.S. Person or any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the ACD, might:- a) be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or b) require the Company or the ACD to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to apply for registration, or comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction; or c) cause the Company, its Shareholders or the ACD some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Company or its Shareholders might not otherwise have incurred or suffered.
"OECD"	the Organisation for Economic Co-operation and Development.
"OEIC"	a company incorporated under the OEIC Regulations.
"OEIC Regulations"	the Open-Ended Investment Companies Regulations 2001 (as amended from time to time).
"Ongoing Charges Ratio"	means the total amount of charges and expenses paid annually by a Fund (excluding portfolio transaction costs), which is identical to the ongoing charges figure disclosed in the KIID and which is calculated in accordance with CESR Guidelines (CESR/10-674).
"Register of Shareholders"	the register of shareholders kept by or on behalf of the Company pursuant to paragraph 1(1) of Schedule 3 to the OEIC Regulations.
"Regulated Activities Order"	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 SI 2001/544.
"the Regulations"	the OEIC Regulations and the FCA Rules.
"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.

“Securities Financing Transactions” or “SFT”	as defined in SFTR.
“SFTR”	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as may be amended or replaced.
“Share” or “Shares”	a share or shares in the Company (including Larger Denomination Shares and Smaller Denomination Shares) relation to a single Fund.
“Share Class”	all of the shares issued by the Company as a particular class of shares relating to a single Fund.
“Shareholder”	a holder of Shares in the Company.
"Total Return Swap" or "TRS"	a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.
“Transfer Agent”	DST Financial Services Europe Ltd (“DST”) provides transfer agency services to the ACD and the Company, and acts as registrar to the Company.
“UCITS Directive”	Directive 2009/65/EC on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended by Directive 2014/91/EU.
“U.K.”	United Kingdom of Great Britain and Northern Ireland.
“U.S.”	United States of America.
“U.S. Person”	is as defined in either of the U.S. Internal Revenue Code of 1986 or under Regulation S of the U.S. Securities Act of 1933, each as set out below and as may be amended from time to time: The U.S. Internal Revenue Code of 1986 defines a U.S. person as: (a) a citizen or resident of the United States; (b) a partnership created or organised in the United States or under the law of the United States or of any state, or the District of Columbia; (c) a corporation created or organised in the United States or under the law of the United States or of any state, or the District of Columbia; (d) any estate or trust other than a foreign estate or foreign trust (see Internal Revenue Code section 7701(a)(31) for the definition of a foreign estate and a foreign trust); (e) a person that meets the substantial presence test;

	(f) any other person that is not a foreign person. Regulation S of the U.S. Securities Act of 1933 defines a U.S. person as: (a) Any natural person resident in the United States; (b) Any partnership or corporation organized or incorporated under the laws of the United States; (c) Any estate of which any executor or administrator is a U.S. person; (d) Any trust of which any trustee is a U.S. person; (e) Any agency or branch of a foreign entity located in the United States; (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person; (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and (h) Any partnership or corporation if: (i) Organized or incorporated under the laws of any foreign jurisdiction; and (ii) Formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.
"Valuation Point"	the point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the property of the Company or a Fund (as the case may be) for the purpose of determining the price at which Shares of a Share Class may be issued, cancelled or redeemed, as further set out in Appendix 3 in respect of each of the Funds.
"VAT"	value added tax.

In this Prospectus the words and expressions set out in the first column above shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Prospectus but not defined herein shall have the same meanings as in the FCA Rules unless the contrary is stated. All references to "Sterling" and "£" are to the currency of the U.K.

THE COMPANY AND THE FUNDS

The Company

The Company is an open-ended investment company with variable capital. The Company is incorporated in England and Wales with registered number IC000968 and is authorised pursuant to Regulation 14 of the OEIC Regulations. The effective date of the authorisation order made by the FCA was 30 January 2013.

The minimum share capital of the Company is £1 and the maximum share capital is £100,000,000,000. The base currency for the Company is Sterling. The Shareholders are not liable for the debts of the Company. Shares in the Company are not listed on any investment exchange.

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 four Funds:

- H2O MultiReturns Fund;
- Harris Associates Global Concentrated Equity Fund;
- Loomis Sayles Strategic Income Fund; and
- Loomis Sayles U.S. Equity Leaders Fund.

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

The address in the U.K. for service on the Company of notices or other documents required or authorised to be served on the Company is

Natixis Investment Funds U.K. ICVC
One Carter Lane
London
EC4V 5ER

Or alternatively
Natixis Investment Managers S.A.
Attn : Resident Conducting Person
2 rue Jean Monnet
L-2180 Luxembourg

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. Within the Funds, 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.

The Funds and their Investment Objectives and Policies

Details of the investment objective, policy and certain terms relating to an investment in the Funds are set out in Appendix 3.

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 Appendix 3. Investors should seek professional advice before making investment decisions. Investors should note that there is no guarantee that the investment objective of a Fund or positive return can be achieved.

Where and when appropriate, the historical performance of the Funds will be set out in Appendix 3.

Distribution of Income

The Company's annual accounting period ends on 31 December in each year. The interim accounting periods (if any) and the distribution policy for each Fund are set out in Appendix 3.

Allocation of income to holders of any Accumulation Shares that may be issued will be transferred to the capital property of each Fund as at the end of the relevant distribution period (annual or interim) and be reflected in the value of Shares on the first Business Day following that distribution period.

Included in the price of Shares will be an income equalisation amount representing the value of income attributable to the Share in question accrued since the end of the last distribution period (annual or interim as the case may be).

Grouping for equalisation is permitted under the Instrument of Incorporation and arises during the allocation period of the Fund. Shares purchased during the allocation period will carry an entitlement to equalisation which is the amount arrived at on an average basis of the accrued net income per Share included in the price of Shares issued or re-issued during the allocation period. An equalisation amount may be included as part of any income allocation to shareholders and represents a return of capital rather than income.

How Distributable Income is Determined

The income available for distribution or accumulation in relation to a Fund is determined in accordance with the FCA Rules. In general terms, the income comprises all the sums deemed by the Company, after consultation with the Auditors of the Company, to be income in nature and received or receivable by the Company and attributable to the Fund in respect of the distribution period concerned, after deducting charges and expenses paid or payable out of such income and after making such adjustments in relation to taxation and other matters. The allocation of income to each Share Class is made after allowing for the effect, including attributable taxation, of any charges or expenses made on bases which vary by Share Class.

Income relating to a Fund is allocated at each Valuation Point among Share Classes linked to the Fund in proportion to the value of each Share Class relative to the value of the entire Fund as at the immediately preceding Valuation Point including any share class issue and cancellation movements, and excluding the effect of any Share Class specific withholding tax liabilities, applied at the immediately preceding Valuation Point.

AUTHORISED CORPORATE DIRECTOR

The ACD is Natixis Investment Managers S.A. and is a *société anonyme* incorporated under Luxembourg law on April 25, 2006 for an unlimited period of time and licensed as a management company under Chapter 15 of the Luxembourg 2010 Law on undertakings for collective investment, as amended.

The articles of incorporation of the ACD were published in the *Mémorial C* of May 15, 2006 and filed with the Chancery of the District Court of Luxembourg. The capital of the ACD currently amounts to twelve million Euro (€12,000,000) represented by one million two hundred thousand (1,200,000) shares with a par value of ten Euro (€10) each all fully paid in.

The directors of the ACD are Jason Trepanier, Jérôme Urvoy and Christopher Jackson.

Marielle Davis, Jean-Baptiste Gubinelli, Patricia Horsfall, Sébastien Sallée and Jason Trépanier are responsible for the ACD's daily business and operations.

The ACD is a subsidiary of Natixis Investment Managers, which is ultimately controlled by Natixis, Paris, France.

The ACD has also been appointed as management company of the following collective investment schemes domiciled in Luxembourg:

- Natixis International Funds (Lux) I;
- Natixis Loomis Sayles Senior Loan Fund; and
- Natixis Investment Solutions (Lux) I.

The ACD also acts as investment manager of the following collective investment scheme domiciled in Ireland:

- Natixis International Funds (Dublin) I Plc.

ACD Agreement

The ACD has been appointed under an agreement dated 13 February 2013 between the Company and the ACD ("the ACD Agreement"). Pursuant to the ACD Agreement, the ACD shall manage and administer the Company in accordance with the Regulations, the Instrument of Incorporation, the Prospectus and any relevant legislation or regulation applicable to the ACD. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD, including the management, investment and reinvestment of the property of each Fund in order to achieve the various investment objectives. The ACD may delegate its management and administration functions to third parties including associates subject to the FCA Rules. The specific functions the ACD has delegated are set out below.

The ACD is entitled to receive initial and periodic charges as set out in the section of this Prospectus headed "Fees and Expenses".

The ACD Agreement provides that the appointment may be terminated by either party on six months' written notice or immediately if the ACD ceases for any reason to be the Company's authorised corporate director. The ACD Agreement will also terminate on expiry of notice given by the Depositary in accordance with the COLL Sourcebook (liquidation, receivership or an administration order in respect of the ACD). The ACD is entitled to payment of its fees to the date of termination but no additional compensation.

The ACD Agreement provides that the Company will indemnify the ACD against any liability incurred by the ACD in carrying out its powers, duties, authorities or discretions as authorised corporate director of the Company except to the extent such liability arises as a direct result of the fraud, negligence, wilful default, breach of duty or bad faith on the part of the ACD.

The ACD has delegated dealing, fund valuation, fund accounting functions to State Street Bank and Trust Company, and registration and transfer agency functions to DST Financial Services Europe Ltd. The ACD has also appointed the Investment Managers to provide investment management services in respect of the Funds. The ACD remains responsible for ensuring that the companies to whom it delegates any of its functions, perform those delegated functions in compliance with the Regulations.

DEPOSITARY

The Depositary is State Street Trustees Limited, a private company limited by shares (registered number 2982384) which was incorporated in England and Wales on 24 October 1994. Its registered office is at 20 Churchill Place, London, E14 5HJ.

Its ultimate holding company is State Street Corporation a company incorporated in the state of Massachusetts, USA. The principal business activity of the Depositary is acting as depositary and trustee of collective investment schemes. The Depositary is authorised and regulated by the Financial Conduct Authority.

<u>Depositary's function</u>

The Depositary has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Instrument of Incorporation.
- ensuring that the value of the Shares is calculated in accordance with applicable law and the Instrument of Incorporation.
- carrying out the instructions of the ACD and the Company unless they conflict with applicable law and the Instrument of Incorporation.
- ensuring that in transactions involving the assets of any Fund any consideration is remitted within the usual time limits.
- ensuring that the income of the Company is applied in accordance with applicable law and the Instrument of Incorporation.
- monitoring of each Fund's cash and cash flows.
- safe-keeping of the each Fund's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

<u>Depositary's liability</u>

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

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the Level 2, the Depositary shall return financial instruments of identical type or the corresponding amount to the relevant Fund without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

The Shareholders may invoke the liability of the Depositary directly or indirectly through the ACD provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the Depositary's fraud or negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

Delegation

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix 6 to this Prospectus.

Conflicts of Interest

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

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

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

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

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

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

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

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

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

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee, in accordance with the FCA's Client Asset Sourcebook, Chapter 7: Client money rules.

The ACD may also be a client or counterparty of the Depositary or its affiliates.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request from the ACD.

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

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

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

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

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

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

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

<u>Depositary Agreement</u>

The Depositary provides its services under the terms of a depositary agreement between the Company, the ACD and the Depositary (the "Depositary Agreement").

Subject to the FCA Rules, under the Depositary Agreement, the Depositary has full power to delegate any part of its duties as depositary to a limited range of persons and entities, details of the relevant delegates are set out in Appendix 6.

The Depositary Agreement may be terminated on 180 days' written notice by the Depositary or on 90 days' written notice by the Company.

The Depositary Agreement provides indemnities to the Depositary and its delegates for costs, charges, losses, and liabilities, except in respect of its failure to exercise reasonable skill, care and diligence, where there is negligence, fraud or wilful default, or where there are breaches of the OEIC Regulations and FCA Rules.

The fees to which the Depositary is entitled are set out in the section “Remuneration and Expenses of the Depositary”.

THE ADMINISTRATOR

The ACD has appointed State Street Bank and Trust Company to provide administration services to the ACD. The principal activity of the Administrator is the provision of administration services, including but not limited to fund accounting and pricing services.

THE TRANSFER AGENT

The ACD has appointed DST Financial Services Europe Ltd ("DST") to provide transfer agency services to the ACD and the Company, and to act as registrar to the Company.

As such, DST is responsible on behalf of the Company for the processing and execution of subscription, transfer, conversion and redemption orders of Shares.

The Register of Shareholders is maintained by DST on behalf of the Company at its office at DST House, St Nicholas Lane, Basildon, Essex SS15 5FS and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

THE AUDITOR

The auditor of the Company is PricewaterhouseCoopers LLP.

INVESTMENT MANAGERS

The ACD has appointed the Investment Managers listed below to provide management and advisory services in respect of the Funds as further detailed under Appendix 3:

- H2O Asset Management LLP;
- Harris Associates L.P.; and
- Loomis, Sayles & Company, L.P.

Harris Associates L.P. and Loomis, Sayles & Company, L.P are registered as investment advisers with the U.S. Securities and Exchange Commission. H2O Asset Management LLP is authorised and regulated by the Financial Conduct Authority.

Each of the Investment Managers has the authority to make decisions on behalf of the Company and the ACD in respect of the acquisition and disposal of property at any time comprising the relevant Fund and to advise in respect of the rights associated with the holding of such property.

Loomis, Sayles & Company, L.P. has been appointed pursuant to an investment management delegation agreement with the ACD dated 28 February 2013; H2O Asset Management LLP has been appointed pursuant to an investment management delegation agreement with the ACD dated on 27 September 2013; and Harris Associates L.P. has been appointed pursuant to an investment management delegation agreement with the ACD dated on 26 June 2014; (together referred to as, the "Investment Management Agreements").

Each of the Investment Management Agreements may be terminated on twenty days' written notice by the relevant Investment Manager and it may also be terminated by the ACD with immediate effect.

Each of the Investment Managers will indemnify, defend and hold harmless the ACD, the Company and any of their agents, officers and directors from and against any and all damages, losses or claims incurred by the ACD, the Company or any of their agents, officers or directors as a result of (a) any breach of the Investment Management Agreement by the respective Investment Manager or any of its agents, or (b) the respective Investment Manager's (or any of its agents') negligence, bad faith, intentional default or fraud, except to the extent such damages, losses or claims arise as a result of the ACD's (or any of its agents') negligence, bad faith, intentional default or fraud. The

ACD has given a reciprocal indemnity to each of the Investment Managers and its affiliates, directors, officers, partners, members or agents, in accordance with the respective Investment Management Agreement.

CHARACTERISTICS OF SHARES

Several Share Classes may be issued in respect of each Fund, distinguished by their criteria for subscription and fee structure.

Where a Fund has different Share Classes, each Share Class may attract different charges and so monies may be deducted from Share Classes in unequal proportions. In these circumstances the proportionate interests of the Share Classes within a Fund will be adjusted accordingly.

Share Class Characteristics

The Share Classes currently available for each Fund are set out in Appendix 3 below.

Share Classes differ with respect to various criteria including (without limitation): a type of investor for whom they are designed, a dividend policy, a policy with respect to withholding taxes, charges and expenses, hedging policies, minimum initial investment and minimum holding amounts and currencies of quotation (as further detailed in Appendix 3). The following Share Classes may be issued:

- I Shares are available only for investors able to meet the minimum initial investment and minimum holding requirements as specified in Appendix 3;
- N Shares are available only for investors able to meet the minimum initial investment and minimum holding requirements as specified in Appendix 3. N Shares are meant to comply with the restrictions on the payment of commissions set-out under the FCA Rules in relation to the Retail Distribution Review;
- Q Shares are reserved for any company in the Natixis group of companies in its role as funding shareholder of a Fund and with the prior approval of the ACD, or for affiliated and unaffiliated entities under certain conditions determined by, and with the prior approval of, the ACD;
- S1 Shares are available only for investors able to meet the minimum initial investment and minimum holding requirements as specified in Appendix 3.
- In certain circumstances the ACD may limit the issue of Shares in any of the above Classes. In the event that the ACD does limit the issue of Shares in any of the above Classes, the Shares will be denominated LI Shares, LN Shares, LQ Shares or LS1 Shares as appropriate. Shareholders will be notified in the event that a limit is imposed on the issue of Shares in any particular Class of Shares or Fund. Further details of Classes which are subject to limited issue requirements are set out in the Buying and Selling Shares section below.

Shares have no par value.

Denominations of Shares

The rights attached to Shares of each Share Class are expressed in two denominations - smaller denomination and larger denomination. Each smaller denomination Share represents one thousandth of a larger denomination Share and therefore, in practice, represents a fraction of a whole Share (being a larger denomination Share).

Distribution and Accumulation Shares

Distribution Shares

Holders of Distribution Shares are entitled to be paid the distributable income attributed to such Shares in respect of the relevant interim and/or annual distribution period for that Share Class.

Income will be distributed on or before the income distribution dates (see Appendix 3 in relation to each Fund).

Accumulation Shares

Holders of Accumulation Shares are not entitled to be paid the income attributed to such Share Class in relation to the relevant interim and/or annual distribution periods, but that income is automatically transferred to (and retained as part of) the capital assets of a Fund on the last day of the relevant interim and/or annual distribution period. This is reflected in the price of an Accumulation Share.

In accordance with UK law no tax is deducted or accounted for by the Company in respect of any distribution or allocation of income.

Gross Shares

Gross Shares are Distribution or Accumulation Shares where, in accordance with relevant tax law whereby distribution or allocation of income is made without any tax being deducted or accounted for by the Company.

Hedged Shares

Hedged Shares are Shares denominated in a currency other than a Fund's base currency and hedged against the currency exchange risk between the currency of denomination such Shares and the Fund's base currency. Hedged Shares will be hedged against the base currency of the relevant Fund regardless of whether such base currency is declining or increasing in value relative to the currency of denomination of such Shares. The costs and benefits of such currency hedging transactions will accrue solely to the investors in the relevant hedged class with reference to the value of the respective Share holdings in that class. This includes the costs of hedging and the allocation of any gains and losses resulting from the hedging transactions. The currency transactions will not cause the relevant hedged class to be leveraged. The value of each class to be hedged will be made up of both capital and income and the ACD intends to hedge between 95-105% of the value of each hedged class. Adjustments to any hedge to keep within this target range will only be made when the required adjustment is material. Hedged classes cannot be completely protected from all currency fluctuations. The investors in Hedged Shares should be aware that whilst holding Hedged Shares may substantially protect them against declines in the Fund's base currency, it may also substantially prevent them from benefitting if there is an increase in the value of the Fund's base currency relative to the currency of denomination of Hedged Shares. Holders of Hedged Shares should be aware that any currency hedging process may not give a precise hedge. There is no guarantee that the hedging will be totally successful. This hedging will typically be undertaken by means of forward contracts but may also include currency options or futures or over-the-counter derivatives.

As there is no segregation of liabilities between classes, there is a remote risk that under certain circumstances, currency hedging transactions in relation to a class could result in liabilities which might affect the Net Asset Value of other classes of the same Fund.

Bearer Shares

The Company does not issue bearer shares and only intends to issue registered shares.

Title to Shares

The title to Shares is evidenced by entries on the Register of Shareholders. Certificates for Shares will not be issued unless specifically requested by a Shareholder.

SHAREHOLDER MEETINGS AND VOTING RIGHTS

The Company has elected not to hold annual general meetings. Extraordinary or general meetings of Shareholders of any Fund or any Share Class may be held at such time and place as indicated in the notice to convene.

Certain changes to this Prospectus or the Instrument of Incorporation require the prior approval of a meeting of Shareholders, in accordance with the FCA Rules. When such approval is not required by the FCA Rules, the ACD may make changes to the Prospectus or the Instrument of Incorporation without the approval of Shareholders.

In certain circumstances, the FCA Rules require that a resolution be passed as an extraordinary resolution, which is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for and against the resolution. In other cases, a resolution may be passed by a simple majority of the votes validly cast for and against the resolution.

At any meeting of Shareholders a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before the declaration of the result of the show of hands) demanded by the Chairman, by the Depositary or, by at least two shareholders present in person or by proxy or, in the case of a body corporate, by a duly authorised representative.

On a show of hands every Shareholder who (being an individual) is present in person or by proxy shall have one vote.

On a poll the voting rights attached to each Share shall be such proportion of the voting rights attached to all Shares in issue in the Company as the price of the Share bears to the aggregate price(s) of all the Shares in issue as at the date a notice of meeting is sent out, as described below.

The quorum at a meeting of Shareholders shall be two Shareholders present in person or by proxy. The quorum for an adjourned meeting is one Shareholder present in person or by proxy.

A corporation being a Shareholder may authorise such person as it thinks fit to act as its representative at any meeting of Shareholders and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Shareholder.

The ACD shall be entitled to receive notice of and attend any such meeting, but shall not be entitled to vote or be counted in the quorum and, accordingly, the Shares held or deemed to be held by the ACD shall not be regarded as being in issue.

Any associate of the ACD shall not be entitled to vote at any such meeting except in respect of Shares which he holds on behalf of a person who, if himself the registered holder, would be entitled to vote, and from whom he has received voting instructions.

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

The Shareholders entitled to receive notice of meetings shall be those Shareholders as at the close of business on the date which is 14 days before the notice of the relevant meeting is sent out.

Share Class Rights

The rights attached to a Share Class may only be amended by a class meeting of Shareholders of that Share Class. Any amendment to the Instrument of Incorporation that relates to a particular Share Class or particular Share Classes and does not prejudice the Shareholders of any other Share Class may be made by an extraordinary resolution passed at a class meeting.

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.

VALUATION

The Scheme Property is valued at each Valuation Point on each Dealing Day in order to determine the price at which Shares in the Funds may be purchased from or redeemed by the ACD and issued or cancelled by the Company. There will be one price at which an investor may buy and sell Shares as determined from time to time by reference to a particular Valuation Point.

The ACD reserves the right to carry out an additional valuation to the Scheme Property if it considers it desirable to do so. The ACD shall inform the Depositary of any decision to carry out an additional valuation.

The Net Asset Value of the Scheme Property of the Company or of a Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1) All the Scheme Property (including receivables) of the Company (or the Fund) is to be included in the calculation, subject to the following provisions.

2) Scheme Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it has been practicable to obtain:

   a) units or shares in a collective investment scheme:

      i) if a single price for buying and selling units is quoted, at the most recent such price; or

      ii) if separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

      iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available, no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;

   b) exchange-traded derivative contracts:

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

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

   c) over-the-counter derivative contracts shall be valued on the basis of unrealised gain or loss on the contract using current settlement price. When settlement price is not used, the over-the-counter derivative contracts will be valued at their fair value in accordance with the method of valuation (as used on a consistent basis) as shall have been agreed between the ACD and the Depositary;

   d) any other investment:

      i) if a single price for buying and selling units is quoted, at that price; or

ii) if separate buying and selling prices are quoted, the average of those two prices; or

iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which in the opinion of the ACD reflects a fair and reasonable price for that investment;

e) property other than that described in paragraphs (a), (b), (c) and (d) above, at a value which, in the opinion of the ACD represents a fair and reasonable mid-market price.

3) Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values unless in any case such amount is unlikely to be paid or received in full, in which case the value thereof is arrived at after the ACD make such discount as it may consider appropriate in such case to reflect the true value thereof.

4) In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the FCA Rules, the OEIC Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.

5) Subject to paragraph 6 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD their omission will not materially affect the final Net Asset Value.

6) All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.

7) An estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) tax on capital gains, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax and any foreign taxes or duties will be deducted.

8) An estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon treating periodic items as accruing from day to day will be deducted.

9) The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will also be deducted.

10) An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added. Any other credits or amounts due to be paid into the Scheme Property will be added. A sum representing any interest or any income accrued, both on cash and interest bearing securities, due or deemed to have accrued but not received.

11) Currencies or values in currencies other than the base currency of the Fund shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

12) Notwithstanding the foregoing, the ACD may, at its absolute discretion, use other generally recognised valuation principles in order to reach a proper valuation of the Net Asset Value of the Company or a Fund, in the event that it is impractical or manifestly incorrect to carry out a valuation of an investment in accordance with the above rules or it considers such principles better reflect the valuation of a security, interest or position and are in accordance with generally accepted accounting principles.

Where the ACD has reasonable grounds to believe that the price obtained is unreliable or the most recent price available does not reflect the ACD's best estimate of the value of the relevant investment at the relevant Valuation Point or no price or no recent price exists, the ACD may use a price which, in the opinion of the ACD reflects a fair and reasonable price for that investment (the fair value price).

The proportionate interests of each Share Class in the assets and income of the Fund shall be determined by the ACD as the proportion of the Scheme Property that is held by that Share Class at the end of the previous Dealing Day.

The proportion of assets and income allocated to each Share Class is made after allowing for the effect, including attributable taxation, of any charges and expenses made on bases which vary by Share Class.

Single Price

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.

Single Swinging Price

The price per Share at which Shares are subscribed for or are redeemed is the Net Asset Value per Share which may be adjusted for dilution as set out below (the “Price”). The Net Asset Value per Share of each Share Class will be arrived at by dividing the Net Asset Value attributable to that Share Class by the number of Shares of that Share Class. The Net Asset Value per Share may be adjusted on any Dealing Day in the manner set out below, to arrive at the Price and the subscription and redemption of Shares will be carried out at this Price on that Dealing Day.

Dilution

The actual cost of purchasing or selling assets and investments in the Funds may vary due to dealing charges, taxes, and any spread between buying and selling prices of that Fund’s underlying investments. These costs could have an adverse effect on the value of the Funds, known as “dilution”. In order to mitigate the effect of dilution the ACD may at its discretion adjust the single price at which Shares in the Funds are bought and sold to take into account the possible effects of dilution to arrive at the Price. This practise is known as making a “dilution adjustment”. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Fund in question. If the Price does contain a dilution adjustment, such dilution adjustment will be paid into the relevant Fund and will become part of the property of that Fund thus mitigating the effects of dilution that would otherwise constrain the future growth of that Fund.

The ACD reserves the right to make a dilution adjustment every Dealing Day such adjustment not exceeding 2% of the relevant Net Asset Value. The dilution adjustment is calculated using the estimated dealing costs of a Fund’s underlying investments and taking into consideration any dealing spreads, commission and transfer taxes. The level of the dilution adjustment may vary from Fund to Fund according to the characteristics of the assets and markets in which the Fund invests.

The amount of any such adjustment to NAV will depend on the volume of subscriptions or redemptions of Shares in the relevant Fund as well as the level of trading costs at the time, and the ACD is not currently able to predict the likely frequency of such events. The ACD may in its discretion make a dilution adjustment if, in its opinion, the existing Shareholders, in the case of subscriptions, or remaining Shareholders, in the case of redemptions, might otherwise be adversely affected, and making a dilution adjustment is, so far as practicable, fair to all Shareholders and potential Shareholders. In particular, the dilution adjustment may be made in the following circumstances:

a) where a Fund is expanding or contracting;

b) where a Fund is experiencing a large Net Subscription Position or a large Net Redemption Position relative to its size on any Dealing Day;

c) in any other case where the ACD is of the opinion that the imposition of a dilution adjustment is in the interests of Shareholders.

An expanding Fund has been determined as one where, based on the daily movements in and out of the Fund, the Fund has experienced a net inflow of investment over a calendar month and a contracting Fund is one where, over the same period, the Fund has experienced a net outflow. A level Fund is one which is considered to be neither expanding or contracting based on the above criteria.

For an expanding Fund the ACD will normally swing the Price to “offer” (i.e. increase the Price by the premium rate detailed above), however in the event of net outflows on a given Dealing Day the ACD may leave the Price at “mid” or swing the Price to “bid” (i.e. reduce the Price by the discount rate detailed above) if the outflows are of significant size relative to the size of the Fund.

For a contracting Fund the ACD will normally swing the Price to “bid”, however in the event of net inflows on a given Dealing Day the ACD may leave the Price at “mid” or swing the Price to “offer” if the inflows are of significant size relative to the size of the Fund.

For a level Fund the ACD will normally leave the Price at “mid”, however in the event of net inflows on a given Dealing Day the ACD may swing the Price to “offer”, or in the event of net outflows on a given Dealing Day the ACD may swing the Price to “bid”, if the flows are of significant size relative to the size of the Fund.

The Price of each Share Class in each Fund will be calculated separately but any dilution adjustment will in percentage terms affect the Price of Shares of each Share Class identically.

The ACD’s decision on whether or not to make this adjustment, and at what level this adjustment might be made in a particular case or generally, will not prevent it from making a different decision on future similar transactions.

On the occasions when a dilution adjustment is not applied if a Fund is in a Net Subscription Position or a Net Redemption Position there may be an adverse impact on the assets of that Fund attributable to each underlying Share, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a Share. As dilution is directly related to the inflows and outflows of monies from the Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make a dilution adjustment.

The dilution adjustment will be applied to the Price for the Shares resulting in a figure calculated up to four significant figures. The final digit in this figure will then be rounded either up or down in accordance with standard mathematical principals resulting in the final Price for the Shares.

The most recent dilution adjustment figures can be obtained from the ACD on request.

FEES AND EXPENSES

The Company pays out of the Scheme Property the fees and expenses payable to:

- the ACD;
- the Depositary;
- the Administrator;
- the Transfer Agent; and
- Independent auditors, outside counsel and other advisors.

In addition, administrative expenses, such as registration fees, insurance coverage and the costs relating to the translation and printing of this Prospectus and reports to Shareholders are paid out of the Scheme Property. All of these fees and expenses together comprise the **Ongoing Charges Ratio.**

The Ongoing Charges Ratio shall be such percentage of each Fund's average daily Net Asset Value as is indicated in each Fund's description under Appendix 3.

Unless otherwise provided for in any Fund's description under Appendix 3, if the total fees and expenses which would otherwise be payable by that Fund exceed the Fund's Ongoing Charges Ratio, the ACD will cover the difference and the corresponding income will be presented under "Other Income" in the Company's audited annual report. If the total expenses paid by any Fund are lower than the Ongoing Charges Ratio, the ACD will be paid the difference and the corresponding charge will be presented under "Other Charges" in the Company's audited annual report.

The Ongoing Charges Ratio as indicated in each Fund's description under Appendix 3, does not necessarily include all the expenses paid by the relevant Fund in connection with that Fund's investments (such as brokerage fees, taxes, linked charges, interest on borrowing, entry and exit commissions or any other fees paid directly by the investor as defined in the CESR Guidelines (CESR/10-674)) and as further detailed hereafter.

Any material increase in fees or expenses payable to the ACD, the Depositary, the Administrator, the Transfer Agent, independent auditors, outside counsel and other advisors will require a revision of the Prospectus to reflect such proposed increase of the Ongoing Charges Ratio and 60 days' written notice to Shareholders.

Depositary's Remuneration and Expenses

The Depositary's remuneration and expenses for its services as Depositary of the Company are a component of the Ongoing Charges Ratio and are payable out of the Scheme Property.

The portion of the Ongoing Charges Ratio attributable to the Depositary's remuneration is calculated as an annual percentage of the value of each Scheme Property as is set out in the table below:

Band Range	Fee
On the First U.S. Dollar 60 million	0.0345%
On the Next U.S. Dollar 65 million	0.0245%
Greater than U.S. Dollar 125 million	0.015%

The fees payable to the Depositary are calculated and accrued daily, based on the value of each Scheme Property at the preceding Valuation Point, and payable monthly in arrears.

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

In addition to the remuneration referred to above, the Depositary will be entitled to receive reimbursement for expenses properly incurred by it in the discharge of its duties or exercising any of the powers conferred upon it by the Instrument, the FCA Rules or by the general law, subject to approval by the ACD.

The Depositary has appointed State Street Bank and Trust Company as custodian of the Scheme Property (the "Custodian"). The Depositary is entitled to reimbursement out of the Scheme Property in respect of the Custodian's fees paid by it. The Custodian's remuneration for acting as custodian is calculated at an ad valorem rate determined by the territory or country in which the assets of the Scheme Property are held. Currently, the lowest rate is 0.005% and the highest rate is 0.5%. In addition, the Custodian makes a transaction charge determined by the territory or country in which the transaction is effected. Currently, these transaction charges range from $10-$166 per transaction.

The Custodian is permitted to increase its remuneration subject to the agreement of the Depositary and ACD. If the change materially increases the payment out of a scheme, 60 days' prior written notice will be given to the Shareholders.

The following further expenses may also be paid out of the Scheme Property:

- all charges imposed by, and any expenses of, any agents appointed by the Depositary to assist in the discharge of its duties;

- all charges and expenses incurred in connection with the collection and distribution of income;

- all charges and expenses incurred in relation to the preparation of the Depositary's annual report to shareholders; and/or

- all charges and expenses incurred in relation to stock lending.

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

Administrator's Fees

The Administrator's remuneration and expenses for its services as Administrator of the Company are a component of the Ongoing Charges Ratio and are payable out of the Scheme Property.

The portion of the Ongoing Charges Ratio attributable to the Administrator's remuneration will include some or all of the following fees as set out below: fees in respect of the fund accounting services, fees for the share class valuation, additional accounting services and financial reporting services, fees for OTC derivatives services, fees for the investment fund clearance, fee for compliance services.

The fees in respect of the fund accounting services are calculated as an annual percentage of the value of the Scheme Property at a rate of 0.04% for the first $200,000,000 and 0.0165% for the value of the Scheme Property in excess of $ 200,000,000 until 31 March 2017 raising thereafter to 0.03% for the value of the Scheme Property in excess of $ 200,000,000.

Additional fees within the portion of the Ongoing Charges Ratio attributable to the Administrator's remuneration may arise in respect of the fund accounting services which will vary depending on a number of factors including the number and type of share classes and the volume of OTC derivative transactions.

The fees payable to the Administrator are calculated and accrued daily, based on the value of the Scheme Property at the preceding Valuation Point, and payable monthly in arrears.

Transfer Agent's Fees

The Transfer Agent's remuneration and expenses for its services as Transfer Agent of the Company and the provision of Registrar services are a component of the Ongoing Charges Ratio and are payable out of the Scheme Property.

The portion of the Ongoing Charges Ratio attributable to the Transfer Agent remuneration will include fees and expenses in respect of creation, conversion and cancellation of shares, share registration or re-registration, production of contract notes, dispatch of statements, establishing and maintaining the Register of Shareholders as well as reasonable out of pocket expenses, exceptional expenses and administrative costs.

Depending on asset level and volume, the total annual fees payable to the Transfer Agent shall range between 0.15% and 0.01% of the Net Asset Value of each Fund.

The fees payable to the Transfer Agent are calculated and accrued daily, based on the value of the Scheme Property at the preceding Valuation Point, and payable monthly in arrears.

ACD Remuneration

The ACD, as remuneration for carrying out its duties and responsibilities, is entitled to a management fee (the "Management Fee") in respect of each Share Class calculated monthly based on the value of the Scheme Property at preceding Valuation Point and payable monthly (as the case may be) in arrears.

The portion of the Ongoing Charges Ratio attributable to the Management Fee shall correspond to the Ongoing Charges Ratio once all other fees and expenses payable out of the Scheme Property have been deducted. If the total expenses which would otherwise be payable by a Fund exceed the Ongoing Charges Ratio, the ACD will cover the difference.

The Management Fee will be deducted from the capital or income property of a Fund as set out in Appendix 3. When such fee is deducted from capital, it may result in capital erosion or constrain the capital growth of the Fund in question or Share Class.

The ACD pays the Investment Managers and any distributors appointed from time to time out of the fees it receives from the Company.

Other Expenses

In accordance with the Regulations, the following payments may lawfully be made out of the Scheme

Property of the Funds:

(A) Broker's commission, fiscal charges and other disbursements which it is necessary to incur in effecting transactions for the Funds concerned and which are normally shown in contract notes, confirmation notes and difference accounts, as appropriate.

(B) Interest on borrowings permitted under the FCA Rules and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings.

(C) Taxation and duties payable in respect of the property of the Fund or in respect of the issue or redemption of Shares, including stamp duties or other taxes or duties in relation to the transfer to the Company of assets acquired in exchange for the issue of Shares or in relation to the redemption of Shares.

(D) Any costs incurred in modifying the Instrument of Incorporation, including costs incurred in respect of meetings of Shareholders convened for purposes which include the modification of the Instrument of Incorporation where the modification is necessary to implement changes in the law, or necessary as a direct consequence of any change in the law, or expedient having regard to any change in the law made or to remove obsolete provisions from the Instrument of Incorporation.

(E) Any costs incurred in respect of meetings of Shareholders, or class meetings of Shareholders of a Fund, including meetings convened on a requisition by Shareholders or by the ACD, or travel to and attendance at such meetings.

(F) Liabilities arising on amalgamation or reconstruction of the Company or any of its constituent Funds.

(G) The audit fee of the Auditors of the Company and any proper expenses of such an auditor.

(H) The periodic fees of the FCA in respect of the Company as may be prescribed under the Financial Services and Markets Act 2000 (as amended), or any relevant regulations made thereunder and any payments otherwise due by virtue of the FCA Rules or the corresponding fees of any regulatory authority in a country or territory outside the UK in which the Shares are or may be marketed and the costs involved in registering the Company or a Fund in a country or territory outside the UK (including translations and the fees and expenses of any paying agents, information agents or other entities which are required to be appointed by any regulatory authority).

(I) any expenses or disbursements of the Depositary incurred in exercising any powers conferred upon the Depositary, or in performing any of the duties imposed upon it by the OEIC Regulations, the FCA Rules, the Instrument of Incorporation or by law, which duties may include delivery of stock to the Depositary or custodian, custody of assets, collection of income and capital, submission of tax returns, handling tax claims, preparation of the Depositary's annual report; and such other duties as the Depositary is required by the OEIC Regulations, the FCA Rules, the Instrument of Incorporation or by law to perform;

(J) Any costs incurred by the Company in publishing the prices of Shares, including the costs of listing the prices of Shares in publications and information services selected by the ACD, in whatever medium.

(K) Any expenses incurred in relation to company secretarial duties, including all costs incurred in preparing accounts and producing and despatching annual, half yearly and other reports of the Company.

(L) Any fees, expenses or disbursements of any investment, legal or other professional adviser of the Company and those of the Company's sub-advisers.

(M) Fees and expenses incurred by the ACD in connection with the provision of its investment management services (including, but not limited to, research).

(N) Any value added or similar tax relating to any charge or expense set out above.

Allocation of Assets, Charges and Expenses to Funds

All fees, duties, charges and expenses (other than any borne by the ACD) are charged to the Fund or Share Class in which they were incurred. No fees will be paid until a Fund is launched. However, where they are not attributable to a particular Fund or Share Class, they will be allocated among the relevant Funds or Share Classes based on their respective Net Asset Value or any other reasonable basis given the nature of the charges.

The costs of authorisation of any new Fund may be borne by that Fund at the discretion of the ACD. Charges relating to the creation of a new Fund or Share Class shall be amortised over a period not exceeding 5 years against the assets of that Fund or Share Class.

Initial Charge

The ACD may impose a charge on subscription for Shares. The actual amount applicable to each Share Class is set out for each Fund in Appendix 3 and is expressed as a percentage of the monetary value of an investor's subscription for Shares.

Exchange Fee

The ACD may charge an exchange fee when Shares of a Fund are exchanged for Shares in another Fund not exceeding the maximum percentage rate of initial charge for the Shares in such other Fund. The ACD will not charge an exchange fee when Shares in a Fund are exchanged for another Share Class in the same Fund. Please see the section headed "Exchanges" for details.

BUYING AND SELLING OF SHARES

Subscriptions

Initial Offer Period

Shares may be subscribed for during the initial offer period at the initial offer price in respect of each of the Funds as set out in Appendix 3 and will be issued for the first time on the first Business Day following the close of the relevant initial offer period.

Subscriptions

Shares in each Fund may be purchased or sold on any Dealing Day, provided the eligibility requirements are met. The purchase price of Shares will be equal to the Net Asset Value per Share as at the relevant Valuation Point. The Investor may also be required to pay an initial charge as set out in the section headed “Fees and Expenses” above. Investors should note that they will not know the actual purchase price of their Shares until their order has been fulfilled.

An investor intending to subscribe for shares initially must apply for such Shares by completing and signing an application form which is available from the Transfer Agent. Completed originals of the application forms (which shall contain a representation that an applicant has received and read the KIID) must be sent to the Transfer Agent at the following address: DST Financial Services Europe Ltd, St. Nicholas Lane, Basildon, Essex SS15 5FS, so that received before the relevant cut-off time as set out in Appendix 3 in respect of each of the Funds.

Subsequent Shares may be purchased by facsimile or telephone or by such other mean as the ACD may from time to time make available. Any request for the subscription of Shares must be received by the Transfer Agent prior to the relevant cut-off time in order to be processed on that Dealing Day. Any applications received after the relevant cut-off point will be processed on the following Dealing Day. All dealings are at forward prices, such that instructions accepted on a Dealing Day prior to the relevant cut-off point will be priced at the Dealing Valuation point on the same day, instructions received after the relevant cut-off point on any Dealing Day will be priced at the relevant Valuation point on the next Dealing Day. Cleared funds in the relevant currency in respect of the subscription monies must be received by the ACD in full within 4 Business Days from the relevant Dealing Day or as otherwise outlined in Appendix 3. The ACD will immediately cancel the Shares issued corresponding to any subscription not paid for in full in accordance with these provisions, and the investor submitting the subscription will be liable to the Fund for any loss, costs or expenses incurred directly or indirectly in relation to such cancellation. Investors should make payment as soon as they receive written confirmation of their shareholding from the Transfer Agent.

The Transfer Agent may request an investor to provide additional information to substantiate any representation made by the investor in its application forms. Any application that has not been completed to the satisfaction of the Transfer Agent will be rejected.

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

To confirm the transaction, a contract note or allocation letter will be issued within one Business Day after the relevant dealing date.

Where an applicant is subscribing for Shares using a third party clearing platform, the applicant will be required to subscribe for shares pursuant to the terms of that clearing platform.

Redemptions

The redemption price per Share will be equal to the Net Asset Value per Share as at the relevant Valuation Point less any charges which may apply as further detailed in the section headed “Fees and Expenses” above.

Shareholders intending to redeem Shares must notify the Transfer Agent by mail or telephone before the relevant cut-off point for any Dealing Day as outlined in Appendix 3, failing which the redemption request will be held over until the next following Dealing Day. Shares will be redeemed at the relevant price applicable on that Dealing Day. If Shareholders elect to notify a redemption request by telephone, the original signed redemption request must be received by the Transfer Agent by the relevant cut-off point on that Dealing Day. No redemption payment may be made until both the original redemption notice have been received and all the documentation required by the Company (including any documents in connection with anti-money laundering procedures) and the anti-money-laundering procedures have been completed.

A request for a partial redemption of Shares may be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Shares retained by the Shareholder would be less than the minimum holding as set out in Appendix 3.

A redemption request, once given, is irrevocable save with the consent of the ACD (which may be withheld in their discretion).

Payment will be made in the currency of denomination of the Shares being redeemed by direct transfer to an account in the name of the redeeming Shareholder in accordance with instructions given by the redeeming Shareholder to the Transfer Agent and at the Shareholder’s risk and expense.

Limited Issue Funds and Share Classes

General

A Fund may, in accordance with the COLL Sourcebook, limit the issue of Shares in a Fund, or any particular Share Class(es), to a prescribed NAV or number of Shares (the “Limit”) or as at a particular date (the “Effective Date”).

Where a Fund limits the issue of its Shares or a particular Share Class, the ACD may not provide for the further issue of such Shares once the Limit or the Effective Date has been reached (as applicable) unless, at the time of the issue, it is satisfied on reasonable grounds that the proceeds of the subsequent issue can be invested without compromising the Fund’s investment objective, or materially prejudicing existing Shareholders.

<u>Limited Issue at a Prescribed NAV or Number of Shares</u>

i. Assessment at Fund level

The ACD may, at its discretion, on the launch of a Fund or during the life of the Fund (subject to compliance with the procedures set out in the COLL Sourcebook) limit the issue of Shares in a Fund in accordance with the rules in the COLL Sourcebook. Where a Limit is applied, the applicable limit will be set out in Appendix 3.

ii. Assessment at Share Class level

The ACD may, at its discretion, on the launch of a new Share Class or during the life of the Share Class (subject to compliance with the procedures set out in the COLL Sourcebook) limit the issue of Shares in a particular Share Class of a Fund. The issue of those Shares will be limited solely in respect of the relevant Share Class and not the applicable Fund as a whole. Where a Limit is applied, the applicable limit will be set out in Appendix 3.

In the case of (i) and (ii), the Limit may be increased or decreased by the ACD where it considers that this is appropriate and is in accordance with the rules in the COLL Sourcebook. An example of circumstances which may result in the Limit being increased and the issue of further Shares permitted could include market developments which enable the proceeds of the subsequent issue to be invested in suitable assets without compromising the Fund's investment objective. Where a new Limit is declared, this fact will be published on the ACD's website at www.im.natixis.com. Shareholders may also enquire as to the level of the Limit for the Fund or Share Class (and whether such Limit has been reached) by calling the Administrator.

The issue of Shares in the relevant Fund or Share Classes will cease from the Dealing Day on which the Limit (or any higher or lower Limit set by the ACD) has been reached for the first time. Shareholders should note that due to varying sizes of purchase orders, the Fund or Share Class (in relation to such particular limited Shares) will not necessarily receive the amount of subscription monies to reach the Limit exactly. As the NAV of the Fund or Share Class (in relation to limited Shares) approaches the Limit, the ACD may, where it deems appropriate at its absolute discretion, accept subscription of Shares in excess of the Limit or allow for the issue of Shares to cease when the subscriptions reach an acceptable level below the Limit. Accordingly, the ACD may use the flexibility to decline or reject subscription applications at its absolute discretion.

Limited Issue as at Effective Date

Where a Fund or Share Class is required to limit the issue of Shares from the Effective Date, the ACD may not provide for the further issue of such Shares, other than in the circumstances outlined in the 'General' section above. In such circumstances, the ACD may provide for the further issue of such Shares after the Effective Date in accordance with the Prospectus. The ACD may take such decision at its discretion and in accordance with the COLL Sourcebook, in circumstances which include, but are not limited to, where the NAV of the Fund is at a level which would permit such re-investment or where market developments have arisen which enable the proceeds of the subsequent issue to be invested in suitable assets without compromising the Fund's investment objective. Shareholders will be notified via the ACD's website www.im.natixis.com as to whether the issue of such Shares has been permitted.

None of the Funds or Share Classes included in this Prospectus are currently subject to limited issue requirements. In the event that any Fund or Share Class does limit the issue of shares, notification in accordance with the FCA Rules will be made to Shareholders.

Deferred Redemptions

The ACD may defer part or all redemptions at a particular Dealing Day until the next Dealing Day where the requested redemptions (including redemptions deferred from a prior Dealing Day) exceed 5% of a Fund's value. The ACD will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The ACD will pro-rata all such redemption requests to the stated level and will defer the remainder until such period as it considers to be in the best interest of the Fund and its Shareholders. The ACD will also ensure that all deals relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered.

Suspension of Dealing

The ACD 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 Shares in any or all of the Funds, without prior notice to Shareholders. Such suspension will be effected in accordance with the FCA Rules which currently permit a suspension if the ACD or the Depositary is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of the Shareholders in the Fund concerned. If the redemption of Shares in a Fund is suspended, the obligations, relating to the creation, cancellation, issue and redemption of Shares, contained in the FCA Rules, will cease to apply in respect of the Fund concerned. The ACD will comply with as much of the obligations in the FCA Rules relating to the valuation and pricing of Shares as is practicable in the light of the suspension.

Shareholders will be notified of any suspension as soon as practicable after suspension commences. Such notification will draw Shareholder's attention to the exceptional circumstances which resulted in the suspension and the ACD will keep Shareholders informed about the suspension and the likely duration. The ACD and the Depositary will conduct a formal review of the suspension at least every 28 days in accordance with the FCA Rules.

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 the restart of dealings in Shares.

During any suspension, a Shareholder may withdraw his redemption notice provided that such withdrawal is in writing and is received before determination of the suspension. Any notice not withdrawn will be dealt with on the next Dealing Day following the end of the suspension.

Publication of Prices of Shares

Prices of Shares will be published daily in the Financial Times.

The price shown will be that calculated at the previous Valuation Point. The ACD may change the manner in which prices are published on 60 days' written notice to Shareholders.

Minimum Investment and Holding

No investor may initially subscribe for less than the amount of the minimum initial investment in respect of each of the Funds as set out in Appendix 3. There is no minimum investment amount for subsequent investments in the Funds. No investor may transfer or redeem Shares of any Share Class if the transfer or redemption would cause the investor's holding amount of that Share Class to fall below the minimum holding amount. The limits for minimum initial investment and minimum holding may be waived or reduced at the discretion of ACD.

The ACD may, in its discretion, provided that equal treatment of Shareholders is complied with and upon certain conditions determined by the ACD, accept a subscription of an amount which is below the minimum initial investment requirement or a redemption request that would cause the investor's holding in any Fund to fall below the minimum holding amount in respect of that Fund, as set out in Appendix 3. In the event the conditions of the exception are no longer satisfied within a certain period of time determined by the ACD, the ACD reserves the right to transfer the Shareholders into another Share Class of the relevant Fund for which the minimum initial investment and/or minimum holding requirements are met if any. Such an exception may only be made in favour of investors who understand and are able to bear the risk linked to an investment in the relevant Fund, on exceptional basis and in specific cases.

In Specie Redemption

If any Shareholder is redeeming Shares representing at least 20% of any Share Class, the ACD may arrange that in lieu of payment of the price of the Shares in cash, the Company shall cancel the Shares and transfer to that Shareholder property of the Fund of the relevant value. The ACD must give written notice to the Shareholder concerned of its decision to exercise these powers before the cash payment would otherwise be due. The Fund property to be transferred will be selected by the ACD in consultation with the Depositary and with a view to achieving no more advantage or disadvantage to the Shareholder requesting redemption of their Shares than to continuing Shareholders. The ACD will review its in-specie redemption policy at regular intervals and may change it at any time, in accordance with the FCA Rules. Any costs incurred in connection in specie redemption shall be borne by the relevant Shareholders.

Restrictions and Compulsory Transfer and Redemption

The ACD may from time to time impose such restrictions as it may think necessary to ensure that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection, the ACD may reject in its discretion any application for the purchase sale or exchange of Shares.

If it comes to the notice of the ACD that any Shares are or may be owned or held legally or beneficially by a Non-Qualified Person ("affected Shares"), the ACD may give notice to the registered holder(s) of the affected Shares requiring either the transfer of such Shares to a person who is not a Non-Qualified Person or a request in writing for the redemption or cancellation of such Shares in accordance with the FCA Rules. If any person upon whom such a notice is served does not, within 30 days after the date of such notice, transfer the affected Shares to a person who is not a Non-Qualified Person or establish to the satisfaction of the ACD (whose judgement is final and binding) that he and the beneficial owner are not Non-Qualified Persons, he shall be deemed upon the expiration of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares pursuant to the FCA Rules.

A person who becomes aware that he has acquired or holds affected Shares as described above shall forthwith, unless he has already received a notice from the ACD as above, either transfer the affected Shares to a person qualified to own them or give a request in writing for the redemption or cancellation of such Shares pursuant to the FCA Rules. A Shareholder may transfer its shares by an instrument of transfer in writing in any usual or common form or in any other form as may be approved the ACD.

The ACD may decide to close any Share Class (a "closing class") where, one year after the first issue of Shares in that Share Class or at any date thereafter the Net Asset Value of the closing class is less than £1 million or its equivalent in the base currency of the Fund to which the closing class relates, or the ACD decides it is desirable to close that Share Class. In such an event, the ACD will offer to exchange the Shares in the Share Class held by a Shareholder for Shares of such other Share Class in respect of the same Fund as in the opinion of the ACD most nearly equates to, in its discretion, the closing class. Such exchange shall be done by applying the formula for exchanges as set out below.

Compulsory Redemption

The Shares in any Fund may be compulsorily redeemed or cancelled in accordance with the Instrument of Incorporation if the ACD reasonably believes that:

- the Shareholder has made any misrepresentation as to his or her qualifications to be a Shareholder;

- the Shareholder's continued presence as a Shareholder would cause significant harm to the Fund or the other Shareholders;

- the Shareholder's continued presence as a Shareholder would cause the Fund to be or become subject to any reporting obligation, tax withholding obligation, or withholding tax that the Fund would not otherwise be subject to but for the Shareholder's (or similarly situated Shareholders') presence as a Shareholder;

- the Shareholder, by trading Shares frequently, is causing the relevant Fund to incur higher portfolio turnover and thus, causing adverse effects on the fund's performance, higher transactions costs and/or greater tax liabilities;

- the Shareholder's continued presence as a Shareholder would result in a breach of any law or regulation;

- the continued presence of a person or entity as a Shareholder in any Fund would have adverse consequences for the other Shareholders of the Fund or for the fulfilment of the Fund's investment objectives and policies; or

- the Shareholder is or has engaged in marketing and/or sales activities using the name of, or references to the Fund and/or the ACD or any of its strategies or portfolio managers without the prior written consent of the ACD.

In the event that a Shareholder's presence in the Fund causes the Fund to initiate a compulsory redemption and the Shareholder's presence in the Fund has caused the Fund or the Company to suffer any withholding tax which would not have been incurred but for the Shareholder's ownership of Shares, ACD shall have the right to redeem that Shareholder's Shares and withhold as much of the redemption proceeds as is required to satisfy the costs that rose solely due to the Shareholder's presence in the Fund. To the extent that there is more than one Shareholder similarly situated, proceeds will be withheld based on the relative value of redeemed shares.

Anti-Money Laundering

Under current laws, firms conducting investment business including the ACD are required to maintain procedures to combat money laundering. In order to implement these procedures, in certain circumstances Shareholders or potential Shareholders may be asked to provide documents or information (including proof of identity) in order that the Company or ACD may satisfy its legal requirements. This may be when an account is opened with the ACD's relevant agent, when shares are purchased or when Shares are redeemed. In the latter case, where the ACD is required to seek proof of identity, proceeds cannot be paid until the ACD has received appropriate verification.

The ACD is legally obliged to verify the identity of Shareholders for anti-money laundering purposes. This may involve the ACD obtaining information about Shareholders from a credit reference agency, however, the ACD will use any information they obtain in this way only to comply with its regulatory obligations, and not for any other purposes. The ACD reserves the right to refuse to open an account, to reverse the transaction or to refuse to sell Shares if it is not satisfied with the documents or information received.

Automatic exchange of information for international tax compliance

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including European Union directives and the United States provisions commonly known as FATCA), the Company (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status.

When requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

Market Timing Policy

The ACD does not knowingly allow investments which are associated with market timing activities, as these may adversely affect the interests of all Shareholders.

In general, market timing refers to the investment behaviour of a person or group of persons buying, selling or exchanging Shares on the basis of predetermined market indicators. Market timing may also be characterised by transactions that seem to follow a timing pattern or by frequent and/or large transactions in Shares.

Accordingly, the ACD reserves the right to reject any application for exchanging and/or subscription of Shares from investors whom it considers to be associated with market timing activity. In this connection the ACD may combine Shares which are under common ownership or control for the purposes of ascertaining whether investors can be deemed to be involved in such activities.

Governing Law

All dealings in Shares are governed by English law.

EXCHANGES

A Shareholder may give notice to the ACD, in such form as the ACD shall from time to time determine, that they wish to exchange all or some of their Shares of one Share Class or Fund ("the Original Shares") for Shares ("the New Shares") of another Share Class ("conversions") or Fund ("switches "). Such exchange request will be treated as a redemption of the Original Shares and simultaneous purchase of the New Shares. Consequently, such exchanges can only take place if the Shareholder requesting such exchange complies with the procedures of redemption and if, following the exchange, the Shareholder's holding of New Shares will satisfy the criteria and applicable minimum investment requirement of that Share Class or Fund. Conversions should not give rise to a liability to U.K. capital gains tax or U.K. corporation tax on chargeable gains, but switches will generally result in such a liability.

The ACD may impose restrictions on any application for exchange of Shares in whole or part on the basis of reasonable grounds relating to the circumstances of the Shareholder concerned.

The number of New Shares to be issued to the holder or an exchange will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time of the Original Shares are redeemed and the New Shares are issued. The formula as set out in the Instrument of Incorporation will be applied.

If Shares are exchanged for Shares of another Fund or Share Class having the same or a lower sales charge, no additional charge shall be levied. If Shares are exchanged for Shares of another Fund or Share Class having a higher sales charge, the exchange may be subject to an exchange fee equal to the difference in percentage of the sales charges of the relevant Shares. The actual amount of the exchange fee is determined by the financial institution through which the exchange of Shares is made. Such financial institution shall retain such exchange fee in remuneration for its intermediary activity.

The exchange of Shares between Funds or Share Classes having different Valuation Points may only be effected on a common Dealing Day. If Shares are exchanged for Shares of another Fund or Share Class having a notice period for subscriptions different from the notice period required for redemptions for the original Shares, the longest notice period will be taken into account for the exchange.

If an exchange would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in a particular Fund, the ACD may, if it thinks fit, convert, without any prior notice or charge, the whole of the Shareholder's holding of Original Shares to New Shares or refuse to effect any exchange of the Original Shares. No exchange will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. The general provisions on procedures relating to redemption will apply equally to an exchange.

A Shareholder who exchanges Shares in one Fund for Shares in any other Fund will not be given a right by law to withdraw from or cancel the transaction.

GENERAL INFORMATION

Reports and Accounts

The annual report in respect of the Company will be published within four months of the end of the annual accounting period which ends on 31 December. The half-yearly accounting period ends on 30 June and half-yearly reports in both short reports and long reports will be made up to such date each year and published within two months. The accounts contained in the annual and half yearly reports will be prepared in accordance with the FCA Rules and the Statement of Recommended Practice for Financial Statements of Authorised Funds. Shareholders will receive copies of the short reports on publication, and a copy of the long report and accounts will be available on request.

Inspection of Documents

Copies of the Instrument of Incorporation, the material contracts referred to below and the most recent annual and half-yearly reports may be inspected during normal office hours, and the Prospectus, Instrument of Incorporation and the most recent annual and half-yearly long reports may be obtained free of charge, from the Transfer Agent at the address stated in the Directory.

Supplementary information relating to the quantitative limits which apply to the risk management of the Company and the Funds, the methods used for the purposes of such risk management and any recent developments which relate to the risk and yields of the main categories of investment which apply to the Company and Funds will also be available on request.

Register of Shareholders

The Register of Shareholders for the Fund of the Company can be inspected at the offices of the Transfer Agent.

Notices

Any notice or document required to be sent or served to Shareholders will be sent either by first class post to the address as most recently notified to the Company and as entered on the Register of Shareholders, or electronically to the email address most recently notified to the Company (where a Shareholder has consented to the receipt of documents and notices electronically), at the ACD's discretion.

Material Contracts

The ACD Agreement dated 13 February 2013 between the Company and the ACD, not being a contract entered into in the ordinary course of business, has been entered into by the Company and is, or may be, material. A copy of the ACD Agreement will be available on request.

Additional information

Risk Management: Upon request, the following information may be obtained free of charge from the ACD: (i) the quantitative limits applying in the risk management of any Fund; (ii) the methods used in relation to such limits; and (iii) any recent development of the risk and yields of the main categories of investment.

Voting Rights: The ACD has a strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of each Fund. A summary of this strategy and the details of the actions taken on the basis of this strategy in relation to each Fund are available from the ACD.

Complaints

If you wish to make a complaint about any aspect of the service you have received, please contact the Transfer Agent. Any complaint regarding the operation or marketing of a Fund or the Company should be sent to:

Mr Jean-Baptiste Gubinelli
Resident Conducting Person
Jean-Baptiste.Gubinelli@natixis.com
Fax: +352 26 687 397

Natixis Investment Managers S.A.
2 rue Jean Monnet
L-2180 Luxembourg

Mr Jason Trepanier
Chief Operating Officer
Jason.trepanier@natixis.com
Fax. + 33 1 78 40 68 68

Natixis Investment Managers Distribution
21 quai d'Austerlitz
75013 Paris
France

Or alternatively to the address below:

Natixis Investment Funds U.K. ICVC
One Carter Lane
London
EC4V 5ERUnited Kingdom

If unsatisfied, a Shareholder also has the right to complain directly to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

Investors Compensation Scheme

Rights to compensation for Shareholders in the Company are those outlined in the Financial Services Compensation Scheme.

Remuneration Policy

All employees of the ACD receive a salary and are eligible to participate in an annual incentive plan, the awards granted under such incentive plan are variable and are determined on a number of factors, including the employees level in the organization, individual performance and also overall company performance. In addition, selected employees of the ACD are eligible to participate in a long-term incentive plan over a three year performance period and are subject to the participants' continued employment within the group and may be subject to clawback in certain circumstances. The ACD operates a fully flexible variable remuneration policy, meaning that there is no guarantee that any variable remuneration will be paid in any given year. The remuneration policy of the ACD is administered and overseen by a remuneration committee composed of member of executive management and the human resources team. The remuneration policy is designed to promote sound and effective risk management for both the ACD and for the funds it manages. Further details on the remuneration policy are available by referring to http://im.natixis.com/intl-regulatory-documents, and a paper copy of such details is available on request from the ACD and without charge.

U.K. TAXATION

The following statements are based on the ACD's understanding of current English law and HM Revenue & Customs practice as known at the date of this Prospectus. They summarise the tax position of the Company, each Fund and of investors who are U.K. resident for taxation purposes and hold their shares as investments. The statements may not apply to certain Shareholders or classes of Shareholders. The levels and bases of, and reliefs from, taxation may change. Shareholders are recommended to consult their professional adviser if they are in any doubt as to their individual tax position or if they may be subject to tax in a jurisdiction other than or in addition to the U.K.

The Company

Each Fund is treated as an OEIC for tax purposes and as a separate OEIC from any other Fund of the Company.

Each Fund is generally exempt from U.K. corporation tax on chargeable gains realised on the disposal of its investments (including interest bearing securities and derivatives). Each Fund is, however, liable to U.K. corporation tax at the current rate of 20% on any taxable income after deducting management expenses, charges and the gross amount of any interest distributions. Each Fund may receive dividend distributions from U.K. collective investment schemes or dividends in respect of investments in equities. These dividends, and any part of the dividend distributions from U.K. collective investment schemes which relate to dividends, are not generally subject to U.K. corporation tax in a Fund. Other types of income, for example, interest distributions from U.K. collective investment schemes and bank deposit interest are taxable.

Gains realised upon the sale, redemption or other disposal of interests in "offshore funds" which are not "reporting funds" for U.K. tax purposes and which are not specifically excluded are charged to tax as income ("offshore income gains") and not as a capital gain. Each Fund is accordingly not exempt from tax on such gains. Shareholders may not receive effective credit for the tax on such gains. This is on the basis that none of the Funds meet the conditions, or have or intend to elect, to be treated as "funds investing in non-reporting offshore funds" for the purposes of Part 6A Authorised Investment Funds (Tax) Regulations 2006.

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by a Fund is incorporated, established or resident for tax purposes. A Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by a Fund or the counterparty to a transaction involving a Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. Where foreign tax has been suffered on income from overseas sources, that tax can in some instances be offset against U.K. corporation tax payable by the relevant Fund by way of double tax relief.

Shareholders

On the specified allocation dates each Shareholder becomes entitled to a distribution which is treated as the Shareholder's income for tax purposes. Allocations made in respect of Accumulation Shares will be automatically retained in the relevant Fund. Accumulations of income are treated for tax purposes as deemed distributions. With each actual or deemed distribution The ACD, or the Transfer Agent on behalf of the ACD, will send a tax voucher to investors showing the amount of income to which each Shareholder is entitled, the nature of each distribution and any tax deducted.

Notes printed on the tax voucher will indicate how the amount should be reflected in the investor's tax return.

Distributions paid may be either dividend distributions or interest distributions, depending on the nature of the relevant Fund and its investments. Interest distributions can be made only where the market value of the relevant Fund's interest-bearing (and certain economically equivalent) investments, including holdings in collective investment schemes that pay interest distributions and cash on deposit, exceeds 60% of the market value of all its assets throughout the accounting period to which it relates.

Income tax

Dividend distributions

A dividend distribution paid by any of the Funds for any distribution period will be treated as if it were a dividend paid to the Shareholder in that Fund.

No tax is deducted from dividend distributions. There is no longer any tax credit attached to dividend distributions.

From 6 April 2016, for individual Shareholders resident in the United Kingdom, the first £5,000 of dividends and dividend distributions received in each tax year are free of income tax (the dividend allowance). Where dividends and dividend distributions from all sources exceed the dividend allowance, the excess will be liable to income tax at dividend tax rates which depend upon the Shareholder's highest rate of tax. Dividend tax rates are 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers. Dividends received within the allowance will still count towards total taxable income and so may affect the rate of tax due on dividends received in excess of the allowance.

Interest distributions

No tax is deducted from interest distributions.

From 6 April 2016, individual UK taxpayers are entitled to a personal savings allowance in each tax year. For basic rate taxpayers, the first £1,000 of total interest and interest distributions are free of tax. For higher rate taxpayers, the allowance is £500, and for additional rate taxpayers the amount is nil. To the extent that any interest distribution (together with any other amounts taxable as interest) exceeds this allowance and falls outside an investor's personal allowance or the 0% starting rate for savings then the investor will be liable to pay income tax at their highest rates (normally 20% for basic rate taxpayers, 40% for higher rate and 45% for additional rate taxpayers) on the amount over the allowances.

Corporation tax

Dividend distributions

Corporate Shareholders who receive dividend distributions (including accumulated amounts) may have to divide them into two (the division will be indicated on the tax voucher). Any part representing income which has been subject to corporation tax in the Fund must be treated by the corporate Shareholder as an annual payment made after deduction of income tax at the basic rate, and corporate Shareholders may be liable to tax on the grossed up amount, with the benefit of a 20% deemed income tax deduction, or to reclaim part or all of the deemed tax deducted as shown on the tax voucher. This is subject to limitations on any part of the deemed tax deducted representing foreign tax suffered by the fund which cannot be reclaimed. The remainder (including any part representing dividends received by the Fund from a company) will be treated as dividend income and, consequently, will be exempt from corporation tax.

Alternatively, if, at any time during an accounting period of a corporate Shareholder, a Fund holds more than 60% of its assets by value in interest bearing or economically similar assets then the Shareholder must account for its holding in that Fund in accordance with the loan relationships tax regime. This requires the Shareholder's interest in the Fund (including any distributions received) to be taken into account for corporation tax on a fair value basis.

Interest distributions

A fund that derives all or most of its income from interest bearing and economically similar investments will, in general, be entitled to pay out its income as interest distributions.

A corporate Shareholder with Shares in a Fund that pays interest distributions must account for its holding in that Fund in accordance with the loan relationships tax regime. This requires the Shareholder's interest in the Fund (including any the gross amount of any distributions received) to be taken into account for corporation tax on a fair value basis.

It is expected that corporate Shareholders will normally receive interest distributions gross, but if income tax is deducted then this can be set off against tax or reclaimed.

<u>Non-taxpayers</u>

Charities and Pension Funds

Any income tax withheld from interest distributions and paid to HM Revenue & Customs is repayable to charities and pension funds which are exempt from U.K. income tax on their investment income. No tax is deducted from dividend distributions.

<u>Non-Resident Shareholders</u>

No U.K. taxes are deducted from dividend distributions and there is no associated tax credit. Shareholders may be liable to tax on them in their country of tax residence.

Until 5 April 2017, U.K. income tax may be deducted from interest distributions, in which case, depending on the terms of any double taxation agreement between the U.K. and their country of tax residence, Shareholders may be able to reclaim some or all of the tax deducted. They may also be liable to tax on them in their country of tax residence.

<u>Tax on chargeable gains</u>

For holders of Shares in a Fund who are resident in the U.K., redemptions and other disposals of Shares will generally be subject to U.K. capital gains tax or U.K. corporation tax. Exchanges between classes within a Fund may give rise to a liability to U.K. capital gains tax or U.K. corporation tax on chargeable gains, depending on the circumstances, and exchanges between Funds will generally result in such a liability.

In respect of the Accumulation Shares, income arising from these shares is accumulated and added to the capital property of the relevant Fund. As a result, such amounts will be added to the allowable cost of such Shares when calculating the capital gain realised on their disposal for U.K. capital gains purposes.

Individuals are only liable to capital gains tax if their total chargeable gains (net of allowable losses) in the year exceed the annual exemption (£11,100 for the 2016/2017 tax year). If gains in excess of this exemption are realised the excess is taxable at the rate of U.K. capital gains tax applicable to the investor, being (in 2016-17) either 10% or (for higher and additional rate taxpayers) 20%.

Shareholders within the charge to U.K. corporation tax are chargeable to U.K. corporation tax on all such gains and net chargeable gains will normally be added to the profits charged to U.K. corporation tax. Indexation relief will be available. If during a corporate Shareholder's accounting period more than 60% of the property of a Fund is at any time invested in interest-paying investments, then the Shareholder must instead treat its holding as a creditor loan relationship subject to a fair value basis of accounting for U.K. corporation tax purposes.

Income equalisation

Since the Funds operate equalisation, the first allocation made after the acquisition of Shares will include an amount of equalisation. This amount represents the ACD's best estimate of the income included in the price at which the Shares were acquired (subject to grouping where appropriate) and represents a capital repayment for U.K. tax purposes which is not subject to U.K. income tax or U.K. corporation tax but which should be deducted from the cost of Distribution Shares (but not Accumulation Shares) in arriving at any capital gain realised on their subsequent disposal.

<u>Other taxes</u>

Stamp Taxes

There are no stamp taxes on issues or redemptions of shares. A change of ownership which is not registered by the ACD could incur a stamp tax liability.

U.K. information reporting regime

Each of the Funds is required to report to HM Revenue & Customs details of interest distributions paid to U.K., and many non-U.K., investors. Dividend distributions and payments made to ISA investors are unaffected.

Automatic exchange of information for international tax compliance ("AEOI")

The Company (or its agent) will collect and report information about Shareholders and their investments, including information to verify their identity and tax residence. When requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

This is required by legislation that implements the U.K.'s obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including European Directives and the United States provisions commonly known as 'FATCA').

For FATCA purposes, the Company (or each Fund) will be treated as a Foreign Financial Institution and will rely on the Global Intermediary Identification Number (GIIN) of Natixis Investment Managers S.A.: 5QF5YW.00000.SP.442.

For AEOI purposes, the Company is treated as a UK Reporting Financial Institution so it has reporting obligations under the International Tax Compliance Regulations 2015 .

For calendar year 2016 and without prejudice to other applicable data protection provisions as set out in the Fund documentation, the Company will be required to annually report to HMRC (by 31 May of the following year) information in respect of the identification of, holdings by and financial information (as referred to above) for certain Shareholders which are required to be reported under the UK AEOI requirements. This information will include certain personal data related to such Shareholders. Controlling Persons of certain non-financial entities which are Shareholders may also be required to be reported in certain circumstances under the UK AEOI requirements. As mentioned above, this information may in turn be provided to the relevant tax authorities by HMRC. (These reporting requirements are already in place in respect of the US (in connection with FATCA) and the Crown dependencies and Gibraltar.)

As such, Shareholders may be requested to provide the required information to the Company, along with the required supporting documentary evidence, so that the Company is able to satisfy its reporting obligations under the International Tax Compliance Regulations 2015.

In this context, Shareholders are hereby informed that the Company will process the information. Shareholders undertake to inform their Controlling Persons, if applicable, of the processing of their information by the Company.

In particular, persons that are reportable for the purposes of AEOI are informed that certain operations they will perform will be reported to them through the issuance of certificates or contract notes, and that part of this information will serve as a basis for the annual disclosure to HMRC.

Shareholders have a right to access any personal data related to him/her as contained in the information and to request rectification of such personal data if they are inaccurate and/or incomplete. For these purposes, Shareholders may contact the Company in writing at the following address:

DST Financial Services Europe Ltd
St. Nicholas Lane
Basildon, Essex SS15 5FS

In particular, the Shareholders undertake to inform the Company within thirty (30) days of receipt of these dividend certificates if any information as contained in these certificates or contract notes is not accurate.

The Shareholders further undertake to inform the Company of and provide the Company with all supporting documentary evidence of any changes related to the information within ninety (90) days of the occurrence of such changes.

The information may be disclosed by HMRC, acting as data controller, to foreign tax authorities.

Any Shareholder that fails to comply with the Fund’s documentation or information requests may be subject to liability for penalties imposed on the Company and attributable to such Shareholder’s failure to provide the information or to disclosure by the Company to HMRC of the name, address and taxpayer identification number (if available) of the Shareholder as well as financial information such as account balances, income and gross proceeds from sales to HMRC under the AEOI rules.

WINDING-UP AND TERMINATION

Termination of a Fund

The 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 the 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 of Incorporation and this Prospectus which would result from the termination of the Fund.

On the termination of the 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.

RISK FACTORS

General Risks

Investors should be aware that there are risks inherent in the holding of or investing in securities:-

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

(B) For any given Fund, there is a risk that investment techniques or strategies are unsuccessful and may incur losses for the Fund. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Funds, nor an opportunity to evaluate the specific investments made by the Funds or the terms of any of such investments.

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

Liabilities of the Company

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.

Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of exchanging) may be suspended (see “Suspension of Dealings”).

Charges to Capital

Where all or part of fees and/or charges in respect of any Share Class or Fund may be charged against capital rather than income, this will enhance income returns but may constrain future capital growth. Where the Annual Management Charge of a Fund is charged against capital instead of income, all of the other charges and expenses for that Fund will be treated as capital expenses in accordance with the FCA Rules. Where the annual management charge is taken out of the income of a Fund all of the other charges and expenses of that Fund will be treated as income expenses (with the exception of any payment as a result of effecting a transaction) to the extent that there is sufficient income. If there is insufficient income then any remaining sums will be charged to capital. See Appendix 3 for details of where the Annual Management Charge is charged in respect of each Fund.

Management Risk

The investment performance of the Company is substantially dependent on the services of the ACD or the Investment Managers. In the event of the death, disability, departure, insolvency or withdrawal of the ACD’s or the Investment Manager’s key personnel, including portfolio managers, the performance of the Company may be adversely affected.

Net Asset Value

Whilst the Company may use the latest available published price in respect of each investment in order to calculate the Net Asset Value it reserves the right to use more recent valuations where this is considered appropriate. Such valuations may be based on an estimate of a more recent price of any unit or share in an underlying investment fund of other collective investment undertaking in which a Fund invests obtained from or calculated on the basis of more recent information received from the underlying fund or undertaking or any of its service providers or agents. Subject to the

FCA rules, in the event that a price or valuation estimate accepted by the Company in relation to an underlying investment subsequently proves to be incorrect or varies from a final published price no adjustment to the Net Asset Value or Shares in issue will be made unless the ACD deems it appropriate in the circumstances.

Conflicts of Interest

The ACD's conflicts of interest policy sets out the principles and guidelines for identifying, managing, recording, and, where relevant, disclosing existing or potential conflicts and protecting the interests of the Company and the Funds. There are a number of different types of possible conflicts, including where the ACD (i) is likely to make a financial gain, or avoid a loss, at the expense of the client; (ii) has an interest in the outcome of a transaction that is likely to be different from the client's interest; (iii) has some kind of incentive to favour one client over another; (iv) carries on the same kind of business as the client; or (v) receives an inducement from a third party in relation to services provided to the client.

The ACD has reviewed its business and identified a number of permanent conflicts along with a brief explanation of the firm's arrangements for mitigating and managing the risks of such conflicts. Such mitigation includes making appropriate disclosures to prospective clients about the ACD's structure and activities, implementing certain procedures and restricting the types of payments made or received from third parties. In addition, all employees undertake to (1) act always in the best interests of the client; (2) comply with any operating controls and procedures established to mitigate any actual or potential conflicts; (3) not to enter into any agreement, without obtaining prior permission from the ACD Compliance Officer, that could potentially conflict with duties to clients; (4) consult with the ACD Compliance Officer whenever they encounter either (i) a conflict or potential conflict that is not set forth here, or (ii) a conflict that is described above but where the arrangements described do not appear adequate for mitigating or managing the conflict. In particular, the ACD's best execution policy sets out the basis upon which the ACD will effect transactions and place orders in relation to the Company whilst complying with its obligations under the FCA Rules to obtain the best possible result for the Company. Details of the best execution policy are available upon request from the ACD.

Where the ACD is not reasonably confident that the mitigating controls it has implemented will prevent loss to its clients, then the firm will disclose clearly the general nature and sources of conflicts before undertaking the client business.

Use of Dealing Commissions

An Investment Manager may use internal and external research to inform their decision making. An Investment Manager will typically either pay for the research it uses from its own resources or, in the case of an Investment Manager that is based within the EU and authorized as a UCITS management company, pay for research from investment brokers and third party research providers from the commission which they receive for the transactions executed on behalf of a Fund (where permitted by applicable law). An Investment Manager based outside the EU may receive research (and other services permitted by local regulation) from investment brokers who are paid for that research (or services) from the commission that a Fund pays for transactions. The ACD will oversee such Investment Managers based outside the EU to ensure that internal controls are in place to manage these costs and any conflicts which may arise as a consequence.

Tax Considerations

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the that Fund is incorporated, established or resident for tax purposes. A Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund or the counterparty to a transaction involving that Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The relevant Fund may not be able to recover such tax and so any change could have an adverse effect on the Net Asset Value of the Shares.

Where a Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by the Fund (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares. This could cause benefits or detriments to certain Shareholders, depending on the timing of their entry to and exit from the relevant Fund.

Portfolio Management Risk

For any given Fund, there is a risk that investment techniques or strategies are unsuccessful and may incur losses for the Fund. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Funds, nor an opportunity to evaluate the specific investments made by the Funds or the terms of any of such investments.

Past performance is not a reliable indicator as to future performance. The nature of and risks associated with a Fund's future performance may differ materially from those investments and strategies historically undertaken by the portfolio manager. There can be no assurance that the portfolio manager will realise returns comparable to those achieved in the past or generally available on the market.

Segregation of Liabilities between Funds

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. Within the Funds, 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.

Risk on Cross Class Liabilities for all Share Classes

Although there is an accounting attribution of assets and liabilities to the relevant Share Class, there is no legal segregation with respect to Classes of the same Fund. Therefore, if the liabilities of a Share Class exceed its assets, creditors of said Share Class of the Fund may seek to have recourse to the assets attributable to the other Classes of the same Fund.

As there is an accounting attribution of assets and liabilities without any legal segregation amongst Share Classes, a transaction relating to a Share Class could affect the other Share Classes of the same Fund.

Specific Investment Risks

Risk of Capital Loss

Principal value and returns fluctuate over time (including as a result of currency fluctuations), so that Shares, when redeemed, may be worth more or less than their original cost. There is no guarantee that the capital invested in a Share Class will be returned to the investor in full.

Market Risk

The value of investments may decline over a given time period due to the fluctuation of market risk factors (such as stock prices, interest rates, foreign exchange rates or commodity prices). To varying degrees, market risk affects all securities. Market risk may significantly affect the market price or Funds' securities and, therefore their net asset value.

Currency risk

Some Funds are invested in securities denominated in a number of different currencies other than their base currency. Changes in foreign currency exchange rates may affect the value of some securities held by such Funds.

Currency risk at Share Class level

For unhedged Share Classes denominated in currencies different from the Fund's base currency, the Share Class value follows fluctuations of the exchange rate between the Shares Class currency and the Fund's base currency, which can generate additional volatility at the Share Class level.

Equity Securities

Investing in equity securities involve risks associated with the unpredictable drops in a stock's value or periods of below-average performance in a given stock or in the stock market as a whole. Shares' prices on equity markets may fluctuate. Such fluctuations, or volatility, have historically been much greater for equity markets than the volatility of fixed income markets. In addition, investors should note that the Net Asset Value of the Fund is expected to fluctuate over time due to the portfolio composition of the Fund.

When-issued Securities

Investing in when-issued securities involves the Fund entering into a commitment to buy a security before the security has been issued. The payment obligation and the interest rate on the security are determined when the Fund enters into the commitment. The security is typically delivered 15 to 120 days later. If the value of the security being purchased falls between the time the Fund commits to buy it and the payment date, the Fund may sustain losses. The risk of this loss is in addition to the Fund's risk of loss on the securities actually in its portfolio at the time. In addition, when the Fund buys a security on a when-issued basis, it is subject to the risk that market rates of interest will increase before the time the security is delivered, with the result that the yield on the security delivered to the Fund may be lower than the yield available on other comparable securities at the time of delivery.

Initial Public Offerings ("IPOs")

The Funds may participate in IPO's, unless a Fund's investment policy otherwise prohibits. Operational and performance risks associated with the investments in certain IPOs can be more difficult for the Investment Manager to analyse due to the limited operational history by which the Investment Manager may evaluate the likely future performance of the issuer.

Separately, the Funds may be prohibited from participating in an IPO due to a conflict of interest. This conflict may arise when entities related to the ACD, and which are the Shareholders in a Fund, are involved in the IPO. The inability to participate in an IPO could be a loss of an investment opportunity which may adversely affect performance when compared to similar funds that are eligible to participate.

Debt Securities

Among the principal risks of investing in debt securities are the following:

Changing Interest Rates

Changing interest rates affect the value of fixed-income securities more directly than equities. As interest rates rise, fixed-income prices fall and vice versa (as interest rates increase, the price of holding a bond decreases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate). Long-term fixed-income securities subject their owners to the greatest amount of interest rate risk while short-term securities are much less influenced by interest rate movements.

Credit Risk

The issuer of any debt security acquired by any Fund may default on its financial obligations. Moreover, the price of any debt security acquired by a Fund normally reflects the perceived risk of default of the issuer of that security at the time the Fund acquired the security. If after acquisition the perceived risk of default increases, the value of the security held by the Fund is likely to fall.

There are many factors that could cause an issuer to default on its financial obligations, or an increase in the perceived risk of default of an issuer. Among those factors are the deteriorating financial condition of the issuer caused by changes in demand for the issuer's products or services, catastrophic litigation or the threat of catastrophic litigation and changes in laws, regulations and applicable tax regimes. The more concentrated the Fund is in a particular industry, the more likely it will be affected by factors that affect the financial condition of that industry as a whole.

Below Investment Grade Securities

Debt securities rated below investment grade are considered low credit quality. Below investment grade fixed income securities are securities rated less than BBB- (Standard & Poor's Ratings Services), Baa3 (Moody's Investors Service, Inc.), or if unrated, determined by the Investment Manager to be equivalent. Securities rated below investment grade may have greater price volatility and a greater risk of loss of principal and interest than investment grade securities.

Variation in Inflation Rates

The value of inflation-linked debt securities fluctuates with the inflation rate of the corresponding geographical area.

Mortgage-Related Securities and Asset-Backed Securities

Mortgage pass-through securities (such as mortgage derivatives and structured notes, including mortgage-backed and asset-backed securities) are securities representing interests in "pools" of mortgages in which payments of both interest and principal on the securities are usually made monthly, in effect "passing through" monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment of principal based on an expected repayment schedule on mortgage pass-through securities held by a Fund (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the relevant Fund reinvests such principal. In addition, as with callable fixed-income securities generally, if the Fund purchased the securities at a premium, sustained earlier than expected repayment would reduce the value of the security relative to the premium paid.

Asset-backed securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle loan receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations.

Interest rate risk is greater for mortgage-related and asset-backed securities than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment – borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to the Fund because the Fund may reinvest assets previously invested in these types of securities in securities with lower interest rates.

Collateralised Mortgage Obligations

A collateralised mortgage obligation ("CMO") is a security backed by a portfolio of mortgages or mortgage-backed securities held under an indenture. CMOs of different classes are generally retired in sequence as the underlying mortgage loans in the mortgage pool are repaid. In the event of sufficient early prepayments on such mortgages, the class or series of CMOs first to mature generally will be retired prior to its maturity. As with other mortgage-backed securities, if a particular class or series of CMOs held by a Fund is retired early, the Fund would lose any premium it paid when it acquired the investment, and the Fund may have to reinvest the proceeds at a lower interest rate than the retired CMO paid. Because of the early retirement feature, CMOs may be more volatile than other fixed-income investments.

Trust Preferred Securities

Trust preferred securities are preferred stocks issued in certain structured finance transactions by a special purpose trust established to issue the stocks and invest the proceeds in an equivalent amount of debt securities of a primary issuer. In addition to the risks associated with the debt securities of the primary issuer, trust preferred securities are subject to the risk that the trustee of the trust may be unwilling or unable to enforce the obligations of the primary issuer under the debt securities in the event of a default by the primary issuer.

Yankee Bonds

Yankee Dollar bonds (U.S. dollar-denominated bonds issued in U.S. capital markets by non-U.S. banks or corporations) are generally subject to the same risks as for other fixed income investments, notably credit risk, market risk and liquidity risk. Additionally, Yankee Dollar bonds are subject to certain sovereign risks, such as the possibility that a government might prevent capital, in the form of U.S. dollars, from flowing across its borders. Other risks include adverse political and economic developments; the extent and quality of government regulation of financial markets and institutions; the imposition of foreign withholding taxes; and the expropriation or nationalisation of foreign issuers.

Zero-Coupon Securities

Zero-coupon securities issued by governmental and private issuers are transferable debt securities that do not pay regular interest payments, and instead are sold at substantial discounts from their value at maturity. The value of these instruments tends to fluctuate more in response to changes in interest rates than the value of ordinary interest-paying transferable debt securities with similar maturities. The risk is greater when the period to maturity is longer. As the holder of certain zero-coupon obligations, the relevant Funds may be required to accrue income with respect to these securities prior to the receipt of cash payment. The Funds may be required to distribute income with respect to these securities and may have to dispose of securities under disadvantageous circumstances in order to generate cash to satisfy these distribution requirements.

Hedged Share Classes

While the ACD may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of the relevant Fund and the relevant hedged class. As there is no segregation of liabilities between Share classes, there is a remote risk that under certain circumstances, currency hedging transactions in relation to a Share class could result in liabilities which might affect the Net Asset Value of other Share classes of the same Fund.

Investors in hedged classes should note that risk warning “Currency Risk” is still applicable to their investment.

Unlisted Securities

Unlisted Securities are securities which may be sold through a private offering and/or may be issued by public or private firms who cannot or do not wish to comply with the listing requirements of an official exchange. Unlisted Securities may be illiquid and involve the risk that a Fund may not be able to dispose of these securities quickly, which may be further exacerbated in adverse market conditions.

Rule 144A Securities

Rule 144A securities are privately-offered securities that can be resold only to certain qualified institutional buyers. As such securities are traded among a limited number of investors, certain Rule 144A securities may be illiquid and involve the risk that a Fund may not be able to dispose of these securities quickly or in adverse market conditions.

Loans

Loans that qualify as money market instruments and also in undertakings for collective investment investing in loans may be difficult to value and may be subject to various types of risks, including but not limited to, market risk, credit risk, liquidity risk and risk of changing interest rates.

Convertible Securities

Certain Funds may invest in convertible securities which may be converted either at a stated price or stated rate for common or preferred stock. As convertible securities generally pay fixed interest or dividends, the market value of convertible securities tends to decline as interest rates rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value of the underlying common or preferred stock, although to a lesser extent than with fixed income securities generally.

Financial Derivative Instruments

A derivative is a contract whose price is dependent upon or derived from one or more underlying assets. The most common derivative instruments include, without limitation, futures contracts, forward contracts, options, warrants, swaps and convertible securities. The value of a derivative instrument is determined by fluctuations in its underlying assets. The most common underlying assets include stocks, bonds, currencies, interest rates and market indices.

The use of derivatives for investment purposes may create greater risk for the Funds than using derivatives solely for efficient portfolio management purposes.

Most derivatives are characterized by high leverage.

OTC derivative transactions are subject to further regulation. On 16 August 2012 a Regulation of the European Parliament and the European Council on OTC derivatives, central counterparties and trade repositories ("EMIR") entered into force. Some of the main obligations under EMIR are the requirement for certain classes of OTC derivatives to be cleared through an authorised central counterparty ("CCP"); reporting to trade repositories; and application of risk mitigation techniques for non-centrally cleared OTC derivatives (i.e. OTC derivative contracts not cleared by a CCP). For non-centrally cleared OTC derivatives, EMIR requires the "timely confirmation, where available, by electronic means, of the terms of the relevant OTC derivative contract". The obligation is one that falls on the financial counterparty (i.e. the Company) to the relevant contract. Most of the specifics of this obligation are subject to separate regulatory technical standards which provide, inter alia, that financial counterparties must have procedures in place to report on a monthly basis the number of unconfirmed, relevant OTC derivative transactions that have been outstanding for more than 5 Business Days.

The principal risks associated with using derivatives in managing a portfolio are:

- higher absolute market exposures for Funds that make extensive use of derivatives;
- difficulty of determining whether and how the value of a derivative will correlate to market movements and other factors external to the derivative;
- difficulty of pricing a derivative, especially a derivative that is traded over-the-counter or for which there is a limited market;
- difficulty for a Fund, under certain market conditions, to acquire a derivative needed to achieve its objectives; and
- difficulty for a Fund, under certain market conditions, to dispose of certain derivatives when those derivatives no longer serve their purposes.

Credit Default Swaps – Special Risk Consideration

A "CDS" is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between par value and market price of the said bond or other designated reference obligations (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 International Swap and Derivatives Association (ISDA) has produced standardised documentation for these derivatives transactions under the umbrella of its ISDA Master Agreement. A Fund may use credit derivatives in order to hedge the specific credit risk of certain issuers in its portfolio by buying protection. In addition, a Fund may, provided it is in its exclusive interest, buy protection using credit derivatives without holding the underlying assets. Provided it is in its exclusive interest, a Fund may also sell protection using credit derivatives in order to acquire a specific credit exposure. A Fund will only enter into OTC credit derivatives transactions with highly-rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement. The maximum exposure of a Fund may not exceed 100% of its net assets.

Counterparty Risk

The Funds will be subject to the risk of the inability of any counterparty to perform with respect to transactions or its obligations under the transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons, and as result the Funds may not realise the expected benefit of such transaction. In the event that the counterparty is unable or unwilling to meet its contractual liabilities, there may be a detrimental impact on the Fund, whilst the Investment Manager will conduct due diligence on counterparties, it has no formal credit function which evaluates the creditworthiness of the relevant Fund's counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any separate evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

The participants in OTC derivative markets are typically not subject to the same credit evaluation and regulatory oversight as are members of "exchange-based" markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such "over-the-counter" transactions. This exposes the relevant Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the relevant Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the relevant Fund has concentrated its transactions with a small group of counterparties.

Structured Instruments

Structured instruments are debt instruments linked to the performance of an asset, a foreign currency, an index of securities, an interest rate, or other financial indicators. The payment on a structured instrument may vary linked to changes of the value of the underlying assets.

Structured instruments may be used to indirectly increase a Fund's exposure to changes to the value of the underlying assets or to hedge the risks of other instruments that the Fund holds.

Structured investments involve special risks including those associated with leverage, illiquidity, changes in interest rate, market risk and the credit risk of their issuers. As an example, the issuer of the structured instruments may be unable or unwilling to satisfy its obligations and/or the instrument's underlying assets may move in a manner that may turn out to be disadvantageous for the holder of the instrument.

Structured instrument risk (including securitisations)

Securitisations result from complex financial configurations that may contain both legal and specific risks pertaining to the characteristics of the underlying assets.

Capitalisation Size of Companies

Smaller Capitalisation Companies

Investments in smaller capitalisation companies may involve risks such as fewer managerial and financial resources. Stocks of small companies may be particularly sensitive to unexpected changes in interest rates, borrowing costs and earnings. As a result of trading less frequently, stocks of smaller companies may also be subject to wider price fluctuations and may be less liquid.

Large Capitalisation Companies

Funds investing in large capitalisation companies may underperform certain other equity funds (those emphasising small company stocks, for example) during periods when large company stocks are generally out of favour. Also larger, more established companies are generally not nimble and may be unable to respond quickly to competitive challenges, such as changes in technology and consumer tastes, which may cause the Fund's performance to suffer.

Growth Investing

Growth stocks may be more volatile and sensitive to certain market movements because their value is often based on factors such as future earnings expectations which may vary with market changes. Since they usually reinvest a high proportion of earnings in their own businesses, they may lack the dividends associated with value stocks that can cushion their decline in a falling market. Also, since investors buy these stocks because of their expected superior earnings growth, earnings disappointments often result in sharp price declines.

Value Investing

Value investing seeks under-priced stocks but there is no guarantee the price will rise and these stocks may continue to be undervalued by the market for long periods of time.

Emerging Markets

Investments in emerging market securities involve certain risks, such as illiquidity and volatility, which are greater than those generally associated with investing in developed markets. The extent of economic development, political stability, market depth, infrastructure, capitalization, tax and regulatory oversight in emerging market economies is generally less than in more developed countries.

Geographic Concentration

Certain funds may concentrate their investments in certain specific parts of the world, involving more risk than investing more broadly. Funds investing in areas where economies are experiencing difficulty or where financial markets are out of favour may underperform funds investing in other parts of the world. Moreover, these concentrated areas may be significantly affected by adverse political, economic or regulatory developments, as well as lack of information transparency. On the other end, global investing involves certain risks such as currency exchange rate fluctuations.

Portfolio Concentration

Although the strategy of certain Funds of investing in a limited number of securities has the potential to generate attractive returns over time, it may increase the volatility of such Funds' investment performance as compared to funds that invest in a larger number of securities. If the securities in which such Funds invest perform poorly, the Funds could incur greater losses than if it had invested in a larger number of securities.

Liquidity risk

Certain Funds may acquire securities that are traded only among a limited number of investors or may not trade frequently. The limited number of investors for those securities may make it difficult for the Funds to dispose of those securities quickly or in adverse market conditions. Many derivatives and securities that are issued by entities that pose substantial credit risks typically are among those types of securities that the Funds may acquire that only are traded among limited numbers of investors.

Some markets, on which certain Funds may invest, may prove at time to be insufficiently liquid or illiquid. This affects the market price of such Fund's securities and therefore its net asset value.

Furthermore, there is a risk that, because of a lack of liquidity and efficiency in certain markets due to unusual market conditions or unusual high volumes of repurchase requests or other reason, the

Funds may experience some difficulties in purchasing or selling holdings of securities and, therefore, meeting subscriptions and redemptions in the time scale indicated in this Prospectus.

In such circumstances, the ACD may, in accordance with the Company's Instrument of Incorporation and in the investors' interest, suspend subscriptions and redemptions or extend the settlement timeframe.

Reliance on Models/Information Technology

The investment approach of the Funds may be based on mathematical models, which are implemented as automated computer algorithms, and valuation models which investment professionals at the Investment Manager have developed over time. The Investment Manager commits substantial resources to the updating and maintenance of existing models and algorithms as well as to the ongoing development of new models and algorithms. The successful operation of the automated computer algorithms on which the investment approach of the Funds may be based is reliant upon the information technology systems of the Investment Manager and its ability to ensure those systems remain operational and that appropriate disaster recovery procedures are in place. Further, as market dynamics shift over time, a previously highly successful model may become outdated, perhaps without the Investment Manager recognising that fact before substantial losses are incurred. There can be no assurance that the Investment Manager will be successful in maintaining effective mathematical and valuation models and automated computer algorithms.

Leverage

Leverage is determined by taking into account indirect holdings, including both the financial derivative instruments entered in by the portfolio and the reinvestment of collateral received in cash in relation with efficient portfolio management transactions. Leveraged transactions multiply the risk of potential losses when positions results are contrary to expected market directions, compared to direct holdings, and may add significant risk because of added payment obligations.

APPENDIX 1 INVESTMENT AND BORROWING POWERS AND RESTRICTIONS

1. General

1.1 The property of each Fund will be invested with the aim of achieving the investment objective of that Fund subject to the limits on investment set out in this Prospectus, in the relevant sections of the FCA Rules covering the investment and borrowing powers of U.K. open-ended investment companies, ISA regulations (where applicable) and the relevant Fund's investment policy. These limits apply to each Fund as summarised below.

1.2 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.

1.3 The rules in this section relating to spread of investments do not apply until the expiry of a period of six months after the date on which the authorisation order of the relevant Fund takes effect or on which the initial offer commenced, if later, provided that the Fund aims to provide a prudent spread of risk during such period.

2. UCITS schemes - general

2.1 The Scheme Property of each Fund must, subject to its investment objective and policy and except where otherwise provided in the COLL Sourcebook only consist of any or all of:

(A) transferable securities;

(B) approved money market instruments;

(C) permitted derivatives and forward transactions;

(D) permitted deposits;

(E) permitted units in collective investment schemes; and

(F) movable and immovable property that is necessary for the direct pursuit of the Company's business.

2.2 Transferable securities and approved money market instruments held within a Fund must (subject to paragraph 2.3) be:

(A) admitted to or dealt in on an eligible market as described in paragraphs 3.1 and 3.2; or

(B) for an approved money market instrument not admitted to or dealt in on an eligible market, within paragraph 3.1; or

(C) recently issued transferable securities (provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and such admission is secured within a year of issue).

2.3 Not more than 10% in value of the Scheme Property is to consist of transferable securities and approved money market instruments (other than those that are referred to in paragraph 2.2).

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

3. Eligible markets requirements

3.1 A market is eligible for the purposes of paragraph 2.2 if it is:

(A) a regulated market (as defined for the purposes of the FCA Rules);

(B) a market in an EEA State which is regulated, operates regularly and is open to the public; or

(C) any market within 3.2.

3.2 If a market does not fall within paragraph 3.1 it may be eligible if the ACD, after consultation and notification with the Depositary, decides that:

(A) the market is appropriate for investment of, or dealing in, the Scheme Property;

(B) the market is included in a list in the Prospectus; and

(C) the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market and all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

3.3 In paragraph 3.2 a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self -regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

3.4 The eligible securities and derivatives markets for each Fund of the Company are set out in Appendix 2 below.

3.5 New eligible securities markets may be added to the existing list in accordance with the FCA Rules.

4. Transferable securities

4.1 A transferable security is an investment falling within the following articles of the Regulated Activities Order:

(A) article 76 (Shares etc.);

(B) article 77 (Instruments creating or acknowledging indebtedness);

(C) article 77a (alternative finance investment bonds);

(D) article 78 (Government and public securities);

(E) article 79 (Instruments giving entitlement to investments); or

(F) article 80 (Certificate representing certain securities).

4.2 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.

4.3 In applying paragraph 4.2 to an investment which is issued by a body corporate, and which is an investment falling within paragraphs 4.1(A) or 4.1(B), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

4.4 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.

5. Investment in transferable securities

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

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

(B) its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder under the "Dealing" section in the COLL Sourcebook;

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

(1) 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;

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

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

(1) 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;

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

(E) it is negotiable; and

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

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

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

(B) to be negotiable.

6. Closed end funds constituting transferable securities

6.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Fund, provided it fulfils the criteria for transferable securities set out in paragraph 5 (investment in transferable securities), and either:

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

(1) it is subject to corporate governance mechanisms applied to companies; and

(2) 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

(B) where the closed end fund is constituted under the law of contract:

(1) it is subject to corporate governance mechanisms equivalent to those applied to companies; and

(2) it is managed by a person who is subject to national regulation for the purpose of investor protection.

7. Transferable securities linked to other assets

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

(A) fulfils the criteria for transferable securities set out in paragraph 5 (investment in transferable securities); and

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

7.2 Where an investment in paragraph 7.1 contains an embedded derivative component the requirements of this section with respect to derivatives and forwards will apply to that component.

8. Approved Money Market Instruments

8.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

8.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:

(A) has a maturity at issuance of up to and including 397 days;

(B) has a residual maturity of up to and including 397 days;

(C) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or

(D) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 8.2(A) or 8.2(B) or is subject to yield adjustments as set out in paragraph 8.2(C).

8.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.

8.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

(A) enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and

(B) based either on market data or on valuation models including systems based on amortised costs.

8.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

9. Money-market instruments with a regulated issuer

9.1 In addition to instruments admitted to or dealt in on an eligible market, a Fund may invest in an approved money-market instrument provided it fulfils the following requirements:

(A) the issue or the issuer is regulated for the purpose of protecting investors and savings; and

(B) the instrument is issued or guaranteed in accordance with paragraph 10 (issuers and guarantors of money market instruments).

9.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:

(A) the instrument is an approved money-market instrument;

(B) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 11 (appropriate information for money market instruments); and

(C) the instrument is freely transferable.

10. Issuers and guarantors of money-market instruments

10.1 A Fund may invest in an approved money-market instrument if it is:

(A) issued or guaranteed by any one of the following:

(1) a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

(2) a regional or local authority of an EEA State;

(3) the European Central Bank or a central bank of an EEA State;

(4) the European Union or the European Investment Bank;

(5) a non-EEA State or, in the case of a federal state, one of the members making up the federation;

(6) a public international body to which one or more EEA States belong; or

(B) issued by a body, any securities of which are dealt in on an eligible market; or

(C) issued or guaranteed by an establishment which is:

(1) subject to prudential supervision in accordance with criteria defined by European Community law; or

(2) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Community law.

10.2 An establishment shall be considered to satisfy the requirement in paragraph 10.1(C)(2) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

(A) it is located in the European Economic Area;

(B) it is located in an OECD country belonging to the Group of Ten;

(C) it has at least investment grade rating;

(D) on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by European Community law.

11. Appropriate information for money-market instruments

11.1 In the case of an approved money-market instrument within paragraph 10.1(B) or issued by a body of the type referred to in the COLL Sourcebook under the guidance section relating to money-market instruments with a regulated issuer; or which is issued by an authority within paragraph 10.1(A)(2) or a public international body within paragraph 10.1(A)(6) but is not guaranteed by a central authority within paragraph 10.1(A)(1), the following information must be available:

(A) information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

(B) updates of that information on a regular basis and whenever a significant event occurs; and

(C) available and reliable statistics on the issue or the issuance programme.

11.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 10.1(C), the following information must be available

(A) information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;

(B) updates of that information on a regular basis and whenever a significant event occurs; and

(C) available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

11.3 In the case of an approved money-market instrument:

(A) within paragraphs 10.1(A)(1), 10.1(A)(4) or 10.1(A)(5) ; or

(B) which is issued by an authority within paragraph 10.1(A)(2) or a public international body within paragraph 10.1(A)(6) and is guaranteed by a central authority within paragraph 10.1(A)(1);

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

12. Spread: general

12.1 This paragraph 12 on spread does not apply to government and public securities.

12.2 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.

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

12.4 Not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money market instruments issued by any single body, except that the limit of 5% 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 purposes of applying the limit of 40%. For these purposes certificates representing certain securities are treated as equivalent to the underlying security.

12.5 The limit of 5% in paragraph 12.4 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds must not exceed 80% in value of the Scheme Property.

12.6 Not more than 20% in value of the Scheme Property is to consist of the units of any one collective investment scheme.

12.7 Not more than 20% in value of the Scheme Property may consist of transferable securities and approved money market instruments issued by the same group (as referred to in paragraph 12.2).

12.8 The combined exposure to any one counterparty arising from OTC derivative transactions and efficient portfolio management techniques (i.e. **Stock lending**, repurchase and/or reverse repurchase transactions) must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.

12.9 In applying the limits in paragraphs 12.3, 12.4, 12.6, 12.7 and 12.8, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:

(A) transferable securities or approved money market instruments issued by; or

(B) deposits made with; or

(C) exposures from OTC derivatives transactions made with; or

(D) efficient portfolio management techniques

a single body.

13. Counterparty Risk and Issuer Concentration

13.1 The Fund's counterparty risk arising from OTC derivative transactions or efficient portfolio management techniques is subject to the limits set out in paragraphs 12.8 and 12.9 above.

13.2 When calculating the exposure of the Fund to a counterparty to an OTC derivative in accordance with the limits in paragraph 12.8, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

(A) OTC derivative positions of a Fund with the same counterparty may be netted provided that the ACD is able legally to enforce netting agreements in place with the counterparty on behalf of the Fund and these netting agreements do not apply to any other exposures the Fund may have with that counterparty.

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

13.4 Collateral must be taken into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 13.6 when collateral is passed to a counterparty to an OTC derivative transaction on behalf of the Fund.

13.5 Collateral passed in accordance with paragraph 13.4 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of the Fund.

13.6 The ACD must calculate the issuer concentration limits referred to in paragraphs 12.8 and 12.9 on the basis of the underlying exposure created through the use of OTC Derivatives in accordance with the commitment approach (as set out in paragraph 44 below)

13.7 In relation to exposures arising from OTC derivative transactions, as referred to in paragraph 12.9, the ACD must include in the calculation any counterparty risk relating to the OTC derivative transactions.

14. Spread: government and public securities

14.1 The following applies to transferable securities or approved money market instruments issued or guaranteed by a single EEA state, or one or more of its local authorities or public international body to which one or more EEA States belong ("such securities").

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

14.3 A Fund may invest more than 35% and up to 100% in value of the Scheme Property in such securities issued by any one body provided that:

(A) before any such investment is made, the ACD has consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the authorised fund;

(B) no more than 30% in value of the Scheme Property consists of such securities of any one issue; and

(C) the Scheme Property includes such securities issued by that or another issuer, of at least six different issues.

14.4 In relation to such securities:

(A) issue, issued and issuer include guarantee, guaranteed and guarantor; and

(B) 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.

14.5 Notwithstanding paragraph 12.1 and subject to paragraphs 12.2 and 12.3, in applying the 20% limit in paragraph 12.9 with respect to a single body, government and public securities issued by that body shall be taken into account.

14.6 A Fund may invest over 35% in value of Scheme Property in the securities issued by or on behalf of or guaranteed by those issuers listed in Appendix 4.

15. Collective Investment Schemes

15.1 A Fund may invest in units in a collective investment scheme including for the avoidance of doubt Shares in other Funds of the Company provided that no more than 30% of the value of that investing scheme is invested in collective investment schemes which are not UCITS schemes and only if the second scheme complies with the following requirements:

(A) it is a scheme which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

(B) is recognised under the provisions of section 270 of the Act (Schemes authorised in designated countries or territories); or

(C) is authorised as a non-UCITS retail scheme (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or

(D) is authorised in another EEA State (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or

(E) is authorised by the competent authority of an OECD Country (other than another EEA State) which has:

(1) signed the IOSCO Multilateral Memorandum of Understanding; and

(2) 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);

(F) it is a scheme which complies where relevant with paragraph 15.5 below; and

(G) it is a scheme which has terms which prohibit more than 10% in value of its scheme property consisting of units in collective investment schemes.

15.2 Unless otherwise specified in Appendix 3 below in relation to any specific Fund, up to 100% of the Scheme Property of any Fund may consist of units in collective investment schemes.

15.3 For the purposes of paragraphs 15.1 and 15.2 each Fund of an umbrella scheme is to be treated as if it were a separate scheme. A Fund may invest in or dispose of Shares of another Fund (the Second Fund) only if the following conditions are satisfied:

(A) the Second Fund does not hold units in any other Fund of the same umbrella scheme;

(B) the conditions 15.4 and 15.5 are complied with; and

(C) the investing or disposing Fund must not be a feeder UCITS to the Second Fund.

15.4 In accordance with the relevant section of the COLL Sourcebook covering investments in associated collective investment schemes each of the Funds may invest in units in collective investment schemes managed or operated by (or, if it is an open-ended investment company, has as its authorised corporate director), the ACD or an Associate of the ACD.

15.5 The Funds 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 open-ended investment company, has as its authorised corporate director), the ACD, or an Associate of the ACD, unless:

(A) there is no charge in respect of the investment in or the disposal of units in the second scheme; or

(B) the ACD is under a duty to pay to the Fund the following amount by the close of business on the fourth Business Day next after the agreement to invest in or dispose of shares in the second scheme:

(1) 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;

(2) 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.

15.6 In paragraph 15.5 above, references to "second scheme" are to be taken to be references to the Second Fund where the Fund in question is investing in another Fund of the Company.

15.7 In paragraphs 15.5(A) and 15.5(B) above:

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

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

15.8 Notwithstanding clause 16.2 no more than 10% of the value of the Scheme Property of the each Fund may be invested in other collective investment schemes.

16. Investment in nil and partly paid securities

A transferable security or an approved money market instrument on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at any time when payment is required without contravening the rules in the COLL Sourcebook.

17. Investment in Deposits

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

18. Significant Influence

18.1 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:

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

(B) the acquisition gives the Company that power.

18.2 For the purposes of paragraph 18.1, 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).

19. Concentration

19.1 The Company must not hold more than:

- 10% of the transferable securities (other than debt securities) issued by a body corporate which do not carry rights to vote on any matter at a general meeting of that body; or

- 10% of the debt securities issued by any single body*; or

- 10% of the approved money market instruments issued by any single body*; or

- 25% of the units in a collective investment scheme*.

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

20. Cash and Near Cash

20.1 Cash or 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:

(A) the pursuit of that Fund's investment objective;

(B) the redemption of Shares in that Fund;

(C) efficient management of the Fund in accordance with its investment objective;

(D) a purpose which may reasonably be regarded as ancillary to the investment objectives of that Fund.

20.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation. Within the context of the ACD's policy of active asset allocation, the liquidity of each Fund may vary in response to market conditions.

21. EPM techniques

21.1 A Fund may enter into stock lending arrangements and/or repurchase/reverse repurchase contracts ("EPM techniques").

21.2 The entry into stock lending arrangements or repurchase/reverse repurchase contracts, for the account of a Fund is permitted for the generation of additional income for the benefit of the Fund, and hence for its investors.

21.3 The stock lending arrangement and repurchase/reverse repurchase contracts permitted by this section may be exercised by a Fund when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk.

21.4 The Company or the Depositary at the request of the Company may enter into a repurchase contract or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:

(A) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;

(B) the counterparty is:

- an authorised person; or
- a person authorised by a Home State regulator; or
- a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
- a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and the Office of Thrift Supervision; and

(C) collateral is obtained to secure the obligation of the counterparty under the terms referred to in 21.4(A) and the collateral is:

- acceptable to the Depositary;
- adequate; and
- sufficiently immediate.

21.5 The counterparty for the purpose of paragraph 21.4 is the person who is obliged under the agreement referred to in paragraph 21.4(A) to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.

21.6 Paragraph 21.4(C) does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

21.7 There is no limit on the value of the Scheme Property which may be the subject of stock lending transactions.

21.8 Any interest or dividends paid on securities which are the subject of such stock lending arrangements shall accrue to the benefit of the relevant Fund.

21.9 The Company will have the right to terminate a stock lending arrangement at any time and demand the return of any or all of the securities loaned.

21.10 In the case that the Company enters into a reverse repurchase agreement, it will have the right to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued or a mark-to market basis at any time. Where the cash is recallable at any time on a mark-to market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the purposes of the calculation of the net asset value of the Fund.

21.11 In the case that the Company enters into a repurchase agreements, the Company will have the right to recall any securities subject to the agreement or to terminate the repurchase agreement at any time.

21.12 Fixed term repurchase and reverse repurchase contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the Company.

21.13 All the revenues arising from EPM techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the relevant Fund in respect of which the relevant party has been engaged.

22. Treatment of collateral for stock lending and repurchase/reverse repurchase transactions ("EPM techniques")

22.1 Collateral obtained by a Fund in the context of EPM techniques must be:

(A) transferred to the Depositary or its agent;

(B) at least equal in value, at the time of the transfer to the Depositary, to the value of the securities transferred by the Depositary; and

(C) in the form of one or more of:

- cash; or
- a certificate of deposit; or
- a letter of credit; or
- a readily realisable security ; or
- commercial paper with no embedded derivative content; or
- a qualifying money market fund.

22.2 Where the collateral is invested in units in a qualifying money market fund managed or operated by (or, for an ICVC, whose authorised corporate director is) the ACD or an associate of the ACD, the conditions in paragraph 15.5 must be complied with.

22.3 Collateral is sufficiently immediate for the purposes of this paragraph if:

(A) it is transferred before or at the time of the transfer of the securities by the Depositary; or

(B) the Depositary takes reasonable care to determine at the time referred to in paragraph 22.3(A) that it will be transferred at the latest by the close of business on the day of the transfer.

22.4 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary.

22.5 The duty in paragraph 22.4 may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

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

22.7 Collateral transferred to the Depositary is part of the Scheme Property for the purposes of the FCA Rules, except in the following respects:

(A) it does not fall to be included in any calculation of NAV or this Appendix, because it is offset under paragraph 22.6 by an obligation to transfer; and

(B) it does not count as Scheme Property for any purpose of this Appendix other than this paragraph.

22.8 Paragraphs 22.6 and 22.7(A) do not apply to any valuation of collateral itself for the purposes of this paragraph.

23. Collateral received for OTC derivative transactions and EPM techniques

23.1 Collateral posted by a counterparty for the benefit of a Fund will be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received, in conjunction with paragraph 27.1, corresponds with the value of the amount exposed to counterparty risk at any given time.

23.2 Collateral used to reduce counterparty risk exposure will comply with the following criteria:

(A) Liquidity - collateral (other than cash) will be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral will comply with the provisions of rule 5.2.29 of the COLL Sourcebook (as summarised in paragraph 19.1 above).

(B) Valuation - collateral will be valued on a daily basis and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place.

(C) Issuer credit quality - collateral will be of high quality.

(D) Correlation – collateral will be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

(E) Diversification - collateral will be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of EPM and OTC derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

23.3 All assets received by the Funds in the context of OTC derivative transactions and EPM techniques will be considered as collateral and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Company.

23.4 Where there is a title transfer, the collateral received will be held by the Depositary or a delegate thereof. For other types of collateral arrangement the collateral may be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

23.5 Collateral received will be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty. Accordingly collateral will be immediately available to the Company without recourse to the counterparty in the event of default by that entity.

24. Permitted types of Collateral for OTC derivative transactions and EPM techniques

24.1 It is proposed that the Company will accept the following types of collateral (subject, in the case of EPM techniques, to compliance with paragraph 22.1(C) above):

(A) cash; or

(B) government or other public securities; or

(C) certificates of deposit issued by Approved Banks; or

(D) bonds/commercial paper issued by Approved Banks or by non-bank issuers where the issue or the issuer are rated A1 or equivalent; or

(E) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Approved Banks; or

(F) equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

25. Reinvestment of Collateral

25.1 Cash received as collateral for OTC derivatives and efficient portfolio management techniques may not be invested or used other than as set out below:

(A) placed on deposit with Approved Banks;

(B) invested in high-quality government securities;

(C) used for the purpose of reverse repurchase transactions, provided that the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on an accrued basis; or

(D) invested in a “Short Term Money Market Fund” as defined by the European Securities and Markets Authority’s guidelines on a Common Definition of European Money Market Funds.

25.2 Re-invested cash collateral will be diversified in accordance with the diversification requirements outlined above in paragraph 23.2(E).

25.3 Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

25.4 The reinvestment of cash collateral leads to certain risks such as counterparty risk (e.g. borrower default) and market risk (e.g. decline in value of the collateral received or of the reinvested cash collateral) and these risks need to be monitored. The risk related to the reinvestment of cash collateral, which is not indemnified by the lending agent, is mitigated by investing cash collateral in highly liquid and diversified money market funds or in reverse repurchase agreements.

25.5 For funds which receive collateral for at least 30% of their assets, the associated liquidity risk is assessed.

25.6 Non-cash collateral received cannot be sold, pledged or re-invested.

26. Stress testing of Collateral

26.1 In the event that the Company receives collateral for at least 30% of the Net Asset Value of a Fund, it will implement regular stress tests carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.

27. Haircut policy

27.1 Collateral received from a counterparty may be offset against counterparty exposure provided it meets a range of standards, including those for liquidity, valuation, issuer credit quality, correlation and diversification. The Company has established a haircut policy in respect of each class of assets received as collateral in respect of the Funds. This policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. In offsetting exposure, where the Company considers appropriate, the value of collateral is reduced by a percentage (haircut) which provides, amongst other things, a buffer for short-term fluctuations in the value of the exposure and of the collateral.

28. Counterparty exposure reporting

28.1 The annual report of the Funds will contain details of (i) the counterparty exposure obtained through efficient portfolio management techniques as well as exposure to OTC derivative transactions, (ii) counterparties to efficient portfolio management techniques and OTC derivative transactions, (iii) the type and amount of collateral received by the Funds to reduce counterparty exposure and (iv) revenues arising from efficient portfolio management techniques for the reporting period, together with direct and indirect costs and fees incurred and to which entity these have been paid.

29. Underwriting and Stock Placings

29.1 Any power in the COLL Sourcebook 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.

29.2 This section applies, subject to paragraph 29.3, to any agreement or understanding which:

(A) is an underwriting or sub-underwriting agreement; or

(B) contemplates that securities will or may be issued or subscribed for or acquired for the account of the Fund.

29.3 Paragraph 29.2 does not apply to:

(A) an option; or

(B) a purchase of a transferable security which confers a right to:

- to subscribe for or acquire a transferable security; or

- to convert one transferable security into another.

(C) The exposure of the Fund to agreements and understandings within paragraph 29.2 must, on any Business Day:

- be covered in accordance with the requirements of COLL 5.3.3R (see paragraph 40); and

- 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 COLL 5.

30. Borrowing powers

30.1 The Company may, subject to the FCA Rules, borrow money from an Eligible Institution or an Approved Bank for the use of the Company on the terms that the borrowing is to be repayable out of the Scheme Property.

30.2 Borrowing must be on a temporary basis and must not be persistent and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.

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

30.4 These borrowing restrictions do not apply to “back to back” borrowing for cover for transactions in derivatives (see paragraph 40).

30.5 The Company must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraphs 30.1 and 30.2.

31. Derivatives: general

31.1 Funds which may use derivatives in pursuit of their investment objectives, as well as Funds which may use derivatives for efficient portfolio management purposes, must do so in accordance with the following rules.

31.2 **The use of derivatives for efficient portfolio management will generally not increase the risk profile of a Fund (see paragraph** 49 **for further details on efficient portfolio management).** In adverse situations, however, a Fund's use of derivatives may become ineffective in hedging or EPM and a Fund may suffer significant loss as a result. A Fund's abilities to use derivatives for EPM may be limited by market conditions, regulatory limits and tax considerations. **The use of derivatives for investment purposes may increase the risk profile of a Fund.**

31.3 A transaction in derivatives or a forward transaction must not be effected for a Fund unless:

(A) the transaction is of a kind specified in 322 below (Permitted transactions (derivatives and forwards); and

(B) the transaction is covered, as required by paragraph 40 (Derivatives exposure and cover).

31.4 Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in paragraphs 12 (Spread: general) and paragraphs 14 (Spread: government and public securities) save as provided in 31.7.

31.5 Where a transferable security or money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.

31.6 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

(A) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;

(B) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

(C) it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

31.7 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

31.8 Where a Fund invests in an index based derivative, provided the relevant index falls within paragraph 45.4 - 45.8 (Relevant indices) the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 12 and 13.

31.9 The relaxation in 31.7 is subject to the ACD taking account of paragraph 1.2 (Prudent spread of risk).

32. Permitted transactions (derivatives and forwards)

32.1 A transaction in a derivative must:

(A) be in an approved derivative; or

(B) be one which complies with paragraph 36 (OTC transactions in derivatives).

32.2 The underlying of a transaction in a derivative must consist of any one or more of the following to which the Fund is dedicated:

(A) transferable securities permitted under paragraphs 2.2(A) and 2.2(C);

(B) money-market instruments permitted under paragraph 8;

(C) deposits permitted under paragraph 17;

(D) derivatives permitted under this rule;

(E) collective investment scheme units permitted under paragraph 15;

(F) financial indices which satisfy the criteria set out in COLL 5.2.20 A R;

(G) interest rates;

(H) foreign exchange rates; and

(I) currencies.

32.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market as set out in Appendix 2.

32.4 A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Instrument of Incorporation and this Prospectus.

32.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money-market instruments, units in collective investment schemes or derivative provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R (1) (Requirement to cover sales) as read in accordance with guidance at COLL 5.2.22A G are satisfied.

32.6 Any forward transaction must be made with an Eligible Institution or an Approved Bank.

32.7 A derivative includes an instrument which fulfils the following criteria:

(A) It allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;

(B) It does not result in the delivery or transfer of assets other than those referred to in paragraph 2.1 above;

(C) In the case of an OTC derivative, it complies with the requirements in paragraph 29 below;

32.8 Its risks are adequately captured by the risk management process of the ACD, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

32.9 The Company may not undertake transactions in derivatives on commodities.

33. Financial indices underlying derivatives

33.1 The financial indices referred to in paragraph 32.2(F) are those which satisfy the following criteria:

(A) the index is sufficiently diversified;

(B) the index represents an adequate benchmark for the market to which it refers; and

(C) the index is published in an appropriate manner.

33.2 A financial index is sufficiently diversified if:

(A) it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

(B) where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and

(C) where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

33.3 A financial index represents an adequate benchmark for the market to which it refers if:

(A) it measures the performance of a representative group of underlyings in a relevant and appropriate way;

(B) it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

(C) the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

33.4 A financial index is published in an appropriate manner if:

(A) its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

(B) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

33.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 33.2, be regarded as a combination of those underlyings.

34. Transactions for the purchase of property

34.1 A derivative or forward transaction which will or could lead to the delivery of property for the account of a Fund may be entered into only if:

(A) that property can be held for the account of the Fund; and

(B) the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

35. Requirement to cover sales

35.1 No agreement by or on behalf of a Fund to dispose of property or rights may be made unless:

(A) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and

(B) the property and rights at 35.1(A) are owned by the Fund at the time of the agreement.

35.2 Paragraph 35.1 does not apply to a deposit.

35.3 Paragraph 35.1 does not apply where:

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

(B) the ACD or the Depositary has the right to settle the derivative in cash, and cover exists within the Fund's property which falls within one of the following asset classes:

(1) cash;

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

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

35.4 In the asset classes referred to in 35.3, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market.

36. OTC transactions in derivatives

36.1 A transaction in an OTC derivative under paragraph 32.2(B) must be:

(A) with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:

- an Eligible Institution or an Approved Bank; or
- a person whose permission (including any requirements or limitations), as published in the Financial Services Register or whose home state authorisation, permits it to enter into the transaction as principal off-exchange;

(B) on approved terms; the terms of the transaction in derivatives are approved only if the ACD:

- carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and

- can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and

(C) capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

- on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or

- if the value referred to above is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

(D) subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

- an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or

- a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

(E) The Fund may enter into a range of swap transactions in pursuit of the investment objective of the Fund (including Total Return Swaps) or other financial derivatives instruments with similar characteristics. The underlying assets and investment strategies or such swaps, to which exposure will be gained, are described in the investment objective and policy of the relevant Fund.

(F) The counterparty does not have discretion over the composition or management of a Fund's portfolio or over the underlying of financial derivative instruments used by a Fund. Counterparty approval is not required in relation to any investment decision made by the Fund.

37. Risk management process

37.1 The risk management process should take account of the investment objectives and policy of the Fund as stated in this prospectus.

37.2 The Depositary should take reasonable care to review the appropriateness of the risk management process in line with its duties under COLL 6.6.14(1) (Duties of the depositary and authorised fund manager: investment and borrowing powers), as appropriate.

37.3 The ACD is expected to demonstrate more sophistication in its risk management process for a Fund with a complex risk profile than for one with a simple risk profile. In particular, the risk management process should take account of any characteristic of non-linear dependence in the value of a position to its underlying.

37.4 The ACD should take reasonable care to establish and maintain such systems and controls as are appropriate to its business as required by SYSC 3.1 (Systems and controls).

37.5 The risk management process should enable the analysis required by paragraph 38 to be undertaken at least daily or at each valuation point whichever is the more frequent.

38. Risk management: derivatives

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

38.2 The following details of the risk management process must be notified by the ACD to the FCA in advance of the use of the process as required by 38.1:

(A) the methods for estimating risks in derivative and forward transactions; and

(B) a true and fair view of the types of derivative and forwards to be used within the Fund together with their underlying risks and any relevant quantitative limits.

38.3 The ACD must notify the FCA in advance of any material alteration to the details in 38.2(A) and 38.2(B).

39. Valuation of OTC derivatives

(A) For the purposes of paragraph 38.2(B) the ACD must:

(1) establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and

(2) ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

(B) Where the arrangements and procedures referred to in paragraph 39(A) above involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC (Additional requirements for a management company) and COLL (Due diligence requirements of AFMs of UCITS schemes).

(C) The arrangements and procedures referred to in 39(A) must be:

(1) adequate and proportionate to the nature and complexity of the OTC derivative concerned; and

(2) adequately documented.

40. Derivatives exposure and cover

40.1 A Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.

40.2 Cover ensures that a Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed.

40.3 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

40.4 The global exposure relating to derivatives held in a Fund may not exceed the net value of the Scheme Property.

41. Cover and borrowing

41.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 40 (Derivatives exposure and cover) as long as the normal limits on borrowing (see below) are observed.

41.2 Where, for the purposes of this paragraph the Company borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being on deposit with the lender (or his agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property, and the normal limits on borrowing under paragraph 30 (Borrowing powers) do not apply to that borrowing.

42. Daily calculation of global exposure

(A) The ACD must calculate the global exposure of a Fund on at least a daily basis.

(B) For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

43. Global Risk Exposure

43.1 The ACD must calculate the global exposure of a Fund by using the standard commitment approach or the Value at Risk (“VaR”) approach.The ACD must ensure that the method selected to calculate global exposure is appropriate, taking into account: the investment strategy pursued by the Fund; the types and complexities of the derivatives and forward transactions used; and the proportion of the scheme property comprising derivatives and forward transactions.

43.2 Where a Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 21 (EPM techniques) in order to generate additional leverage or exposure to market risk, the ACD must take those transactions into consideration when calculating global exposure.

43.3 For the purposes of paragraph 43, VaR means a measure of the maximum expected loss at a given confidence level over a specific time period and the standard commitment approach means that the ACD converts each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that derivative taking into account netting and hedging arrangements.

44. Commitment approach

44.1 Where the ACD uses the commitment approach for the calculation of global exposure, it must:

(A) ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in paragraph 31 (Derivatives: general)), whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with paragraph 21 (EPM techniques); and

(B) convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).

44.2 The ACD may apply other calculation methods which are equivalent to the standard commitment approach.

44.3 For the commitment approach, the ACD may take account of netting and hedging arrangements when calculating global exposure of a Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

44.4 Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.

44.5 Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Fund need not form part of the global exposure calculation.

45. Schemes replicating an index

45.1 Notwithstanding paragraph 12 (spread: general) a Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

45.2 Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.

45.3 The 20% limit in 45.1 can be raised for a particular Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions. In the event that 20% limit is raised the ACD will provide appropriate information in the Prospectus in order to explain the ACD's assessment of why this increase is justified by exceptional market conditions.

45.4 In the case of a Fund replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where the Fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.

45.5 The indices referred to above are those which satisfy the following criteria:

(A) The composition is sufficiently diversified;

(B) The index represents an adequate benchmark for the market to which it refers; and

(C) The index is published in an appropriate manner.

45.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.

45.7 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.

45.8 An index is published in an appropriate manner if:

(A) it is accessible to the public;

(B) the index provider is independent from the index-replicating Fund; this does not preclude index providers and the Fund from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

46. Restrictions on lending of money

46.1 None of the money in the Scheme Property of the 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.

46.2 Acquiring a debenture is not lending for the purposes of paragraph 46.1; nor is the placing of money on deposit or in a current account.

46.3 Paragraph 46.1 does not prevent the 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.

47. Restrictions on lending of property other than money

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

47.2 Transactions permitted by paragraph 21 (EPM techniques) are not lending for the purposes of paragraph 47.1.

47.3 The Scheme Property of the Fund must not be mortgaged.

47.4 Nothing is this paragraph prevents 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.

48. Guarantees and indemnities

48.1 The 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.

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

48.3 Paragraphs 48.1 and 48.2 do not apply in respect of the Fund to:

(A) any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA rules;

(B) an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;

(C) an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and

(D) an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Fund and the holders of units in that scheme become the first shareholders in the Fund.

49. Efficient Portfolio Management

49.1 Each Fund may in addition to the ability to use derivatives for investment purposes as referred to above, utilise the Scheme Property of the Fund to enter into transactions for the purposes of hedging or EPM. Permitted EPM transactions include transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences; or synthetic futures in certain circumstances. The Funds may effect synthetic short positions by using derivatives for EPM purposes. There is no limit on the amount or value of the Scheme Property of any Fund which may be used for EPM but the ACD must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with an acceptably low level of, risk. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.

49.2 Permitted transactions are those that the Fund reasonably regards as economically appropriate to EPM, that is:

(A) Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or

(B) Transactions for the generation of additional capital growth or income for the Fund by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:

(1) pricing imperfections in the market as regards the property which the Fund holds or may hold; or

(2) receiving a premium for the writing of a covered call option or a covered put option on property of the Fund which the Company is willing to buy or sell at the exercise price.

49.3 Transactions may take the form of "derivatives transactions" (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the FCA Rules, or be a "synthetic future" (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the FCA Rules. A permitted transaction may at any time be closed out.

49.4 Permitted EPM transactions must also fulfil the following criteria:

(A) Their risks are adequately captured in risk management procedures implemented in relation to the Company; and

(B) They cannot result in a change to a Fund's declared investment objective or add supplementary risks in comparison to the general risk policy as described in this Prospectus.

While the use of EPM transactions will be in line with the best interests of the Fund, individual techniques may result in increased counterparty risk and potential conflicts of interest (examples include but are not limited to where the counterparty is a related party). Details of the relevant risks are set out in the section of the Prospectus headed "Risk Factors".

All of the revenues arising from EPM transactions, net of direct and indirect operational costs, will be returned to the Company.

The Company will ensure, at all times, that the terms of EPM transactions, including any investment of cash collateral, will not impact on its ability to meet with its redemption obligations.

50. <u>Securities Financing Transactions</u>

Where the use of SFTs and/or TRS, as defined under SFTR, is contemplated in a Fund's investment policy, the SFTs/TRS used as part of the investment policy of the relevant Fund shall be set out in the relevant Fund's description and the ACD will include additional disclosures in the Prospectus in accordance with SFTR.

The Funds do not currently make use of, and are not engaged in, any such transactions.

APPENDIX 2 ELIGIBLE MARKETS

A Fund may deal through securities markets established in EEA States on which transferable securities admitted to official listing in the EEA State are dealt in or traded.

Up to 10% of the Scheme Property may be invested in transferable securities which are not traded on or under the rules of an Eligible Market.

The following stock exchanges or markets are deemed Eligible Markets for investment by the Company:

Argentina	Buenos Aires Stock Exchange (BCBA) OTC Market (MAE)
Australia	ASX Limited (ASX) Sydney Futures Exchange (SFE)
Austria	Vienna Stock Exchange (VSE) EuroMTS / MTS Austria (MTS Austria)
Belgium	NYSE Euronext Brussels (NYSE Euronext Brussels)
Brazil	Sao Paulo Stock Exchange (BOVESPA)
Canada	NASDAQ Canada (NASDAQ CAN) TSX Venture Exchange (TSXVE) Montreal Exchange (MX) Toronto Stock Exchange (TSX)
Chile	Santiago Stock Exchange (BCS) Bolsa Electronica de Chile (BEC)
Colombia	Colombia Stock Exchange (BVC) Colombian OTC Market
Cyprus	Cyprus Stock Exchange (CSE)
Czech Republic	OTC (OTC) Prague Stock Exchange (PSE)
Denmark	NASDAQ OMX Copenhagen Stock Exchange (CSE) MTS Associated Markets (MTS Denmark)
Finland	NASDAQ OMX Helsinki (NASDAQ OMX)
France	NYSE Euronext France (NYSE Euronext France)
Germany	Frankfurter Wertpapierboerse (FWB®) Eurex Deutschland (Eurex)
Greece	Athens Exchange (ATHEX) Electronic Secondary Securities Market of the Bank of Greece (HDAT)
Hong Kong	The Stock Exchange of Hong Kong (SEHK)
Hungary	Budapest Stock Exchange (BSE)

India	Bombay Stock Exchange (BSE) National Stock Exchange of India (NSE)
Indonesia	Indonesian Stock Exchange (IDX)
Ireland	Irish Stock Exchange (ISE)
Israel	Tel Aviv Stock Exchange (TASE)
Italy	Borsa Italiana (Borsa Italiana) MTS (MTS)
Japan	Tokyo Stock Exchange, Inc. (TSE) Osaka Securities Exchange (OSE)
Luxembourg	The Luxembourg Stock Exchange (LSE)
Malaysia	Bursa Malaysia Securities Berhad (Bursa Securities) Electronic Trading Platform (ETP)
Mexico	Over-the-Counter (OTC) Mexican Derivatives Exchange (MexDer) Mexican Stock Exchange (BMV)
Netherlands	NYSE Euronext Amsterdam (NYSE Euronext Amsterdam)
New Zealand	New Zealand Exchange (NZX)
Norway	Oslo Børs (OSE)
Peru	Lima Stock Exchange (BVL)
Poland	Warsaw Stock Exchange (WSE) BondSpot S.A. (BondSpot S.A.)
Portugal	MTS Portugal (MTS Portugal) NYSE Euronext Lisbon (NYSE Euronext Lisbon)
Philippines	Philippine Stock Exchange (PSE) OTC Fixed Income Exchange Market (FIE)
Russia	Russian Trading System Stock Exchange (RTS) MICEX Stock Exchange Moscow Stock Exchange (MSE) Saint Petersburg Stock Exchange
Singapore	Singapore Exchange Limited (SGX)
Slovakia	Bratislava Stock Exchange (BSSE / BCPB)
Slovenia	Ljubljana Stock Exchange (LJSE)
South Africa	Johannesburg Securities Exchange SA (JSE)
South Korea	Korea Exchange (KRX)

Spain	Spanish Stock Exchange Organisation (BME)
Sweden	NASDAQ OMX Stockholm (NASDAQ OMX Stockholm)
Switzerland	SIX Swiss Exchange (SIX SE) SIX Swiss Exchange Blue Chip Segment (Blue Chip Segment)
Taiwan	Taiwan Stock Exchange Corporation (TWSE) GreTai Securities Market (GTSM) Taiwan Futures Exchange (TAIFEX)
Thailand	The Stock Exchange of Thailand (SET)
Turkey	Istanbul Stock Exchange (ISE)
U.K.	London Stock Exchange (LSE) London International Financial Futures and Options Exchanges (LIFFE)
U.S.	New York Stock Exchange (NYSE Euronext) NYSE AMEX (NYSE AMEX) ICE Futures U.S. (ICE Futures U.S.) Chicago Mercantile Exchange (Chicago Mercantile Exchange) NASDAQ (NASDAQ) Over-The-Counter (OTC) Chicago Board of Trade (CBOT)
Uruguay	Montevideo Stock Exchange

For the purposes only of determining the value of the assets of a Fund, the term “Eligible Market” shall be deemed to include, in relation to any futures or options contract utilised by the Fund for the purposes of efficient portfolio management or to provide protection against exchange rate risk, any organised exchange or market on which such futures or options contract is regularly traded.

APPENDIX 3 FUNDS

- H2O MultiReturns Fund
- Harris Associates Global Concentrated Equity Fund
- Loomis Sayles Strategic Income Fund
- Loomis Sayles U.S. Equity Leaders Fund

H_2O MultiReturns Fund

(Product reference number (PRN): 637602)

Investment Objective

The H_2O MultiReturns Fund (the "Fund") seeks to outperform 1-month GBP LIBOR by 4% p.a. over a recommended investment horizon of 3 years, less the ongoing charges ratio.

There can be no guarantee that the investment objective of the Fund will be achieved over a 3 year period or any other period and your investment is at risk.

Investment Policy

Principal investment strategy

In order to meet its objective, the Fund seeks diversification of its assets among asset classes, markets, strategies and time horizons and does so within a risk allocation framework in the global fixed income, equity and currency markets.

The Fund may invest up to 100% of its assets in fixed income securities and money market instruments issued or guaranteed by sovereign governments and corporations including fixed income securities issued or guaranteed by sovereign governments of non-OECD[1] countries and fixed income securities rated below Investment-Grade[2] as well as zero coupons bonds[3], certificates of deposit and commercial paper[4].

The Fund may invest no more than 20% of its assets in Investment-Grade[5] collateralized bonds including asset-backed securities and mortgage-backed securities[6].

In connection with its views on interest rates, the Investment Manager may use derivatives, such as CDX[7], on one or more bond markets and/or may use derivatives linked to interest rates, such as swaps[8], futures[9], options[10], among others, in order to adjust the interest rate sensitivity of the Fund's portfolio, which includes establishing a short position[11].

The Fund may invest up to 30% of its assets in equity securities of companies on a global basis. The Fund's equity investments include common stocks, preferred stocks, depositary receipts[12], warrants[13] and other equity-related instruments.

In connection with its views on equity markets, the Investment Manager may reduce the Fund's exposure to equities, which includes establishing a short position, through the use of derivatives such as futures, contracts for difference[14], options, among others, on one or more stocks or stock indexes. Any short position is limited to 30% of the Fund's assets.

The Fund may invest up to 10% of its net assets in collective investment schemes.

The Fund will also invest in derivative instruments in order to gain exposure to these assets including CDS[15], CDX, contracts for difference, swaps, futures, forwards[16] and options, as further detailed under the section entitled "Use of derivatives or other investment techniques and instruments" below.

The Fund may be exposed to any currency including currencies of non-OECD countries.

The dynamic management of the Fund seeks to extract performance in different market environments. To this end, H_2O Asset Management, the Investment Manager determines its market views based on macroeconomic, valuation and flow considerations among various financial markets in order to establish the investment strategy and takes long and short positions across global debt, equity and currency markets.

The Fund's performance is expected primarily from investment strategies that seek to capture relative trends among markets (implemented through relative value positions and arbitrage strategies). Strategies that seek to benefit from the general direction of the markets (directional strategies) are secondary sources of performance.

In the implementation of the investment strategy, the Investment Manager makes judgments on asset class valuations, interest rate movements and currencies and expresses those judgments through various types of investment decisions. Investment decisions reflecting the Investment Manager's judgment that a certain investment has a more attractive valuation than another are expected to make a profit as those valuations return to what the Investment Manager believes are normal levels; these decisions are typically known as a relative value or arbitrage strategies. Investment decisions reflecting the Investment Manager's judgment that a certain investment is over- or under-valued are expected to make a profit as the investment's price falls or rises; these are typically known as directional strategies.

To manage the risk within the Fund, the Value at Risk ("VaR") approach is used as described below under the section of this document entitled "Specific Risks". Under normal market conditions, it is also expected that the ex post annualised volatility of the Fund will typically be between 5-10% over a three year investment horizon. However, the Fund's ex post annualised volatility may be outside of this expected range over rolling investment horizons as a consequence of volatile market conditions or due to inherent volatility of certain investments held by the Fund.

Use of derivatives or other investment techniques and instruments

The Fund may use futures, options, swaps (including CDS and CDX), contracts for difference and forward contracts in order to expose the portfolio or hedge its assets against risks related to currency, bond, credit or equity markets, within the limits described in Appendix 1 above. In order to achieve its investment objective, the Fund may engage in the credit derivatives market by entering into, among other things, credit default swaps in order to sell and buy protection. The Fund may use credit derivatives in order to hedge the specific credit risks of certain issuers in its portfolio by buying protection. In addition, the Fund may, provided it is in its exclusive interest, buy protection using credit derivatives without holding the underlying assets. Provided it is in its exclusive interest, the Fund may also sell protection using credit derivatives in order to acquire a specific credit exposure. The Fund will only enter into OTC credit derivatives transactions with highly-rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement.

For more details, please refer to the section entitled "Risk Factors" herein.

The Fund may enter into repurchase agreements in order to enhance the return on its cash holdings. For more details, please refer to Appendix 1 above.

Defensive strategies

Under certain exceptional market conditions, the Fund may hold a significant amount of its assets in cash and/or money market instruments, if the Investment Manager believes that it would be in the best interest of the Fund and its Shareholders. When the Fund is pursuing a defensive strategy, it will not be pursuing its investment objective.

Target Benchmark and assessing performance

The 1-month GBP LIBOR is the average of what banks in London pay in interest when they lend amongst themselves in Great British Pound over a 1-month period. 1-month GBP LIBOR +4% (the "Target Benchmark") has been selected by the ACD as a target for performance for the Fund because the ACD believes that over the recommended investment horizon of 3 years, the Fund should provide a positive performance irrespective of bond, equity, interest rate and currency market performance and as such the Target Benchmark is an appropriate measure to reflect the Fund’s performance.

The ACD can also assess the performance of the Fund against the Target Benchmark.

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics (the “Peer Group”). The ACD may compare the Fund against the performance of the Investment Association Targeted Absolute Return sector. Although they may not have exactly the same characteristics as the Fund, the funds in this sector are managed with the aim of delivering positive returns in any market conditions, but returns are not guaranteed.

Definition of specific terms

[1]**OECD** means the Organisation for Economic Co-Operation and Development whose current member countries are Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, U.K., U.S. and such other countries as may from time to time become member countries.

[2]**Below Investment-Grade fixed income securities** are securities rated less than BBB- (Standard & Poor’s Ratings Services), Baa3 (Moody’s Investors Service, Inc.), an equivalent rating by Fitch Ratings or other Nationally Recognized Statistical Rating Organization, or if unrated, determined by the Investment Manager to be equivalent. In case a fixed income security initially bought at the authorised rating is downgraded, the portfolio will be permitted to stay invested in the security until maturity.

[3]**Zero coupons bonds** are securities which make no periodic interest payments but instead are sold at a deep discount from their face value.

[4]**Commercial papers** are short-term unsecured debt instruments.

[5]**Investment-Grade** are securities rated at least than BBB- (Standard & Poor’s Ratings Services), Baa3 (Moody’s Investors Service, Inc.), an equivalent rating by Fitch Ratings or other Nationally Recognized Statistical Rating Organization, or if unrated, determined by the Investment Manager to be equivalent.

[6]**Mortgage-backed securities** are debt securities whose value and income payments are derived from and secured by a specified pool of mortgage loans.

[7]**Credit default swap index (CDX)** are credit derivatives used to hedge credit risk or to take a position on a basket of credit entities. Unlike credit default swaps, which are over-the-counter credit derivatives, CDX are completely standardised credit securities and may therefore be more liquid and trade at a smaller bid-offer spread.

[8]**Swaps** are financial derivatives contracts whereby counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument.

[9]**Futures** are standardized financial derivatives contracts between two parties to buy or sell a standard quantity of a financial asset or commodity at a future date at an agreed-upon price with delivery and payment occurring at a specified future date. The contracts are negotiated at a futures exchange, which acts as an intermediary between the two parties.

[10]**Options** are financial derivatives contracts which give the owner the right, but not the obligation, to buy or sell a security or other financial asset at an agreed-upon price during a certain period of time or on a specified date, while paying a premium to the seller in consideration for this right. The seller incurs a corresponding obligation to fulfil the transaction, which is to sell or buy, if the option is exercised prior to expiration.

[11]**Short Position** is selling a security for future delivery without actually possessing it at the time of sale or selling a borrowed security with the expectation of purchasing it at a lower price at the time of its return to the lender reflecting an investment view that the price of the underlying asset is expected to fall in value. Any short position will be achieved using financial derivative instruments.

[12]**Depositary receipts** are negotiable securities traded on a local stock exchange representing equity issued by a foreign-listed company.

[13]**Warrants** are securities which entitle the holder to buy the underlying stock of the issuing company at a fixed exercise price until the expiry date.

[14]**Contract for difference (CFD)** are financial derivatives contracts whereby the seller will pay to the buyer the difference between the current value of an asset and its value at contract time. CFDs generally provide an efficient way of securing exposure to the movement in price of an underlying share or index without owning the stock or physically investigating in the index. Such instruments can be used with the aim of gaining a benefit from either increases or decreases of the value of the underlying asset.

[15]**Credit default swaps (CDS)** are financial swap agreements whereby the buyer of the CDS pays a periodic fee in return for a contingent payment or compensation by the seller if a credit event occurs. A credit event is generally defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due.

[16]**Forwards** are non-standardized financial derivatives contracts traded over the counter (OTC) between two parties to buy or sell a commodity, security or financial instrument at a specified future time at an agreed-upon price. Forward contracts are very similar to futures contracts, except they are not exchange-traded and are not defined on standardized assets or contract terms.

Typical investor profile

The Fund is suitable for institutional and retail investors who:

- are seeking positive investment returns in all market conditions over the three year investment horizon;
- can afford to set aside capital for at least the three year investment horizon);
- can accept temporary losses; and
- can tolerate volatility.

Specific risks

Investors are referred to the section of this document entitled “Risk Factors” and in particular, to the section headed “Specific Investment Risks”. The following risks may be particularly relevant to an investment in this Fund:

- Debt securities
- Changing interest rates
- Credit risk
- Global investing
- Changes in laws or tax regimes
- Financial derivative instrument Counterparty risk
- Foreign exchange currency risk
- Liquidity risk
- Equity securities
- Below investment grade securities
- Emerging markets
- Geographic concentration

The methodology used to calculate the global exposure resulting from the use of financial derivative instruments is the absolute VaR method, as described under paragraph 38 of Appendix 1.

The Fund will be limited to a 99% one-month VaR of 15% of the NAV, which means that, under normal market conditions, there is a 1% probability that the value of the fund could decrease by 15% or more over the immediately following 20 Business Days.

Past performance

Please refer to Appendix 5.

H2O MultiReturns Fund

SHARE CLASSES AVAILABLE		
Type	Accumulation	Semi-Annual Distribution
I	I/AG(GBP)	I/DG(GBP)
N	N/AG(GBP)	N/DG(GBP)
Q	Q/AG(GBP)	

SHARE CLASS CHARACTERISTICS					
Type	Ongoing Charges Ratio*	Base currency	Maximum initial charge	Redemption charge	Minimum initial investment / holding
I	0.80%	Great British Pound	1%	None	£5,000,000
N	1.00%				None
Q	0.25%				£10,000,000

*The portion of the Ongoing Charges Ratio attributable to the Management Fee will be deducted from the income property of the Fund.

<u>Key to Share Class naming convention</u>: A – denotes Accumulation Shares / D – denotes Distribution Shares.

Dividend for Distribution Shares only is distributed on a semi-annual basis. Interim Accounting Period for Distribution Shares ends on the last day of December and June. Interim Income Distribution Date for Distribution Shares is the last Business Day of the second calendar month following an interim accounting period.

Subscriptions and Redemptions in the Fund: Pricing and Settlement

Valuation Point	Subscription/ Redemption Date	Application Date and Cut-Off Time	Settlement Date	Initial Offer Price
Each Business Day in the U.K. at 12:00 noon	T* (i.e., any Business Day in the U.K.)	T at 12:00 noon	T+4	100.00p

*T = Day on which any subscription, redemption or exchange application is processed by the Transfer Agent. Applications received by the Administrator before the cut-off time on any Dealing Day will be processed on such day. Applications received after the cut-off time will be processed on the following Dealing Day.

Harris Associates Global Concentrated Equity Fund

(Product reference number (PRN): 637603)

Investment Objective

The investment objective of Harris Associates Global Concentrated Equity Fund (the "Fund") is to achieve long-term growth of capital.

Investment Policy

Principal investment strategy

In order to meet its objective, the Fund will invest at least 80% of its assets in equity securities of companies around the world quoted on Eligible Markets, including emerging markets. The Fund may invest in companies with a market capitalization greater than $5 billion at the time of initial purchase.

The Fund's equity investments include common stocks, preferred stocks and equity-related instruments such as warrants[1], rights[2], equity-linked notes[3] and convertible bonds, as well as depositary receipts[4] for any of those equity investments.

The Fund may invest up to 20% of its assets in cash, cash equivalents or other types of securities other than those described above, including, where permitted in accordance with FCA Rules, Rule 144A securities[5]. The Fund may invest no more than 10% of its assets in collective investment schemes. The Fund may invest no more than 10% of its assets in unlisted securities[6].

The Fund is actively managed and seeks to hold a limited number of securities resulting in a concentrated portfolio. The Fund will generally have approximately 20 securities in its portfolio, but may hold more or less securities depending on investment opportunities. Investing in a limited number of securities could result in less diversification than funds that invest in a larger number of securities.

The Investment Manager, Harris Associates, uses a value investment philosophy in selecting equity securities. This investment philosophy is based upon the belief that, over time, a company's stock price converges with the company's intrinsic or true business value. By "true business value", the Investment Manager means an estimate of the price a knowledgeable buyer would pay to acquire the entire business. The Investment Manager uses this value philosophy to identify companies that it believes have discounted stock prices compared to the companies' true business values, and thus present the best opportunity to achieve the Fund's investment objective.

Use of derivatives or other investment techniques and instruments

On an ancillary basis, the Fund may use derivatives for hedging and investment purposes and enter into securities lending and borrowing transactions as well as repurchase agreements transactions and reverse repurchase agreements, as described in Appendix 1 above (and exceptionally up to 100%).

Defensive strategies

Under certain exceptional market conditions, the Fund may hold a significant amount of its assets in cash and/or invest in short-term debt securities, time deposits or money market instruments, if the Investment Manager believes that it would be in the best interest of the Fund and its Shareholders. When the Fund is pursuing a defensive strategy, it will not be pursuing its investment objective.

Comparative Benchmark and assessing performance

The ACD can compare the performance of the Fund against the MSCI World Index (net return) (the "Comparative Benchmark"). The Comparative Benchmark is made up of large and medium market capitalisation sized companies in developed markets throughout the world. The ACD has selected the Comparative Benchmark for performance comparison because it reflects the broad range of companies which the Fund can invest in. The Investment Manager does not have to invest in the same companies which make up the Comparative Benchmark. Where it does invest in the same companies it does not need to invest in the same amounts as the company's weighting in the Comparative Benchmark.

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics (the "Peer Group"). The ACD may compare the Fund against the performance of the Investment Association Global sector. Although they may not have exactly the same characteristics as the Fund, the funds in this sector invest at least 80% of their assets globally in shares.

The Fund is not constrained to, or managed in line with the Comparative Benchmark or the Investment Association Global sector, or any other benchmark.

Definition of specific terms

[1]**Warrants** are securities which entitle the holder to buy the underlying stock of the issuing company at a fixed exercise price until the expiry date.

[2]**Rights** are securities which the holder to buy new shares issued by the issuing company at a predetermined price in proportion to the number of shares already owned.

[3]**Equity-linked notes** are debt instruments having a final pay-out based on the return of the underlying equity.

[4]**Depositary receipts** are negotiable securities traded on a local stock exchange representing equity issued by a foreign-listed company.

[5]**Rule 144A securities** are securities offered privately in the U.S. which can only be traded by qualified institutional investors.

[6]**Unlisted Securities** are securities which may be sold through a private offering and/or may be issued by public or private firms who cannot or do not wish to comply with the listing requirements of an official exchange.

Typical Investors Profile

The Fund is suitable for institutional and retail investors who:

- are looking for exposure to the equity markets on a global basis;
- are looking for a concentrated portfolio;
- can afford to set aside capital for at least 5 years (long term horizon);
- can accept temporary losses; and
- can tolerate volatility.

Specific risks

Investors are referred to the section of this document headed “Risk Factors” and in particular, to the section headed “Specific Investment Risks”. The following risks may be particularly relevant to an investment in this Fund:

- Equity securities
- Value investing
- Portfolio concentration
- Global investing
- Currency risk
- Changes in laws and/or tax regimes

The global exposure of the Fund is calculated using the “Commitment Approach” method as described under paragraph 38 of Appendix 1.

Past performance

Please refer to Appendix 5.

Harris Associates Global Concentrated Equity Fund

SHARE CLASSES AVAILABLE		
Type	Great British Pound (GBP)	U.S. Dollar (USD)
	Accumulation	Accumulation
I	I/A(GBP)	I/A(USD)
N	N/A(GBP)	N/A(USD)
Q		Q/A(USD)

SHARE CLASS CHARACTERISTICS					
Type	Ongoing Charges Ratio*	Base currency	Maximum initial charge	Redemption charge	Minimum initial investment / holding
I	0.95%	U.S. Dollar	1%	None	£5,000,000 / $10,000,000
N	1.00%				None
Q	0.25%				$15,000,000

*The portion of the Ongoing Charges Ratio attributable to the Management Fee will be deducted from the income property of the Fund

Key to Share Class naming convention: A – denotes Accumulation Shares.

Subscriptions and Redemptions in the Fund: Pricing and Settlement

Valuation Point	Subscription/ Redemption Date	Application Date and Cut-Off Time	Settlement Date	Initial Offer Price
Each Business Day in the U.K. at 12:00 noon	T* (i.e., any Business Day in the U.K.)	T at 12:00 noon	T+4	100.00p

*T = Day on which any subscription, redemption or exchange application is processed by the Transfer Agent. Applications received by the Transfer Agent before the cut-off time on any Dealing Day will be processed on such day. Applications received after the cut-off time will be processed on the following Dealing Day.

Loomis Sayles Strategic Income Fund

(Product reference number (PRN): 637600)

Investment Objective

The investment objective of Loomis Sayles Strategic Income Fund (the "Fund") is to achieve high income with a secondary objective of long-term growth of capital.

Investment Policy

Principal investment strategy

In order to meet its objective, the Fund will invest at least 80% of its assets in income-producing securities (including below investment-grade securities[1], or "junk bonds") with a focus on corporate, convertible and government bonds on a global basis, including emerging markets.

Income-producing securities may also include where permitted in accordance with FCA Rules: preferred stocks, asset-backed securities, mortgage-related securities[2], Rule 144A securities[3], Regulation S securities[4], structured notes, pay-in-kind bonds and bank loans qualifying as money market instruments. These securities may also be issued or guaranteed by government agencies or supranational entities. The Fund may invest no more than 10% of its total assets in bank loans that qualify as money market instruments. Except as described elsewhere, the Fund is not limited in the percentage of its assets that it may invest in these instruments.

The Fund may invest up to 20% of its assets in securities other than those described above. The Fund may invest no more than 20% of its assets in dividend-paying common stocks. The Fund may invest no more than 10% of its assets in other investment funds (subject to the eligibility criteria as set out in Appendix 1).

Loomis, Sayles & Company, L.P., the Investment Manager, may shift the Fund's assets among various types of income-producing securities based upon changing market conditions. The Investment Manager performs its own extensive credit analyses to determine the creditworthiness and potential for capital appreciation of a security. It uses a flexible approach to identify securities in the global financial markets with characteristics including discounted price compared to economic value, undervalued credit ratings with strong or improving credit profiles and attractive yield (although not all of the securities selected will have these attributes).

In deciding which securities to buy and sell, the Investment Manager will consider, among other things, the financial strength of the issuer, current interest rates, current valuations, its expectations regarding future changes in interest rates and comparisons of the level of risk associated with particular investments with the Investment Manager's expectations concerning the potential return of those investments. The Investment Manager generally seeks to maintain a high level of diversification.

Use of derivatives or other investment techniques and instruments

The Fund may use futures, options, swaps and forward contracts in order to expose its assets to, or hedge its assets against, risks linked to interest rates, exchange rates or credit, within the limits described in Appendix 1 above. The Fund may engage in the credit derivatives market by entering into, among other things, credit default swaps in order to sell and buy protection. For more details, please refer to the section entitled "Specific Risks" below.

Defensive strategies

Under certain exceptional market conditions, the Fund may invest a significant amount of its assets in money market instruments and time deposits, if the Investment Manager believes that it would be in the best interest of the Fund and its Shareholders. When the Fund is pursuing a defensive strategy, it will not be pursuing its investment objective.

Comparative Benchmark and assessing performance

The ACD can compare the performance of the Fund against the Bloomberg Barclays US Aggregate Bond Index (total return) (the “Comparative Benchmark”). The Comparative Benchmark is made up of investment grade bonds traded in the United States. The ACD has selected the Comparative Benchmark for performance comparison because it provides a broad range of securities against which to compare the strategy and performance of the Fund. The Investment Manager does not have to invest in the same companies which make up the Comparative Benchmark. Where it does invest in the same companies it does not need to invest in the same amounts as the company’s weighting in the Comparative Benchmark.

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics (the “Peer Group”). The ACD may compare the Fund against the performance of the Investment Association Sterling Strategic Bond sector. Although they may not have exactly the same characteristics as the Fund, the funds in this sector invest at least 80% of their assets in sterling denominated fixed interest securities.

The Fund is not constrained to, or managed in line with the Comparative Benchmark or the Investment Association Sterling Strategic Bond sector, or any other benchmark.

Definition of specific terms

[1]**Below investment grade fixed income securities** are securities rated less than BBB- (Standard & Poor's Ratings Services), Baa3 (Moody's Investors Service, Inc.), an equivalent rating by Fitch Ratings or if unrated, determined by the Investment Manager to be equivalent.

[2]**Mortgage-related securities** are debt securities whose value and income payments are derived from and secured by a specified pool of mortgage loans.

[3]**Rule 144A securities** are debt securities offered privately in the U.S. which can only be traded by qualified institutional investors.

[4]**Regulation S securities** are debt securities initially offered outside the U.S. and only to non-U.S. persons. The initial offering is exempt from U.S. securities laws, including U.S. registration requirements.

Typical investor profile

The Fund is suitable for institutional and retail investors who:

- want to obtain higher income than available from traditional fixed income portfolios;
- can afford to set aside capital for at least 3 years (medium term horizon);
- can accept temporary losses; and
- can tolerate volatility.

Specific Investment Risks

Investors are referred to the section of this document headed "Risk Factors" and in particular, to the section headed "Specific Investment Risks". The following risks may be particularly relevant to an investment in this Fund:

- Debt securities (including Credit risk, Below investment grade securities, Changing interest rates, Convertible securities)
- Currency risk
- Equity Securities
- Emerging Markets
- Geographic concentration
- Changes in laws and/or tax regimes
- Liquidity risk
- Financial derivative instruments / Counterparty risk

The global exposure of the Fund is calculated using the "Commitment Approach" method as described under paragraph 38 of Appendix 1.

Past performance

Please refer to Appendix 5.

Loomis Sayles Strategic Income Fund

SHARE CLASSES AVAILABLE						
Type						
	Great British Pound (GBP)		U.S. Dollar (USD)		Euro (EUR)	
	Accumulation	Monthly Distribution	Accumulation	Monthly Distribution	Accumulation	Monthly Distribution
I	I/AG(GBP) H-I/AG(GBP)	I/DG(GBP) H-I/DG(GBP)	I/AG(USD)	I/DG(USD)	I/AG(EUR) H-I/AG(EUR)	I/DG(EUR) H-I/DG(EUR)
N	N/AG(GBP) H-N/AG(GBP)	N/DG(GBP) H-N/DG(GBP)		N/DG (USD)	N/AG(EUR) H-N/AG(EUR)	N/DG(EUR) H-N/DG(EUR)
Q	Q/AG(GBP) H-Q/AG(GBP)		Q/AG(USD)			

SHARE CLASS CHARACTERISTICS					
Type	Ongoing Charges Ratio*	Base currency	Maximum initial charge	Redemption charge	Minimum initial investment / holding
I	0.65%	U.S. Dollar	1%	None	£5,000,000 / $10,000,000 / €10,000,000
N	0.75%				None
Q	0.25%				£10,000,000 / $15,000,000

*The portion of the Ongoing Charges Ratio attributable to the Management Fee will be deducted from the income property of the Fund.

Key to Share Class naming convention: H – denotes hedged shares / A – denotes Accumulation Shares / D – denotes Distribution Shares / G – denotes gross paying shares.

Dividend for Distribution Shares only is distributed on a monthly basis. Interim Accounting Period for Distribution Shares ends on the last day of each calendar month. Interim Income Distribution Date for Distribution Shares is the last Business Day of the second calendar month following an interim accounting period.

Subscriptions and Redemptions in the Fund: Pricing and Settlement

Valuation Point	Subscription/ Redemption Date	Application Date and Cut-Off Time	Settlement Date	Initial Offer Price
Each Business Day in the U.K. at 12:00 noon	T* (i.e., any Business Day in the U.K.)	T at 12:00 noon	T+4	100.00p

*T = Day on which any subscription, redemption or exchange application is processed by the Transfer Agent. Applications received by the Transfer Agent before the cut-off time on any Dealing Day will be processed on such day. Applications received after the cut-off time will be processed on the following Dealing Day.

Loomis Sayles U.S. Equity Leaders Fund

(Product reference number (PRN): 637601)

Investment Objective

The investment objective of Loomis Sayles U.S. Equity Leaders Fund (the "Fund") is to achieve long-term growth of capital.

Investment Policy

Principal investment strategy

In order to meet its objective, the Fund will invest at least 80% of its assets in equity securities of U.S. companies. The Fund focuses on stocks of large capitalisation companies, but the Fund may invest in companies of any size.

The Fund's equity investments include common stocks, preferred stocks and equity-related instruments.

The Fund may invest up to 20% of its assets in equity-linked notes[1] and convertible bonds issued by U.S. companies as well as common stocks, preferred stocks, equity-linked notes, convertible bonds and other equity-related instruments issued by non-U.S. companies traded on non-U.S. exchanges or as depositary receipts[2]. The Fund may invest no more than 10% of its assets in undertakings for collective investment.

The Fund normally invests across a wide range of sectors and industries. Loomis, Sayles & Company, L.P., the Investment Manager, employs a growth style of equity management that emphasises companies with sustainable competitive advantages, secular long-term cash flow growth, returns on invested capital above their cost of capital and the ability to manage for profitable growth that can create long-term value for Shareholders. The Investment Manager aims to invest in companies when they trade at a significant discount to the estimate of intrinsic value.

Use of derivatives or other investment techniques and instruments

On an ancillary basis, the Fund may use derivatives for hedging and investment purposes and enter into securities lending and borrowing transactions as well as repurchase agreements transactions and reverse repurchase agreements, as described in Appendix 1 above (and exceptionally up to 100%).

Defensive strategies

Under certain exceptional market conditions, the Fund may hold a significant amount of its assets in cash and/or invest in short-term debt securities, time deposits or money market instruments, if the Investment Manager believes that it would be in the best interest of the Fund and its Shareholders. When the Fund is pursuing a defensive strategy, it will not be pursuing its investment objective.

Comparative Benchmark and assessing performance

The ACD can compare the performance of the Fund against the S&P 500 Index (total return) (the "Comparative Benchmark"). The Comparative Benchmark is made up of 500 large companies listed on stock exchanges in the United States. The ACD has selected the Comparative Benchmark for performance comparison because it reflects the type of companies the Fund can invest in. The Investment Manager does not have to invest in the same companies which make up the Comparative Benchmark. Where it does invest in the same companies it does not need to invest in the same amounts as the company's weighting in the Comparative Benchmark.

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics (the “Peer Group”). The ACD may compare the Fund against the performance of the Investment Association North America sector. Although they may not have exactly the same characteristics as the Fund, the funds in this sector invest at least 80% of their assets in North American equities.

The Fund is not constrained to, or managed in line with the Comparative Benchmark or the Investment Association North America sector, or any other benchmark.

Definition of specific terms

[1]**Equity-linked notes** are debt instruments having a final pay-out based on the return of the underlying equity.

[2]**Depositary receipts** are negotiable securities traded on a local stock exchange representing equity issued by a foreign-listed company.

Typical investor profile

The Fund is suitable for institutional and retail investors who:

- are looking for exposure to the U.S. equity markets;
- are looking for a relatively concentrated portfolio;
- can afford to set aside capital for at least 5 years (long term horizon);
- can accept temporary losses; and
- can tolerate volatility.

Specific risks

Investors are referred to the section of this document headed “Risk Factors” and in particular, to the section headed “Specific Investment Risks”. The following risks may be particularly relevant to an investment in this Fund:

- Equity securities
- Geographic concentration
- Portfolio concentration
- Growth investing
- Currency risk (for non-USD investments only)

The global exposure of the Fund is calculated using the “Commitment Approach” method as described under paragraph 38 of Appendix 1.

Past performance

Please refer to Appendix 5.

Loomis Sayles U.S. Equity Leaders Fund

SHARE CLASSES AVAILABLE						
Type	Great British Pound (GBP)		U.S. Dollar (USD)		Euro (EUR)	
	Accumulation	Annual Distribution	Accumulation	Annual Distribution	Accumulation	Annual Distribution
I	I/A(GBP) H-I/A(GBP)	I/D(GBP) H-I/D(GBP)	I/A(USD)	I/D(USD)	I/A(EUR) H-I/A(EUR)	I/D(EUR) H-I/D(EUR)
N	N/A(GBP) H-N/A(GBP)	N/D(GBP) H-N/D(GBP)	N/A(USD)		N/A(EUR) H-N/A(EUR)	N/D(EUR) H-N/D(EUR)
Q	Q/A(GBP) H-Q/A(GBP)		Q/A(USD)			

SHARE CLASS CHARACTERISTICS					
Type	Ongoing Charges Ratio*	Base currency	Maximum initial charge	Redemption charge	Minimum initial investment / holding
I	0.80%	U.S. Dollar	1%	None	£5,000,000 / $10,000,000 / €10,000,000
N	1.00%				None
Q	0.60%				£10,000,000 / $15,000,000

*The portion of the Ongoing Charges Ratio attributable to the Management Fee will be deducted from the income property of the Fund

Key to Share Class naming convention: H – denotes hedged shares / A – denotes Accumulation Shares / D – denotes Distribution Shares.

Dividend for Distribution Shares only is distributed on a yearly basis. There is no Interim Accounting Period for Distribution Shares. Income Distribution Date for Distribution Shares is the last Business Day of February, being the second calendar month following the end of the annual accounting period.

Subscriptions and Redemptions in the Fund: Pricing and Settlement

Valuation Point	Subscription/ Redemption Date	Application Date and Cut-Off Time	Settlement Date	Initial Offer Price
Each Business Day in the U.K. at 12:00 noon	T* (i.e., any Business Day in the U.K.)	T at 12:00 noon	T+4	100.00p

*T = Day on which any subscription, redemption or exchange application is processed by the Transfer Agent. Applications received by the Transfer Agent before the cut-off time on any Dealing Day will be processed on such day. Applications received after the cut-off time will be processed on the following Dealing Day.

APPENDIX 4 GOVERNMENT AND PUBLIC SECURITIES

List of issuers of Government and public securities in which the Company may invest up to 100% of the Scheme Property of each Fund. These are the only public bodies in which the Company may invest more than 35% of the assets of each Fund:

1. the government of or a local authority in the United Kingdom of Great Britain and Northern Ireland; or

2. the Scottish Administration; or

3. the Executive Committee of the Northern Ireland Assembly; or

4. the National Assembly for Wales; or

5. the government of any of the following countries or territories outside the United Kingdom:

5.1 Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Portugal, Poland, Romania, Slovakia, Slovenia, Spain and Sweden; or

5.2 Australia, Canada, Japan, New Zealand, Switzerland and the United States of America.

APPENDIX 5 PAST PERFORMANCE

Performance figures shown are in Great British Pound, inclusive of net reinvested income and net of fees.

Past performance is not a reliable indicator of future performance.

H2O MultiReturns Fund

	Past Performance					
	31/12/13	31/12/14	31/12/15	31/12/16	31/12/17	31/12/18
H2O MultiReturns Fund N/A (GBP)	-	12.17%	20.78%	0.11%	7.05%	10.36%
IA Targeted Absolute Return Sector	**-**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
LIBOR GBP 1M + 4%	**-**	**4.50%**	**4.51%**	**4.42%**	**4.44%**	**4.78%**

Harris Associates Global Concentrated Equity Fund

	Past Performance					
	31/12/13	31/12/14	31/12/15	31/12/16	31/12/17	31/12/18
Harris Associates Global Concentrated Equity Fund N/A (GBP)	-	-	-0.98%	41.71%	14.40%	13.49%
IA Global Sector	**-**	**-**	**2.79%**	**23.92%**	**13.87%**	**5.71%**
MSCI World Index (net return)	**-**	**-**	**4.87%**	**28.24%**	**11.80%**	**3.04%**

Loomis Sayles Strategic Income Fund

	Past Performance					
	31/12/13	31/12/14	31/12/15	31/12/16	31/12/17	31/12/18
Loomis Sayles Strategic Income Fund H-N/D (GBP)	-	3.76%	-8.07%	16.12%	7.89%	5.70%
IA SterlingStrategic Bond Sector	**-**	**6.15%**	**-0.26%**	**6.98%**	**5.40%**	**2.48%**
Bloomberg Barclays US Aggregate Bond Index (total return)	**-**	**5.97%**	**-0.55%**	**2.65%**	**3.54%**	**0.01%**

Loomis Sayles U.S. Equity Leaders Fund

	Past Performance					
	31/12/13	**31/12/14**	**31/12/15**	**31/12/16**	**31/12/17**	**31/12/18**
Loomis Sayles U.S. Equity Leaders Fund N/A (GBP)	-	18.37%	15.95%	27.91%	19.78%	1.45%
IA North America Sector	**-**	**17.73%**	**4.46%**	**30.07%**	**10.48%**	**1.15%**
S&P 500 Index (total return)	**-**	**20.76%**	**7.26%**	**33.55%**	**11.28%**	**1.56%**

Source: Natixis Investment Managers S.A.

APPENDIX 6 DELEGATIONS MADE BY THE DEPOSITARY

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian.

At the date of this prospectus State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below.

MARKET	SUB-CUSTODIAN
Albania	Raiffeisen Bank sh.a.
Argentina	Citibank, N.A., Buenos Aires
Australia	The Hongkong and Shanghai Banking Corporation Limited
Austria	Deutsche Bank AG
	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Bangladesh	Standard Chartered Bank
Belgium	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
Benin	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank, N.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD
Burkina Faso	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Canada	State Street Trust Company Canada
Chile	Banco Itaú Chile S.A.
People's Republic of China	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
	China Construction Bank Corporation (for A-share market only)
	Citibank N.A. (for Shanghai – Hong Kong Stock Connect market only)
	The Hongkong and Shanghai Banking Corporation Limited (for Shanghai – Hong Kong Stock Connect market only)
	Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.

Croatia	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
Czech Republic	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
Egypt	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Estonia	AS SEB Pank
Finland	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
France	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
Republic of Georgia	JSC Bank of Georgia
Germany	State Street Bank GmbH
	Deutsche Bank AG
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
Iceland	Landsbankinn hf.
India	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG
Ireland	State Street Bank and Trust Company, United Kingdom branch
Israel	Bank Hapoalim B.M.
Italy	Deutsche Bank S.p.A. Intesa Sanpaolo S.p.A.
Ivory Coast	Standard Chartered Bank Côte d'Ivoire S.A.
Jamaica	Scotia Investments Jamaica Limited
Japan	Mizuho Bank, Limited
	The Hongkong and Shanghai Banking Corporation Limited
Jordan	Standard Chartered Bank
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited

Republic of Korea	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
Kuwait	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Latvia	AS SEB banka
Lithuania	AB SEB bankas
Luxembourg	Clearstream Banking S.A., Luxembourg
Malawi	Standard Bank Limited
Malaysia	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
Mali	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México, S.A.
Morocco	Citibank Maghreb
Namibia	Standard Bank Namibia Limited
Netherlands	Deutsche Bank AG
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Niger	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
Oman	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Pakistan	Deutsche Bank AG
Panama	Citibank, N.A.
Peru	Citibank del Perú, S.A.
Philippines	Deutsche Bank AG
Poland	Bank Handlowy w Warszawie S.A.
	Bank Polska Kasa Opieki S.A
Portugal	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
Puerto Rico	Citibank N.A.
Qatar	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast

Serbia	UniCredit Bank Serbia JSC
Singapore	Citibank N.A.
	United Overseas Bank Limited
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	FirstRand Bank Limited
	Standard Bank of South Africa Limited
Spain	Deutsche Bank S.A.E.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d.
Swaziland	Standard Bank Swaziland Limited
Sweden	Nordea Bank AB (publ)
	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse AG
	UBS Switzerland AG
Taiwan – R.O.C.	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Tunisia	Union Internationale de Banques
Turkey	Citibank, A.Ş.
	Deutsche Bank A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	PJSC Citibank
United Arab Emirates Dubai Financial Market	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Dubai International Financial Center	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Abu Dhabi	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Kingdom	State Street Bank and Trust Company, United Kingdom branch
United States	State Street Bank and Trust Company, Boston
Uruguay	Banco Itaú Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Zambia	Standard Chartered Bank Zambia Plc.
Zimbabwe	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)