EQUITILE INVESTMENTS LTD

Equitile Investments Feeder OEIC

PROSPECTUS

EQUITILE RESILIENCE FEEDER FUND

Valid As At

16 April 2021

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IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

1. Equitile Investments Feeder OEIC

This document is the 'Prospectus' of Equitile Investments Feeder OEIC, an OEIC which is constituted as an investment company with variable capital with registered number IC001053 and was authorised by the FCA on 16 December 2015. This Prospectus is valid as at the date specified on the cover of this document.

The head office of the Company is 22 Tudor St, London EC4Y 0AY, United Kingdom, which is also the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it. Shareholders are not liable for the debts of the Company beyond the amount subscribed. The base currency of the Company is pounds sterling. The minimum size of its share capital is one hundred pounds (£100) and the maximum size is one hundred billion pounds (£100,000,000,000).

The Company is organised as an umbrella company for the purposes of the OEIC Regulations comprising separate Sub-Funds. The Sub-Fund shall have a segregated portfolio of assets and, accordingly, the assets of the Sub-Fund are allocated exclusively to that Sub-Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company or any other Sub-Funds that may be established under the Company on a later date and shall not be available for any other purpose.

This Prospectus complies with the requirements of COLL 4.2 of the COLL Sourcebook. Key investor information documents for each class of Shares available in the Sub-Fund referred to in this Prospectus, including historic performance data where available, are available on request from the Company.

The Company is a UCITS scheme and is subject to the rules of the FCA as set out in the COLL Sourcebook. Except as otherwise set out in Appendix 1, the Sub-Fund of the Company will operate as a feeder UCITS and will invest all or substantially all of its Scheme Property (in any event, not less than 85 per cent. of its Scheme Property) in the Units of the Master Fund, the sub-fund of the Master Scheme, as detailed in Appendix 1. To the extent that the Scheme Property of the Sub-Fund is not fully invested in the Master Fund, the Sub-Fund will invest such remaining Scheme Property in accordance with the investment restrictions set out in Appendix 3.

As of the date of this Prospectus, the Company has one Sub-Fund, the Equitile Resilience Feeder Fund, which will invest at least 85 per cent. of its Scheme Property in the Equitile Resilience Fund, the sub-fund of the Master Scheme. Details of the Sub-Fund and the Equitile Resilience Fund are set out in Appendix 1. Save where the context requires otherwise, references to a Sub-Fund in this Prospectus shall be references to Equitile Resilience Feeder Fund and references to the Master Fund shall be references to Equitile Resilience Fund.

The Company is intended to enable companies and other investors who are not eligible to or, for various administrative reasons, are unable to invest directly into the sub-fund of the Master Scheme to do so indirectly through the Sub-Fund of the Company. The Company has an unlimited duration.

The Sub-Fund will be charged with the liabilities and expenses attributable to that Sub-Fund and within the Sub-Fund charges will be allocated between classes of Shares in accordance with the terms of issue of the Shares of those classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-Fund may be allocated by the Company in a manner which it believes to be fair to the Shareholders generally within the Company. This will normally be pro rata to the net asset value of the relevant Sub-Funds available at the time.

The OEIC Regulations provide for segregated liability between Sub-Funds. The concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to the concept of segregated liability under the OEIC Regulations.

2. Distribution

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

This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which an offer or solicitation is not lawful or in which the person making such an offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such a solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares in the Sub-Fund to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective Shareholders should inform themselves as to the legal requirements of applying for Shares and any applicable exchange control regulations and tax treatment of their investment in the Sub-Fund in the countries of their respective citizenship, residence, domicile or incorporation.

US Persons are not permitted to subscribe for the Shares. The Shares have not and will not be registered under the United States Securities Act 1933, the United States Investment Company Act 1940, or the securities laws of any of the states of the United States of America and may not be directly or indirectly offered or sold in the United States of America or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act 1933, the United States Investment Company Act 1940 and similar requirements of such state securities law.

Further details regarding distribution in specific jurisdictions are provided in Appendix 5.

Notwithstanding the above, all Shareholders must meet the eligibility criteria set out in this Prospectus and the Instrument of Incorporation. In particular, all Shareholders must meet the tax and investment criteria for investment in the relevant Share class (as set out in Appendix 1).

3. Glossary

ACD	Equitile Investments Ltd, the authorised corporate director appointed under the terms of the ACD Agreement and its successors as ACD.
ACD Agreement	The ACD agreement between the ACD and the Company.
ACS Manager	Equitile Investments Limited, the authorised fund manager of the Master Scheme.
Administrator	HSBC Bank plc of 8 Canada Square, London E14 5HQ.
Auditor	PricewaterhouseCoopers LLP of 7 More London, Riverside, London SE1 2RT
Business Day	A day which is not a Saturday or Sunday or any other day recognised in England and Wales as a public holiday or any other day on which banks or the London Stock Exchange plc are not open for normal business in the UK. In addition, given that the Sub-Fund invests in the Master Fund which may invest outside the UK, the Company may also take into account whether relevant local exchanges in which the Master Fund invests are open, and may elect to treat such closures as non-business days. Where possible, Shareholders will be notified in advance of such cases.
COLL Sourcebook	The collective investment schemes sourcebook which forms part of the FCA Handbook, as amended from time to time. References to rules or guidance in the COLL Sourcebook are prefaced by "COLL".
Company	Equitile Investments Feeder OEIC.
Depositary	HSBC Bank plc, to whom the Scheme Property is entrusted for safekeeping and who is appointed to act as the depositary of the Company and its successors as depositary of the Company.
Depositary Services Agreement	The depositary services agreement between the Company and HSBC Bank plc under which HSBC Bank plc agrees to provide, among others, safekeeping services in relation to the Scheme Property as more particularly described in section 5 of this Prospectus.
EEA	European Economic Area.
Eligible Counterparty	An investor that is considered to be an eligible counterparty or that may, on request, be treated as an eligible counterparty within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive).
Equitile Resilience Fund	The Equitile Resilience Fund, being a Master Fund and itself a sub-fund of the Master Scheme, details of which are set out in Appendix 1.
EU	The European Union.
Extraordinary Resolution	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 at a general meeting or (as the case may be) class meeting of the Shareholders, of which notice specifying the intention to propose the resolution as an extraordinary resolution has been duly given in accordance with the COLL Sourcebook.
FCA	The Financial Conduct Authority or any other relevant successor regulatory body from time to time.
FCA Handbook	The FCA's handbook of rules and guidance, as amended from time to time.
Form	The application form to subscribe for Shares in the Sub-Fund (including appropriate documentation to confirm the tax status of the Shareholder).
FOS	Financial Ombudsman Service Limited.
FSCS	Financial Services Compensation Scheme.
FSMA	Financial Services and Markets Act, 2000 (as amended or replaced from time to time).

Hedged Share	A Share in a Hedged Share Class.
Hedged Share Class	A class of Shares in the Sub-Fund that includes a hedging strategy as described in Appendix 1.
Hedged Unit(s)	A Unit in a Hedged Unit Class.
Hedged Unit Class	A class of Units in the Master Fund that includes a hedging strategy as described in the prospectus of the Master Scheme.
Hire Act	Hiring Incentives to Restore Employment Act, 2010.
HMRC	HM Revenue & Customs.
Instrument of Incorporation	The constitutive legal document of the Company.
Internal Conduct of Business Rules	The rules entered into between the Company and the Master Scheme in accordance with the COLL Sourcebook.
Master Fund	The sub-fund of the Master Scheme in which the Sub-Fund will invest not less than 85 per cent. of its assets in accordance with the COLL Sourcebook, currently being the Equitile Resilience Fund.
Master Scheme	Equitile Investments ACS, an authorised contractual scheme which is constituted as a co-ownership scheme and is authorised by the FCA on 16 December 2015.
Master Services Agreement	The master services agreement between the Company and HSBC Bank plc under which HSBC Bank plc agrees to provide, among others, administration, fund accounting, transfer agency and registrar services as more particularly described in sections 6 to 8 of this Prospectus.
Member State	A member state of the EU.
Normal Business Hours	The hours between 9.00 a.m. and 5.30 p.m. on any Business Day.
OEIC	An open-ended investment company established under the OEIC Regulations.
OEIC Regulations	The UK Open-Ended Investment Companies Regulations 2001/1228, as amended or replaced from time to time.
OTC	Over-the-counter.
PRA	Prudential Regulation Authority or any other relevant successor body from time to time.
Register	The register of Shareholders for the Sub-Fund.
Registrar	HSBC Bank plc of 8 Canada Square, London E14 5HQ.
Safekeeping Function	The function of safekeeping all Scheme Property (other than tangible moveable property).
Scheme Property	The scheme property of the Company or the Sub-Fund (as appropriate) required under the FCA Handbook to be given for safekeeping to the Depositary.
Service Providers	The service providers to the Company, including the Administrator, the Registrar and the Auditor, whose details are set out herein.
Share	A share in the Sub-Fund (including larger or smaller denomination shares).
Shareholder	In relation to a class of Shares in the Sub-Fund, a person who is on the Register as a shareholder in that class at the relevant time.
Subscription Documents	Collectively, the Form and the Prospectus.
Sub-Fund	A sub-fund of the Company with segregated liability and detailed in Appendix 1 from time to time, currently being the Equitile Resilience Feeder Fund.
TBAs	"To Be Announced" securities.
Transfer Agent	HSBC Bank plc of 8 Canada Square, London E14 5HQ.
UCITS	An undertaking for collective investment in transferable securities as defined in Directive EEC 85/611 as amended or replaced from time to time.
UCITS Directive	The European Parliament and Council Directive on the coordination of laws, regulations and administrative provisions relating to undertaking for collective investment in transferable securities (UCITS) (No. 2009/65/EC), as amended or replaced from time to time.
UK or United Kingdom	The United Kingdom of Great Britain and Northern Ireland.

Unit	A unit representing the rights and interests of a Unitholder in a Master Fund.
Unitholder	In relation to a class of Units of a Master Fund, a person who is on the register of the Master Fund as a unitholder in that class at the relevant time including, for the avoidance of doubt, the Sub-Fund.
US Persons	Any person resident in the United States of America or any other person specified in Regulation S under the United States Securities Act 1933, as amended from time to time and as may be further supplemented by the Company.
Valuation Point	The point, whether on a periodic basis or for a particular valuation, at which the Company carries out a valuation of the Scheme Property for the Sub-Fund for the purpose of determining the price at which Shares of a class may be issued, cancelled or redeemed.
VAT	Value added tax under the UK Value Added Tax Act 1994.

4. The ACD

The ACD (Registered Company No. 09459099) is a limited company incorporated in England and Wales on 25 February 2015 under the Companies Act 2006. The ACD is a wholly owned subsidiary of Equitile Ltd. The ACD is authorised and regulated by the FCA with permission to carry on the activity of 'managing a UCITS' in the UK. The ACD is also the ACS Manager of Equitile Investments ACS.

The ACD's principal activity is investment management. It has authority as a delegate of the Company to make decisions on behalf of the Company including:

(a) the management, investment, realisation and reinvestment of the Scheme Property in accordance with the investment objective and policy of the Sub-Fund; and

(b) the reclaiming of, or enabling the Depositary to reclaim, all refunds due of tax associated with dividends, interest or otherwise in respect of the Scheme Property.

The ACD is authorised to deal on behalf of the Sub-Fund. No commission is payable to the ACD for any such deal. The ACD is not a broker fund adviser in relation to the Company.

The Company has no directors other than the ACD. The ACD was appointed by the Company pursuant to the Instrument of Incorporation and the terms of the ACD Agreement, available to the Shareholders upon request. Subject to the regulations, the Company may terminate the ACD Agreement by six months' notice in writing to the ACD and the ACD may without cause terminate the ACD Agreement immediately in writing to the Company, save that such termination shall not take effect until a replacement authorised corporate director is appointed by the Company.

The ACD Agreement will also terminate automatically upon:

(a) the ACD ceasing to be appropriately authorised by the FCA in its capacity as authorised corporate director of the Company;

(b) the ACD ceasing to be the operator of the Company for any reason whatsoever; or

(c) if the Company is wound up or ceases to be authorised by the FCA.

Subject to the regulations, either party may terminate the ACD Agreement at any time by notice in writing to the other party:

(a) if the other party commits a material breach of its obligations under the ACD Agreement and said breach, where it is capable of remedy, is not remedied within 30 days of receipt of written notice to do so from the other party; or

(b) if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertaking.

To the extent permitted by the regulations, the Company will indemnify the ACD against all claims, actions, proceedings, investigations, demands, judgments and awards which may be brought, made, threatened or alleged against or otherwise involve the ACD and all losses suffered or incurred by the ACD in each case by reason of:

(a) any act or thing done by the ACD as a result of any negligent or wrongful direction or requirement of the Company given or made under the terms of this Agreement;

(b) any indemnity having been given with the approval of the Company by the ACD to the appointed depositary of the Company; and

(c) the ACD's proper performance of its powers, duties, authorities or discretions as the Company's authorised corporate director,

provided that the indemnity shall not apply to any liability arising as a direct or indirect result of fraud, negligence, wilful default or a breach of the regulations by the ACD or to the extent that the relevant loss has been recovered from another person other than the ACD's insurers.

The registered office of the ACD is 2nd Floor, Regis House, 45 King William Street, London, EC4R 9AN.

The head office of the ACD is 22 Tudor St, London EC4Y 0AY, United Kingdom.

The issued and paid-up share capital of the ACD is £900,000.

The directors of the ACD, as at the date of this Prospectus, are named below:

A McNally

G Cooper

N Hellewell

T J Furuholmen

Xiyang He

The non-executive directors of the ACD are:

Gerald Ashley

Jakob Iqbal

A McNally, G Cooper, N Hellewell, T J Furuholmen and Xiyang He are also directors on the board of Equitile Ltd. None of the directors' and non-executive directors' main business activities (which are not connected with the business of the ACD or any of its associates) are of significance to the Company's business.

5. The Depositary

Pursuant to the agreement dated 8 August 2016 between the Equitile Investments Feeder OEIC, Equitile Investments Limited and the Depositary (the "Depositary Services Agreement") and for the purposes of and in compliance with the UCITS Legislation The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2015, Commission Delegated Regulation (EU) No. Commission Delegated Regulation (EU) of 17.12.2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries (together, "the UCITS Legislation") and the relevant FCA Rules, the Depositary has been appointed as depositary to the Equitile Investments Feeder OEIC, Equitile Investments Limited.

The Depositary, HSBC Bank plc is a public limited company incorporated in England and Wales with company registration number 00014259. HSBC Bank plc is a wholly owned subsidiary of HSBC Holdings plc. The Depositary's registered and head office is located at 8 Canada Square, London E14 5HQ and the principal business activity of the Depositary is the provision of financial services, including trustee and depositary services. HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.

The Depositary provides services to the Equitile Investments Feeder OEIC, Equitile Investments Limited as set out in the Depositary Services Agreement and, in doing so, shall comply with the UCITS Legislation, the OEIC Regulations and the relevant FCA Rules.

The Depositary's duties include the following:

Ensuring that the Equitile Investments Feeder OEIC, Equitile Investments Limited cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to shares of the Equitile Investments Feeder OEIC, Equitile Investments Limited have been received.

Safekeeping the assets of the Equitile Investments Feeder OEIC, Equitile Investments Limited, which includes (i) holding in custody all financial instruments that may be held in custody; and (ii) verifying the ownership of other assets and maintaining records accordingly.

Ensuring that issues, redemptions and cancellations of the shares of each Equitile Investments Feeder OEIC are carried out in accordance with applicable law and the relevant FCA Rules.

Ensuring that the value of the shares of the Equitile Investments Feeder OEIC, Equitile Investments Limited is calculated in accordance with applicable law and the relevant FCA Rules.

Carrying out the instructions of the Equitile Investments Feeder OEIC and Equitile Investments Limited, unless they conflict with applicable law and the relevant FCA Rules.

Ensuring that in transactions involving Equitile Investments Feeder OEIC assets any consideration is remitted to the Equitile Investments Feeder OEIC within the usual time limits.

Ensuring that Equitile Investments Feeder OEIC income is applied in accordance with applicable law and the relevant FCA Rules.

Actual or potential conflicts of interest may arise between Equitile Investments Feeder OEIC the Shareholders or the ACD and the Depositary. For example such actual or potential conflict may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to Equitile Investments Feeder OEIC. The Depositary may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to Equitile Investments Feeder OEIC or may have other clients whose interests may conflict with those of Equitile Investments Feeder OEIC, the Shareholders or the ACD.

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-gong basis any potential conflict of interest.

The Depositary may delegate its safekeeping functions subject to the terms of the Depositary

Services Agreement. The Depositary has delegated to the delegates listed in Schedule 3 the custody of certain Scheme Property entrusted to the Depositary for safekeeping in accordance with the terms of written agreements between the Depositary and those delegates.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, where a delegate is an affiliate of the Depositary, the Depositary may have a financial or business interest in that delegate.

The Depositary will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to Equitile Investments Feeder OEIC than if the conflict or potential conflict had not existed.

Included in the Depositary's conflict of interest policy are procedures to identify, manage and monitor on an on-gong basis any potential conflict of interest involving its delegates.

Up to date information regarding the name of the Depositary, any conflicts of interest and delegations of the Depositary's safekeeping functions will be made available to Shareholders on request.

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

In general, the Depositary is liable for losses suffered by the Equitile Investments Feeder OEIC as a result of its negligence or wilful default to properly fulfil its obligations. Subject to the paragraph below, and pursuant to the Depositary Services Agreement, the Depositary will be liable to the Equitile Investments Feeder OEIC for the loss of financial instruments of Equitile Investments Feeder OEIC which are held in its custody. The Depositary will not be indemnified out of the Scheme Property for the loss of financial instruments where it is not so liable.

The liability of the Depositary will not be affected by the fact that it has delegated safekeeping to a third party.

The Depositary will not be liable where the loss of financial instruments arises as a result of an external event beyond the reasonable control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall not be liable for any indirect, special or consequential loss. In the event there are any changes to the Depositary's liability under the UCITS Legislation and the relevant FCA Rules, Equitile Investments Limited will inform Shareholders of such changes without delay.

The appointment of the Depositary under the Depositary Services Agreement may be terminated without cause by not less than 180 days written notice provided that the Depositary Services Agreement does not terminate until a replacement Depositary has been appointed.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates. For example, such conflicts may arise; (i) where an appointed delegate is an affiliated group company and is providing a product or service to Equitile Investments Feeder OEIC and has a financial or business interest in such product or service; or, (ii) where an appointed delegate is an affiliated group company which receives remuneration for other related products or services it provides to Equitile Investments Feeder OEIC. The Depositary maintains a conflict of interest policy to address this.

In addition, actual or potential conflicts of interest may also arise between Equitile Investments Feeder OEIC, Equitile Investments Limited the Shareholders on the one hand and the Depositary on the other hand.
For example, such actual or potential conflict may arise because the Depositary is part of a legal entity or is related to a legal entity which provides other products or services to Equitile Investments Feeder OEIC, Equitile Investments Limited and from which fees and profits in relation to the provision of those products or services may arise and from which the Depositary may benefit directly or indirectly. In addition, the Depositary may have a financial or business interest in the provision of such products or services, or receives remuneration for related products or services provided to Equitile Investments Feeder OEIC, Equitile Investments Limited, or may have other clients whose interests may conflict with those of Equitile Investments Feeder OEIC, Equitile Investments Limited and the Shareholders.

In particular, HSBC Bank plc may provide foreign exchange services to Equitile Investments Feeder OEIC, Equitile Investments Limited for which they are remunerated out of the property of Equitile Investments Feeder OEIC. HSBC Bank plc or any of its affiliates or connected persons may also act as market maker in the investments of Equitile Investments Feeder OEIC in question; provides broking services to Equitile Investments Feeder OEIC and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Equitile Investments Feeder OEIC, Equitile Investments Limited; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of Equitile Investments Feeder OEIC, Equitile Investments Limited; or earns profits from or has a financial or business interest in any of these activities.

The Depositary will ensure that any such additional services provided by it or its affiliates are on terms which are not materially less favourable to the Equitile Investments Feeder OEIC, Equitile Investments Limited than if the conflict or potential conflict had not existed.

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. 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.

6. The Registrar

The Company is responsible for maintaining the Register under the OEIC Regulations. Under the Master Services Agreement, the Company has delegated its registrar functions to HSBC Bank plc, which in turn has sub-delegated those registrar functions to HSBC Securities Services (Ireland) Limited of 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland. The Register may be inspected at the registered address and head office of HSBC Bank plc, as described in section 5 above, by or on behalf of the Shareholders on any Business Day during Normal Business Hours.

The Register is conclusive evidence of the title to Shares except in the case of any default in payment or transfer to the Company of cash or other property due and the Depositary and the Company are not obliged to take notice of any trust or equity or other interest affecting the title to any of the Shares.

7. The Administrator

Under the Master Services Agreement, HSBC Bank plc of 8 Canada Square, London E14 5HQ will act as the administrator.

8. Transfer Agent

Under the Master Services Agreement, the Company has delegated its transfer agency functions to HSBC Bank plc, which in turn has sub-delegated those registrar functions to HSBC Securities Services (Ireland) Limited.

9. The Auditor

PricewaterhouseCoopers LLP of 7 More London, Riverside, London SE1 2RT are the auditor of the Company. The Auditor's responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards.

10. The Master Scheme and the Company

(a) The Master Scheme

The Master Scheme, Equitile Investments ACS, is an authorised contractual scheme which has been constituted as an umbrella co-ownership scheme. The Master Scheme was authorised by the FCA on 16 December 2015.

The Master Scheme may consist of a number of sub-funds, including and in addition to the Master Fund. The Master Fund has been authorised by the FCA as a "master UCITS" (as defined in the FCA Handbook). As a consequence, the Master Fund must, at all times, (i) have at least one feeder UCITS (as defined in the FCA Handbook) among its investors; (ii) not itself be a feeder UCITS, and (iii) not hold shares or units of a feeder UCITS.

The investment objective of the Master Fund is set out in Appendix 1 along with the information around the investment objectives and policy of the Sub-Fund investing in the Master Fund.

(b) Relationship between the Company and the Master Scheme

Dealing days for Shares of the Sub-Fund will correspond to the dealing days for Units in the Master Fund. Similarly, the respective cut-off times for the Sub-Fund and the Master Fund are set so that valid subscription and redemption orders for Shares in the Sub-Fund placed before the cut-off time can then be reflected in the Sub-Fund's investment into the Master Fund.

Equitile Investments Limited, in its capacity as ACD of the Company and the ACS Manager of the Master Scheme, has established Internal Conduct of Business Rules describing the measures it takes to mitigate conflicts of interest that may arise between the Sub-Fund and the Master Fund or the Sub-Fund and other Unitholders in the Master Fund, the basis of investment and divestment by the Sub-Fund, standard dealing arrangements, events affecting dealing arrangements and standard arrangements for the audit report.

11. Shareholder's Rights against Service Providers

The Company is reliant on the performance of the Service Providers. No Shareholder will have any direct contractual claim against any Service Provider with respect to such Service Provider's default. This is without prejudice to any right a Shareholder may have to bring a claim against any Service Provider that has been authorised by the FCA, such as the ACD or the Depositary under Section 138D of FSMA (which provides that the breach of an FCA rule by an FCA authorised person is actionable by a private person who suffers loss as a result), or any tortious or contractual cause of action. Shareholders who believe they may have a claim under Section 138D of FSMA or in tort or contract, against any Service Provider authorised by the FCA in connection with their investment in the Company, should consult their legal adviser.

Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolution: Complaints" rules (natural persons, micro enterprises and certain charities or trustees of a trust) are able to refer any complaints against the ACD to the FOS (further details of which are available in section 31(vi) and at www.financial-ombudsman.org.uk).

Additionally, Shareholders may be eligible for compensation under the FSCS if they have claims against the ACD, or another FCA authorised Service

Provider which is in default. As set out in section 31(vii), there are limits on the amount of compensation available. Further information about the FSCS can be found at www.fscs.org.uk. To determine eligibility in relation to the FSCS, Shareholders should consult the website above and speak to their legal advisers.

See section 5 above for a summary of the Depositary's liability to the Company.

12. Subscription and Redemption of Shares

(a) Liquidity management

The ACD maintains a liquidity management policy to monitor the liquidity risk of the Company, which includes, among other tools and methods of measurement, the use of stress tests under both normal and exceptional circumstances.

The liquidity management systems and procedures employed by the ACD enable it to measure the liquidity of the Sub-Fund's portfolio against thresholds set by reference to its redemption policy. The ACD seeks to ensure that the Company and the Sub-Fund will remain within the liquidity limits set for it. The ACD is also able to apply various tools and arrangements necessary to respond appropriately to redemption requests. In normal circumstances, redemption requests will be processed as set out in section 12(d) below. The ACD may, however, temporarily suspend redemptions in certain circumstances as set out in section 12(f).

(b) Subscription for Shares

Subject to the policy on pricing (see section 17), an application to subscribe for Shares in the Sub-Fund for the first time must be made in writing to the Company. In order to subscribe for Shares, Shareholders must complete the Form. By doing so, the Shareholders agree to subscribe for the Shares and be bound by the terms of the Prospectus and the Instrument of Incorporation. All Shareholders are deemed to have notice of the provisions of the Instrument of Incorporation, copies of which are available as described in section 31(ix) below. The Subscription Documents are governed by English law and the courts of England shall have jurisdiction in relation to claims made under them against parties domiciled in England or such jurisdiction as otherwise determined in accordance with Council Regulation (EC) No. 44/2001.

The ACD implemented an initial offer period in respect of the Sub-Fund. The details of the initial offer and the initial price are set out in Appendix 1.

Any subscription for Shares by an existing Shareholder may be made, during Normal Business Hours, by fax, in writing or by such forms of electronic communication as may be approved by the Company or any other method otherwise approved by the Company or the ACD on behalf of the Company.

When placing an order to subscribe for Shares for the first time, the Company will request that a Form be completed and returned to the Company.

The ACD reserves the right to reject, on reasonable grounds (including, for reasons of market liquidity), any application for Shares in whole or in part. Failure to return a fully completed Form may result in a delay in the ACD processing any subsequent redemption request or may result in the ACD withholding redemption proceeds.

All requests to subscribe for Shares must be received by the dealing cut-off time for the Sub-Fund as set out in Appendix 1 otherwise they will be held over to the next following Valuation Point. Purchase orders made by approved electronic communication and received outside of Normal Business Hours will be effected as soon as possible on the next Business Day. Please note that monies received on a Business Day when there is not a Valuation Point will not be invested in the Sub-Fund until the next Valuation Point.

A contract note will be sent to the applicant on the next Business Day after the Valuation Point applicable to the deal. Where a subscription request is made in writing or by fax, the contract note will be sent to the applicant at their registered postal address or, if they choose, by email. Where a subscription request is made by an approved form of electronic communication, the contract note will be sent to the applicant by electronic communication. The contract note will show the price of the relevant Shares (per Share and the total cost), shown to at least four significant figures. If a Shareholder has not already paid, it must ensure that payment is received by close of business on the third Business Day after the Valuation Point applicable to the deal. The ACD may, however, subject to notifying the relevant Shareholder prior to accepting a subscription request, require earlier payment. If timely settlement is not made, the ACD may, at its sole discretion, cancel the relevant subscription of Shares and/or an applicant may be required to pay an administration charge to the ACD to cover any costs and resultant losses incurred by the ACD and/or the Company. Payment for the subscription of Shares is by electronic payment.

No certificates are issued for Shares in the Company.

In accordance with the COLL Sourcebook the ACD reserves the right to refuse to issue Shares in certain circumstances, in particular where it has reasonable grounds to refuse the sale.

Shareholders must meet the investment criteria for any Share class in which they intend to invest. If a prospective Shareholder submits an incomplete Form or a Form with inaccurate information or does not meet the investment criteria of the Share class in which it intends to invest, the ACD reserves the right to refuse the subscription request, in its absolute discretion, and return the Form and any payments received to that prospective Shareholder.

(c) Cancellation rights

Any Shareholder who is a consumer (as defined in the FCA Handbook) may have 14 days in which to cancel the relevant purchase if advised to subscribe for Shares by an authorised person through whom a Shareholder's business is placed with the Company unless an appropriate customer agreement exists between such authorised person and the Shareholder. The 14 days commences upon receipt of the contract note by the Shareholder. A Shareholder will need to notify the Company in writing that it wishes to exercise a right to cancel. Shareholders should note that exercising a right to cancel does not necessarily mean that a Shareholder will receive back the amount invested. Shareholders will receive back an amount based on the subscription price next calculated following the Company's receipt of a valid cancellation notice in writing.

(d) **Redemption of Shares**

Subject to the policy on pricing (see section 17), Shares in the Sub-Fund may normally be redeemed during Normal Business Hours. Redeeming Shareholders must complete a redemption request by fax, in writing or by such forms of electronic communication as may be approved by the Company or any other method otherwise approved by the Company. A contract note will be sent to the Shareholder for the redeemed Shares by close of business on the Business Day after the Valuation Point applicable to the deal. Where a redemption request is made in writing or by fax, the contract note will be sent to the Shareholder at their registered postal address or, if they choose, by email. Where a redemption request is made by an approved form of electronic communication, the contract note will be sent to the Shareholder by electronic communication. The proceeds of the redemption will be sent to Shareholders by electronic payment by the close of business on the third Business Day after the later of the following times:

(i) the Valuation Point at which the redemption instructions were processed; or

(ii) the date of receipt of the instructions to redeem.

All requests for redemption must be received by the dealing cut-off time for the Sub-Fund as set out in Appendix 1 otherwise they will be held over to the next following Valuation Point.

(e) **In specie subscriptions and redemptions**

No in specie subscriptions or in specie redemptions are permitted with respect to the Sub-Fund.

(f) **Suspension**

The ACD may, with the prior agreement of the Depositary, and must without delay, if the Depositary so requires, temporarily suspend the issue and redemption of Shares of a particular class or classes of the Sub-Fund for a period of time where due to exceptional circumstances (including, without limitation, the suspension of issue and redemptions of Units in the Master Fund whether at the initiative of the ACS Manager or the request of the FCA) it is in the interest of all Shareholders in the Sub-Fund.

The ACD and Depositary must ensure that the period of suspension is only allowed to continue for as long as it is justified having regard to the interests of Shareholders and that dealing resumes as soon as practicable after the circumstances triggering a suspension have ceased. Upon suspension, the ACD or the Depositary will immediately inform the FCA giving reasons for the suspension and notify any home state regulator in jurisdictions where Shares in the Sub-Fund are available for sale.

The ACD will notify Shareholders of the suspension as soon as practicable after the suspension commences and will formally review the suspension with the Depositary at least every 28 days, keeping the FCA informed. The ACD will resume issue and redemption in the Shares after giving the requisite notice in accordance with the COLL Sourcebook. The ACD will publish sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration.

(g) **Switching rights**

As and when further Sub-Funds are created, the Company may permit a Shareholder to switch all or some of the Shares held from one class in a Sub-Fund (the "**Original Shares**") into Shares of another Sub-Fund within the Company (the "**New Shares**"), subject to any minimum investment and eligibility requirements. On a switch of Shares, the number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable when the Original Shares are redeemed and the New Shares are issued. Any such exchange is treated as a redemption and sale.

The Company at its discretion, would permit a Shareholder to convert any of the Shares held from one class of the Sub-Fund for Shares of another class in the same Sub-Fund.

Shareholders must provide written instructions to switch holdings to the Company which, in the case of joint Shareholders, must be signed by all joint Shareholders before a switch is effected. Switches are subject to the minimum investment and eligibility requirements. Switches are normally effected at the next Valuation Point. No switch will be made during any period when the right of Shareholders to require a redemption of Shares is suspended.

The ACD, at its discretion, may make a charge for switching from the relevant Sub-Fund into one or more other Sub-Funds. Any such charge will be calculated so as to recover reasonable administrative and trading costs including the asset spread cost.

A switch will only be accepted by the Company if any conditions applicable for holding the New Shares are met. A switch between one Sub-Fund and another Sub-Fund will only be effected on a Business Day when both Sub-Funds have Valuation Points.

Shareholders subject to UK tax should note that a switch of Shares between Sub-Funds should be treated as a disposal for the purposes of Capital Gains Tax.

Shareholders should seek their own professional tax advice in this regard.

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

(h) **Mandatory redemption, cancellation or transfer of Shares**

The ACD may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no Shares in the Sub-Fund are acquired or held by any person in circumstances ("**relevant circumstances**") which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or which would (or would if other Shares were acquired or held in like circumstances) result in the Sub-Fund incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); and, in this connection, the ACD may reject at its discretion any subscription for, sale or switch or transfer of Shares.

All Shareholders should note the requirements of the Foreign Account Tax Compliance Act ('FATCA'), please see section 24.

If it comes to the notice of the ACD that any Shares ("**affected Shares**") have been acquired or are being held in each case whether beneficially or otherwise in any of the relevant circumstances referred to above or if it reasonably believes this to be the case the ACD may give notice to the holder of the affected Shares requiring the Shareholder to transfer the affected Shares to a person who is qualified or entitled to hold such Shares or to give a request in writing for the redemption or cancellation of such Shares. If any person upon whom such a notice is served does not within thirty days after the date of such notice submit such request for redemption or cancellation or transfer its Shares to a person qualified to hold the same, or establish to the satisfaction of the ACD (whose judgement shall be final and binding) that it and any person on whose behalf it holds the affected Shares are qualified and entitled to hold the Shares, such person shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of the affected Shares.

A Shareholder who becomes aware that it holds affected Shares shall, unless it has already received a notice from the ACD, as described above, either transfer such Shares to a person who is qualified or entitled to own such Shares or give a request in writing for the redemption or cancellation of such Shares.

(i) **Unclaimed distributions**

If any distribution is unclaimed for a period of 6 years, such amounts shall be added to the capital property of the Sub-Fund and forfeited. No interest will be paid on unclaimed distribution monies.

(j) **Transfers of Shares**

Shareholders are entitled to transfer all of their Shares to another person but only if that other person meets any tax and investment requirements applicable to the acquisition of Shares.

Shareholders may transfer some of their Shares to another person but only if (i) that other person meets any tax and investment requirements applicable to the acquisition of Shares; (ii) the ACD, in its discretion, has given prior approval to any such partial transfer; (iii) the value of Shares being transferred is not less than the minimum value for a partial transfer of Shares for the relevant Share class as set out in Appendix 1; and (iv) as a result of the transfer, the Shareholder does not reduce its holding below the minimum holding requirements for the Share class as set out in section 18 and Appendix 1 below. The ACD may, in its discretion, waive the minimum value requirements for partial transfers.

Transfers by Shareholders to other existing Shareholders are only permitted if the transferee Shareholder already properly holds Shares in the same Share class as the Shares being transferred.

Any transfer of Shares must be in accordance with the requirements of the COLL Sourcebook.

All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the Company in order for the transfer to be registered by the ACD. The ACD needs to be informed as soon as practicable about any potential transfer, when it will let both, the transferee and the transferor Shareholders, know what is required. The ACD may refuse to register a transfer unless it is in the form approved by the ACD. No transfer of Shares may be effected on the authority of an electronic communication.

13. Excessive Trading Policy

The Sub-Fund does not knowingly allow investments that are associated with excessive trading practices as such practices may adversely affect the interests of all Shareholders. Excessive trading includes individuals or groups of individuals whose securities transactions seem to follow a timing pattern or are characterised by excessively frequent or large trades.

Shareholders should, however, be aware that the Sub-Fund may be utilised by certain Shareholders for asset allocation purposes or by structured product providers, which may require the periodic re-allocation of assets. This activity will not normally be classed as excessive trading unless the activity becomes, in the opinion of the ACD, too frequent or appears to follow a timing pattern.

As well as the general power of the ACD to refuse subscriptions, switches or transfers at its discretion, powers exist in other sections of this Prospectus to ensure that Shareholder interests are protected against excessive trading, including switching rights (see section 12(g)).

In addition, where excessive trading is suspected, the Sub-Fund may:

(i) combine Shares that are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in excessive trading practices. Accordingly, the ACD reserves the right to reject any application for switches, transfers and/or subscription of Shares from Shareholders whom they consider to be excessive traders; and

(ii) levy a redemption charge on the redemption proceeds to Shareholders whom the ACD, in its reasonable opinion, suspects of excessive trading. This charge will be made for the benefit of the Sub-Fund, and affected Shareholders will be notified in their contract notes if such a fee has been charged. The charge will be calculated by using the trading costs including the asset spread cost.

14. Compliance with applicable laws and regulations

As a result of any applicable laws and regulations, including but not limited to, relevant anti-money laundering legislation, tax laws and regulatory requirements, Shareholders may be required, in certain circumstances, to provide additional documentation to confirm their identity, or provide other relevant information pursuant to such laws and regulations, as may be required from time to time, even if an existing Shareholder. Further subscriptions may be restricted by the ACD until the requested information is provided. Any information provided by Shareholders will be used only for the purposes of compliance with these requirements and any documentation submitted in original format with a request to return the same will be duly returned to the relevant Shareholder to the address given by that Shareholder. Until the ACD receives the requested documentation or additional information, there may be a delay in processing any subsequent redemption request and the ACD reserves the right in all cases to withhold redemption proceeds until such a time as the required documentation or additional information is received.

Alternatively, the ACD may employ a search of electronic data reference sources in order to access information held electronically concerning the identity of a Shareholder, including information held by certain government and consumer agencies. By completing the Forms or entering into a contract with the Company or one of its affiliates, the Shareholders acknowledge that the Company or the ACD may at any time initiate a search of information held electronically in order to verify identity.

15. Valuation

The ACD calculates the value of the Shares at the Valuation Point in accordance with Appendix 4, as permitted by the COLL Sourcebook. The basis of the calculation is the value of the underlying assets of the Company. Assets are valued on a single mid-market basis in accordance with the COLL Sourcebook.

The ACD may at its discretion implement fair value pricing policies in respect of the Sub-Fund. Fair value pricing will only apply where the ACD deems it to be appropriate and in the interests of Shareholders and has reasonable grounds to believe that no reliable price exists for one or more underlying investments at a Valuation Point or the most recent price available does not reflect the ACD's best estimate of the value of an investment at the Valuation Point. In these circumstances, the ACD may at its discretion value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment. Circumstances which may give rise to a fair value price being used include instances where there is no recent trade in the investment concerned; or the occurrence of a significant event since the most recent closure of the market where the price of the investment is taken. A significant event is one that means, in the ACD's judgement, the most recent price of an investment or a basket of investments is materially different to the price that it is reasonably believed would exist at the Valuation Point had the relevant market been open. For this purpose, the ACD may utilise pre-determined trigger levels which take into account the materiality of any variance.

When determining such fair value, one or more of a variety of fair valuation methodologies may be used (depending on factors including the asset type). For example, the asset may be priced on the basis of the original cost of the investment or, alternatively, using proprietary or third party models (including models that rely upon direct portfolio management pricing inputs and which reflect the significance attributed to the various factors and assumptions being considered). Prices of actual, executed or historical transactions in the relevant asset and/or liability (or related or comparable assets and/or liabilities) or, where appropriate, an appraisal by a third party experienced in the valuation of similar assets and/or liabilities, may also be used as a basis for establishing the fair value of an asset or liability.

Where an adjustment is made as per the foregoing, it will be applied consistently to all classes of Shares within the Sub-Fund.

The ACD may suspend dealing in the Sub-Fund if it cannot obtain prices on which to base a valuation (see section 12(f)). The ACD may, with the Depositary's prior agreement or if the Depositary requires it, suspend the repurchase of Shares in accordance with the COLL Sourcebook, as described above under the heading "Suspension".

At a Valuation Point the ACD will calculate Share prices, using the most recent prices of the underlying investments that it can reasonably obtain. The objective is to give an accurate value of the Sub-Fund as at the Valuation Point. The base currency of the Sub-Fund is pounds Sterling.

16. Prices of Shares, Dilution, and Historic Performance Data

The ACD will, on the completion of each valuation under section 15, advise the Depositary of the subscription and redemption prices. These are the prices which the ACD has to pay to the Depositary for the issue of Shares or which the ACD will receive from the Depositary upon the cancellation of Shares.

The actual cost of subscribing for or redeeming Shares in the Sub-Fund may be higher or lower than the mid-market value used in calculating the Share price. The ACD may swing the price up (or down) to protect Shareholders from the costs incurred by the Sub-Fund as a result of issuing or cancelling Shares.

No dilution levy or dilution adjustment shall be made with respect to the Sub-Fund. A dilution adjustment may be made with respect to the Master Fund. Details of the circumstances and amount of any such dilution adjustment are set out in the prospectus of the Master Scheme.

Historic performance data (where available) is contained in the Prospectus, key investor information documents and fact sheets that are published by the Company from time to time.

17. Policy on Pricing

When Shares are subscribed for, they will be issued on a forward pricing basis. The forward price will be calculated at the next Valuation Point after receipt of purchase instructions so long as these were received prior to the Sub-Fund's dealing cut-off time (where applicable).

When Shares are redeemed, Shares will be redeemed on a forward pricing basis. The forward price will be calculated at the next Valuation Point following receipt of a redemption instruction so long as these were received prior to the Sub-Fund's dealing cut-off time (where applicable).

18. Share Denominations, Minimum Investment and Minimum Holding

The rights attaching to the Shares in the Sub-Fund are expressed in two denominations, being larger denomination Shares and smaller denomination Shares. The smaller denomination Shares are whole Shares, but with fractional rights. The proportion of a larger denomination Share represented by a smaller denomination Share is one-thousandth of the larger denomination Share.

If, following a redemption or switch, a holding in any class of Shares should fall below the minimum holding for that class, the ACD has the discretion to effect a redemption of the Shareholder's entire holding in that class of Shares. The minimum investment for each class of Shares is as set out in Appendix 1.

The ACD will not be obliged to redeem Shares if the number or value of the Shares sought to be sold would result in a Shareholder holding less than the minimum number or value of Shares of the class concerned that may be held. The minimum holding for each class of Shares is as set out in Appendix 1.

The ACD will not be obliged to issue further Shares to an existing Shareholder if the number or value of the Shares sought to be purchased is less than the minimum number or value of Shares of the relevant class that may be acquired on a further or subsequent investment by an existing Shareholder. The minimum further investment for each class of Shares is as set out in Appendix 1.

Minimum investment, minimum further investment and holding amounts may be waived at the ACD's discretion.

19. Commissions and Rebates

The ACD may, subject to the requirements of the FCA Handbook, and without recourse or cost to the Sub-Fund, rebate all or part of the annual management charges it receives in its capacity as ACS Manager of the Master Fund (the "**Management Charges**") by way of initial or renewal commission or rebate of the Management Charges, to authorised intermediaries or to third party distributors or agents ("**authorised intermediaries**") in respect of any subscriptions for, or holdings of, Shares for any Shareholders introduced by them. Payment of rebates is subject to the ACD (in its capacity as the ACS Manager) receiving its Management Charges from the Sub-Fund (where applicable) and the Master Fund. For the avoidance of doubt, no rebate shall be payable directly to any Shareholder by the ACD.

Subject to the requirements of the FCA Handbook, rebates of Management Charges may be agreed on the Sub-Fund at the ACD's discretion and subject to the nature of the business provided by the authorised intermediaries to Shareholders. Rebates will not exceed the published amount of Management Charges payable in respect of the Units held by the Sub-Fund in the Master Fund.

The terms of any rebate will be agreed between the ACD and the authorised intermediary in question from time to time. If so required by the FCA Handbook (or any other laws or regulations in any other jurisdiction that are applicable to the authorised intermediary or the ACD), the authorised intermediary shall disclose to any of its clients the amount of any rebate of Management Charges it receives from the ACD and the ACD shall also disclose to a Shareholder, upon request, details of any rebate paid by the ACD to an authorised intermediary in connection with a holding of Shares, where the authorised intermediary has acted on behalf of that Shareholder.

The ACD may also, at its discretion, discount any switching fee and pay some or all of the discount to an authorised intermediary, subject to the requirements of the FCA Handbook.

Payment of any rebate of the Management Charges ("**commission**") shall not be made if such rebate would be contrary to any law or regulation in force at the time.

Following the FCA's Retail Distribution Review, the ACD is not permitted to pay initial or renewal commission, or rebate of the Management Charges, to authorised intermediaries or to third party distributors or agents in respect of any subscriptions for, or holdings of, units for any UK retail investors in respect of investments made as a result of the investor having received a personal recommendation.

20. Publication of Prices and Yields

Daily prices for the Sub-Fund may be obtained by calling 020 3397 7701 or by sending an email requesting prices to info@equitile.com. Please note that the published prices are for information only and these prices may not be the prices obtained when Shares are dealt.

The Shares in the Sub-Fund are not listed or dealt in or on any investment exchange.

21. Classes of Shares

The classes of Shares currently available in the Sub-Fund are set out in Appendix 1. Each type of Share represents a beneficial interest in undivided shares in the property of the Sub-Fund as detailed below. Each Share represents one undivided share in the Scheme Property of the Sub-Fund. Each undivided Share, subject to their denomination, ranks pari passu with other undivided Shares in the Sub-Fund.

Shareholders are not liable for the debts of the Sub-Fund. Shareholders are not liable to make any further payment to the Sub-Fund after they have paid the purchase price of their Shares, other than in respect of any taxation due in accordance with the terms of the Instrument of Incorporation.

The property of the Sub-Fund must not be used to discharge any liabilities of, or meet any claims against, any person other than the Shareholders in that Sub-Fund.

Where income distribution Shares are held, relevant Shareholders will receive a net distribution payable according to the distribution policy of the Sub-Fund, details of which are set out in Appendix 1. This distribution will be paid directly into the Shareholder's bank account. This net distribution is calculated for each Shareholder as a proportion of the income, less expenses and any taxation due, received by the Sub-Fund on behalf of each Shareholder. After a period of six years from the date of payment, any unclaimed distribution will be added to the capital property of the Sub-Fund. No interest will be paid on unclaimed distribution monies.

Where accumulation Shares are held, there will not be any actual payment of income. The income attributable to the Shares will remain as property of the Sub-Fund. The number of accumulation Shares will remain the same.

The Instrument of Incorporation also permits further classes of Shares to be made available other than those currently available. Any such class of Shares may vary according to whether it accumulates or distributes income or attracts different fees and expenses, and as a result of this, monies may be deducted from classes in unequal proportions. In these circumstances, the proportionate interests of the classes of Shares within the Sub-Fund will be adjusted in accordance with the provisions of the Instrument of Incorporation relating to proportion accounts. The Depositary may create one or more classes of Shares as instructed from time to time by the ACD. The creation of additional Share classes will not result in any material prejudice to the interests of holders of Shares in existing Share classes.

22. Evidence of Title

No certificates are issued in respect of the Shares. A statement of shareholding in respect of Shares shall be sent to a Shareholder at least once a year in such form as the ACD may decide. A statement shall not constitute a document of title to the shares to which it refers. The Company is authorised to charge for issuing any document recording, or for amending, an entry on the Register (other than on the issue or sale of Shares).

22.1 Investment Objectives and Policy, and Investment Restrictions

The investment objectives and policy of the Sub-Fund are set out in Appendix 1.

In pursuing its investment objective and policy, the Sub-Fund may use the techniques referenced in Appendix 1, Appendix 3 and in the risk considerations set out in section 23. Other techniques, however, may be developed or determined to be suitable for use by the Sub-Fund and the ACD may (subject to applicable law) employ such techniques in accordance with the Sub-Fund's investment objectives and policy.

The investment objectives and/or policy of the Sub-Fund may be amended in accordance with the change classification process set out in the COLL Sourcebook. A fundamental change requires Shareholder consent by Extraordinary Resolution. A significant change requires not less than 60 days' pre-notification to Shareholders. Notifiable changes require notification to Shareholders. See section 28 for further details regarding change classification under the COLL Sourcebook.

The Sub-Fund is actively managed and aims to deliver capital growth by investing globally without being confined to any country or region in the equities of large cap resilient companies, meaning those assessed as being well-managed, conservatively financed and benefiting from strong corporate governance. The Sub-Fund does not compare its performance in absolute terms against any benchmark. Any applicable performance fee is calculated against the Sub-Fund’s high water mark (please refer to Appendix 1 of the Master Fund’s prospectus). An investor wishing to compare the Sub-Fund’s absolute performance should select a global equity benchmark or Index with the equivalent FX hedging.

The investment restrictions applicable to the Sub-Fund are set out in Appendix 1. The investment restrictions set out in Appendix 3 apply to all Sub-Funds including any additional Sub-Funds that are created under the Company (at a later date).

23. Risk Considerations

Potential Shareholders should consider the risk factors below before investing in the Sub-Fund. This list must not be taken to be comprehensive. It should also be noted that there may be new risks that arise in the future which could not have been anticipated in advance. Different risks may apply to the Sub-Fund to different degrees, and, for each risk, this degree could increase or decrease over time.

Some of the risk factors relate to the Master Fund in which the Sub-Fund invests subject to the COLL Sourcebook but for that reason are also relevant to the Sub-Fund itself.

(a) General Investment Risks

The Sub-Fund is indirectly, via investment in the Master Fund, subject to the risk that all investment funds are subject to, i.e. fluctuations in capital value which can be influenced by factors such as political and economic developments, changing corporate earnings, changing monetary policies, changing taxation policies, demographic trends and catastrophic events. While over a long period it might be expected that the Sub-Fund will produce positive total returns, in any particular period losses may be suffered. Losses may be incurred due to operational failures or delays in the Sub-Fund or the Master Fund. Neither the Company nor the ACD can guarantee that it will achieve the objectives set out for the Sub-Fund.

Shareholders should always bear in mind that the price of Shares in the Sub-Fund and the income from them can go down as well as up and are not guaranteed. An investment in the Sub-Fund is not intended to be a complete investment programme. The Sub-Fund may invest directly or indirectly in currencies other than Sterling. As a result, changes in the rates of exchange between currencies may cause the value of the Shares in the Sub-Fund to go up or down. Accordingly, Shareholders may not receive back the amount invested.

Where cancellation rights apply to a contract any Shareholder exercising such cancellation rights will not obtain a full refund of the money paid on the making of the contract if the value of the investment falls before the cancellation notice is received by the Company as an amount equal to that fall will be deducted from any refund made to the Shareholder.

An investment in the Sub-Fund is not protected against the effects of inflation.

(i) *Additional Fees/Expenses*

As the Sub-Fund will invest in the Master Fund, the Shareholders will directly incur certain fees which are applicable to the Sub-Fund as well as certain other fees which are indirectly applicable through the Master Fund. Certain fees such as fund accounting fees and transfer agency fees apply separately to the Master Fund and the Sub-Fund. To that extent, the charges incurred by the Shareholders may be increased.

(ii) *Determination of the Master Fund's Unit Prices*

A proportion of the value of the Sub-Fund and hence the issue and redemption price of the Shares, will be based on the latest prices available for the relevant Units of the Master Fund. The prices of the Units will be based on the latest prices that are available for the investments held by the Master Fund. Where the ACS Manager deems it to be appropriate and in the interests of Unitholders and has reasonable grounds to believe that no reliable latest price exists for one or more underlying investments at a valuation point of the Master Fund or the most recent price available does not reflect the ACS Manager's best estimate of the value of an underlying investment at the valuation point of the Master Fund, the ACS Manager may value the relevant investment(s) at a price which, in its opinion, reflects a fair and reasonable price for that investment. In such a situation, a variety of fair valuation methodologies may be used by the ACS Manager. While the ACS Manager will take reasonable care in the selection and application of such fair valuation methodologies, adequate information may not always be available to the ACS Manager from the market or other sources. Consequently, the value of an investment as determined by the methodology selected by the ACS Manager may differ from the latest price available for that investment or, where the latest prices are not available, the realisable value of that investment or the value that would have been received by the Master Fund had those investments been realised on that day. This, in turn, may affect the realisable value of the Sub-Fund's holding in the Master Fund on that day. See also 'Valuation Risk'.

(iii) *Fund Liability Risk*

The Company is structured as an umbrella company with segregated liability between its Sub-Funds, which is provided for by the OEIC Regulations. The assets of each Sub-Fund will be separate from those of every other Sub-Fund. The Company may operate or have assets held on its behalf or be subject to claims in the UK, or in other jurisdictions. This means that, in effect, assets of one Sub-Fund will not be available to meet the liabilities of another. The concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how a foreign court will give effect to the concept of segregated liability as provided for under the OEIC Regulations.

Therefore, it is not possible to be certain that the assets of the Sub-Fund will always be completely isolated from the liabilities of another Sub-Fund in every circumstance.

(iv) *Hedged Share Class*

The Sub-Fund will implement currency hedging strategies with regard to Hedged Share Classes as more fully described in Appendix 1.

The Sub-Fund will be made up of multiple classes of Shares, some of which will be Hedged Share Classes and some not hedged. Shareholders that do not invest in Hedged Shares are not expected to be affected by the associated currency hedging strategies for that Hedged Share Class.

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

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

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

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

In the case of a net investment flow to or from a Hedged Share Class, the hedging strategies may not be accurately adjusted and reflected in the net asset value of the said class until the following or a subsequent Business Day following the Valuation Point on which the instruction was accepted.

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

Sub-Fund performance could vary from one class of Shares to another within the same Sub-Fund.

(v) ***Master Feeder Structure Risk***

The Master Fund's investment activities involve a variety of risks as detailed in section 23(b) below and the prospectus of the Master Scheme. The Sub-Fund will invest all or substantially all of its assets into the Master Fund. The master-feeder fund structure presents certain risks to Shareholders in the Sub-Fund. There is a risk in terms of diversification since the Sub-Fund will be exposed to a single Master Fund even if it is an authorised UCITS scheme. The Sub-Fund is likely to be one of a number of investors in the Master Fund. The Sub-Fund may be materially affected by the actions of the other Unitholders in the Master Fund, particularly if the size of the Sub-Fund is small relative to that of the Master Fund. Furthermore, there is a risk that the performance of the Sub-Fund may be similar but not exactly the same as the Master Fund due to, among other things, cash holdings, hedging, transaction costs etc.

(vi) ***Legal and Regulatory Risk***

Legal, tax and regulatory changes could occur during the term of the Sub-Fund.

Over recent years global financial markets have undergone pervasive and fundamental disruption and regulators in many jurisdictions have implemented or proposed a number of regulatory measures and may continue to do so. Legislation and regulation may render a transaction to which the Sub-Fund is a party void or unenforceable.

These interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed in the future and/or the effect of such restrictions on global markets and the Company's ability to implement the Sub-Fund's investment objectives.

(vii) ***Tax***

The information provided in section 24 is based, to the best knowledge of the Company, upon tax law and practice as at the date of this Prospectus. Tax legislation, the tax status of the Company, the ACD and the Sub-Fund, the taxation of Shareholders and any tax reliefs, and the consequences of such tax status and tax reliefs, may change from time to time (possibly with retrospective effect). Any change in the taxation legislation in the UK or in any jurisdiction where the Sub-Fund is registered, marketed or invested could affect the tax status of the Sub-Fund, affect the value of the Sub-Fund's investments in the affected jurisdiction, affect the Sub-Fund's ability to achieve its investment objective, and/or alter the post-tax returns to Shareholders. Where the Sub-Fund invests in derivatives the preceding sentence may also extend to the jurisdiction of the governing law of the derivative contract and/or the derivative counterparty and/or to the market(s) comprising the underlying exposure(s) of the derivative.

The availability and value of any tax reliefs available to Shareholders depend on the individual circumstances of the Shareholders. The information in section 24 is not exhaustive and does not constitute legal or tax advice. Prospective Shareholders are urged to consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in the Sub-Fund.

(viii) ***Global Financial Market Crisis and Government Intervention***

Since 2007, global financial markets have undergone pervasive and fundamental disruption and suffered significant instability leading to extensive governmental intervention. Regulators in many jurisdictions have implemented or proposed a number of emergency regulatory measures and may continue to do so. Government and regulatory interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the ACD's ability to implement the Sub-Fund's investment objective.

Whether current undertakings by governing bodies of various jurisdictions or any future undertakings will help stabilise the financial markets is unknown. The ACD cannot predict how long the financial markets will continue to be affected by these events and cannot predict the effects of these – or similar events in the future – on the Sub-Fund, the European or global economy and the global securities markets.

(ix) ***Third Party Service Provider Risk***

Neither the Master Scheme nor the Company have any employees. Whilst the ACS Manager and the ACD have each taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable each of them to comply with their respective obligations (including, without limitation, any obligations under SYSC 8 of the Senior Management Arrangements, Systems and Controls Sourcebook under the FCA Handbook), the ACS Manager and the ACD are both reliant upon the performance of third party service providers for their executive functions. In particular, the registrar and the administrator of each of the Master Scheme and the Company, will be performing services which are integral to their operation. Failure by any service provider to carry out its obligations to the Master Scheme and/or the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Master Scheme and/or the Company.

(b) **Indirect Risks Associated with Investing in a Master Fund**

The risks set out below arise at the level of the Master Scheme and the Master Fund. Such risks apply to the Company and the Sub-Fund indirectly through the master-feeder structure. For the avoidance of doubt, references to "Unitholder" under this section would include references to the Sub-Fund as investors in the Master Fund.

(i) ***Market Risk***

The price of the Master Fund's investments, including, without limitation, fixed income securities, equities and all derivative instruments, can be highly volatile. Price movements of fixed income securities, equities, forward contracts, derivatives contracts and other instruments in which the Master Fund's assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations (see 'Interest Rate and Currency Risk'). Additionally, prices of equities fluctuate daily and can be influenced by many micro and macro factors such as political and economic news, corporate earnings reports, demographic trends and catastrophic events. The value of equities will go up and down and the value of the Master Fund could incur significant losses as a consequence.

(ii) ***Performance Fees***

The ACS Manager is entitled to a performance fee with respect to the Master Fund as described in more detail in the prospectus of the Master Scheme. The performance fee will be based on the net realised and unrealised gains and losses at the end of each Performance Period (as defined in the prospectus of the Master Scheme). As a result, a performance fee may be paid on unrealised gains which may never be realised in the future. Once a performance fee is charged to the Master Fund, it is not repayable should the Master Fund subsequently underperform.

The performance fee is calculated and paid separately in respect of each class of Units within the Master Fund. As a result, the effective rate of fees payable by holders of different classes of Units in the Master Fund overall (including management fees and performance fees) may differ under the performance fee calculation methodology.

While efforts will be made by the ACS Manager to eliminate potential inequalities between Unitholders of the same class of Units through the performance fee calculation methodology, there may be occasions where different Unitholders may experience unequal effects as to the effective performance fee rate that they bear on the performance of their investment in the Master Fund through the period of their investment. No performance fee equalisation will be carried out.

(iii) ***Hedged Unit Class***

The Master Fund will implement currency hedging strategies with regard to Hedged Unit Classes as more fully described in the prospectus of the Master Fund.

The Master Fund will be made up of multiple classes of Units, some of which will be Hedged Unit Classes and some not hedged. Unitholders that do not invest in Hedged Units are not expected to be affected by the associated currency hedging strategies for that Hedged Unit Class.

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

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

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

As a result, Unitholders investing in any Hedged Unit Class may be exposed to fluctuations in the net asset value per Unit in relation to the relevant Hedged Unit Class reflecting the gains/losses on and the costs of the hedging transactions and the relevant financial instruments.

In the case of a net investment flow to or from a Hedged Unit Class, the hedging strategies may not be accurately adjusted and reflected in the net asset value of the said class until the following or a subsequent Business Day following the valuation point of the Master Fund on which the instruction was accepted.

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

The Master Fund's performance could vary from one class of Unit to another within the same Master Fund. More specifically, given that the Master Fund's investment strategy is based on currencies ("**Currency of Return**") different from that Master Fund's base currency and that the Master Fund offers Hedged Units and non-hedged Units, investors who wish to invest in non-hedged Units must be aware that total returns for the non-hedged Unit class will be maximised in the Currency of Return and restated into the Master Fund's base currency at the prevailing rate. As a result, actual returns expressed in the Master Fund's base currency will vary over time in accordance with the fluctuations of the exchange rate between the Currency of Return and the Master Fund's base currency.

(iv) ***Legal and Regulatory Risk for the Master Fund***

Legal, tax and regulatory changes could occur during the term of the Master Fund.

Over recent years global financial markets have undergone pervasive and fundamental disruption and regulators in many jurisdictions have implemented or proposed a number of regulatory measures and may continue to do so. For example, the regulatory and tax environment for derivative instruments is evolving, and changes in the regulation or taxation of derivative instruments may adversely affect the value of derivative instruments held by the Master Fund and the ability of the Master Fund to pursue its trading strategies. Further, legislation and regulation may render a transaction, to which the Master Fund is a party, void or unenforceable.

These interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been detrimental to the efficient functioning of financial markets. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed in the future and/or the effect of such restrictions on global markets and the ACS Manager's ability to implement the Master Fund's investment objective.

(v) ***Counterparty Risk***

See also 'Credit Risk'. The bankruptcy or default of any counterparty could result in losses to the Master Fund. In addition, the Master Fund may bear the risk of loss because a counterparty does not have the legal capacity to enter into a transaction, or if the transaction becomes unenforceable due to relevant legislation or regulation.

In the case of any insolvency or failure of any such party, the Master Fund might recover only a pro rata share of all property available for distribution to all of such party's creditors and/or customers. Such an amount may be less than the amounts owed to the Master Fund.

Trading in financial derivative instruments which have not been collateralised gives rise to direct counterparty exposure. The Master Fund might mitigate much of this risk by receiving collateral with a value at least equal to the exposure to each counterparty but, to the extent that any financial derivative instrument is not fully collateralised, a default by the counterparty may result in a reduction in the value of the Master Fund. In the event of the insolvency of the counterparty to a derivative, the Master Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying indebtedness. Consequently, the Master Fund will be subject to the credit risk of the counterparty as well as that of the issuer of the indebtedness. As a result, concentrations of derivatives in any one counterparty may subject the Master Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the issuer of the underlying indebtedness.

To mitigate counterparty risk, the Master Scheme will only use preferred counterparties which it believes to be creditworthy and may reduce the exposure incurred in connection with such transactions through the use of a letter of credit or collateral. A formal review of each new counterparty is completed and all approved counterparties are monitored and reviewed on an on-going basis. However, there can be no guarantee that a counterparty will not default or that the Master Fund will not sustain losses as a result.

The ACS Manager is free to use one or more separate counterparties for derivative investments.

(vi) ***Credit Risk***

See also 'Counterparty Risk'. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation. The Master Fund will be exposed to a credit risk for the parties with whom it trades. Investing in sovereign debt, any other debt guaranteed by a sovereign government, or corporate debt entails risks related to the issuer's ability and willingness to repay the principal and pay interest. A default by the issuer of the bond may impact the value of the Master Fund. Short-term cash equivalent investments, such as commercial paper, bankers' acceptances, certificates of deposit, and repurchase transactions, are not guaranteed by any government and are subject to some risk of default.

Credit risk may also arise through a default by one or several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which the Master Scheme interacts on a daily basis.

(x) ***Capital Controls***

The investments of the Master Fund may be acquired in currencies which are different from its base currency. In the event of capital controls or any other restrictions, charges or taxation being imposed upon foreign exchange transactions, the Master Fund may suffer loss of value and liquidity. See also 'Interest and Currency Risk' and 'Changing Currency Regimes'.

(vii) ***Changing Currency Regimes***

The investments of the Master Fund may be acquired in currencies which are different from its base currency. In the event that a state or group of states in which the Master Fund invests changes its currency, the Master Fund may suffer a loss of value, in real or nominal terms, and a loss of liquidity. Such risks include, but are not limited to, currency devaluation through monetisation, a state leaving a monetary union, disbanding of a monetary union between a group of states and the operation of parallel currencies including electronic currencies. See also 'Interest and Currency Risk' and 'Capital Controls'.

(viii) ***Value at Risk Systems***

The ACS Manager may use the Value at Risk methodology for the Master Fund as a part of its risk management process. The use of Value at Risk systems to estimate the potential portfolio losses is now widespread. The calculations produced by these systems frequently understate the true investment risk. This is especially true in periods of systemic financial crisis. Investors should not consider the potential losses estimated by calculations produced by the Value at Risk systems as an adequate measure of potential losses especially in times of systemic financial crises.

(ix) ***Fund Liability Risk***

The Master Scheme is structured as an umbrella co-ownership scheme with segregated liability between its sub-funds (including, for the avoidance of doubt, the Master Fund), which is provided for by Section 261P of FSMA. The assets of the Master Fund will be separate from those of any other sub-fund of the Master Scheme that is established at any time. The Master Scheme (through the ACS Manager) may operate or have assets held on its behalf or be subject to claims in the UK, or in other jurisdictions. This means that, in effect, assets of one sub-fund will not be available to meet the liabilities of another sub-fund of the Master Scheme. The concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how a foreign court will give effect to the provisions of Section 261P of FSMA.

Therefore, it is not possible to be certain that the assets of the Master Fund will always be completely isolated from the liabilities of another sub-fund of the Master Scheme in every circumstance.

(x) ***Interest Rate and Currency Risk***

The net asset value per Unit of the Master Fund will be computed in its base currency whereas the investments held for the account of the Master Fund may be acquired in other currencies. The value in terms of the relevant base currency of the investment of the Master Fund, where designated in any other currency, may rise and fall due to currency exchange rate fluctuations of individual currencies, such that the net asset value of the Master Fund will change in response to such fluctuations. Adverse movements in currency exchange rates can result in a decrease in return and a loss of capital. The performance of investments in securities denominated in a specific currency will also depend on the interest rate environment in the country issuing the currency. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income securities generally can be expected to rise. Conversely, when interest rates rise, the value of fixed income securities generally can be expected to decline.

(xi) ***Leverage***

The Master Fund may use leverage, including through use of derivative instruments, in accordance with its investment objective and strategy and subject to the investment restrictions set out in the prospectus of the Master Scheme.

Leverage will generally be generated by using derivatives that are inherently leveraged due to the relatively small amount of deposit required to open a position, including, among others, forward contracts and futures contracts. A relatively small market movement may therefore have a potentially larger impact on derivatives than on standard bonds or equities, with the result that leveraged derivative positions may increase volatility within the Master Fund.

The Master Fund may have higher levels of leverage in atypical or volatile market conditions, for example when there are sudden movements in investment prices due to difficult economic conditions in a sector or region. In such circumstances, the ACS Manager or its delegate may increase its use of derivatives in the Master Fund in order to reduce the market risk to which the Master Fund is exposed. This, in turn, would have the effect of increasing its levels of leverage.

(xii) ***Liquidity Risk***

Liquidity risk exists when the sale of assets or exit of trading positions is impaired by such factors as decreased trading volume, increased price volatility, industry and government regulations, and overall position size and complexity. It may be impossible or costly for the Master Fund to liquidate positions rapidly particularly if there are other market participants seeking to dispose of similar assets at the same time or the relevant market is otherwise moving against a position or in the event of trading halts or daily price movement limits on the market or otherwise. Derivative transactions that are particularly large and bonds traded in the secondary market may be less liquid and it may be difficult to achieve fair value on transactions (see 'Valuation Risk'). Closing positions held in the secondary markets prematurely, for instance, to meet client redemption requests, can result in increased transaction costs which will be reflected in the investment returns.

(xiii) ***New Issues***

The Master Fund may invest indirectly via an underlying collective investment scheme or directly in initial public offerings or new debt issues. The prices of securities involved in initial public offerings or new debt issues are often subject to greater and more unpredictable price changes than more established securities.

(xiv) ***Settlement Risk***

Settlement risk is the risk that a counterparty fails to deliver the terms of a contract (i.e. defaults at settlement) and of any timing differences in settlement between the two parties. The Master Fund bears the risk of settlement default due to exposure to the risk of default of certain counterparties (see 'Credit Risk' and 'Counterparty Risk'). In addition, market practices in relation to the settlement of transactions and the custody of assets could provide increased risks (see also 'Market Risk' and 'Legal and Regulatory Risk for the Master Fund').

(xv) ***Valuation Risk***

Financial instruments that are illiquid and/or not publicly traded may not have readily available prices and may therefore be difficult to value. Dealer supplied quotations or pricing models developed by third parties, the ACS Manager, its affiliates and/or delegates, may be utilised in valuations and the calculation of the net asset value of the Master Fund. Such methodologies may be based upon assumptions and estimates that are subject to error. Unitholders should be aware that in these circumstances a possible conflict of interest may arise, as the higher the estimated valuation of the securities the higher the fees payable to the ACS Manager or the administrator of the Master Scheme. Any party providing valuation service may, in the absence of negligence, be indemnified out of the property of the Master Fund for all claims and losses which such party may incur directly or indirectly arising out of or in connection with the performance of such valuation services. In addition, given the nature of such investment, determinations as to their fair value may not represent the actual amount that will be realised upon the eventual disposal of such investments. See also 'Determination of the Master Fund's Unit Prices'.

(xvi) ***Tax in Certain Jurisdictions***

Where the Master Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, the Master Fund, the ACS Manager, the depositary and the administrator of the Master Scheme shall not be liable to account to any Unitholder for any payment made or suffered by the Master Fund in good faith to a fiscal authority for taxes or other charges of the Master Fund notwithstanding that it is later found that such payments need not or ought not to have been made or suffered. Conversely, where through fundamental uncertainty as to the tax liability, adherence to best or common market practice (to the extent that there is no established best practice) is subsequently challenged or the lack of a developed mechanism for practical and timely payment of taxes, the Master Fund pays taxes relating to previous years, any related interest or late filing penalties will likewise be chargeable to the Master Fund. Such late paid taxes will normally be debited to the Master Fund at the point the decision to accrue the liability in the Master Fund accounts is made.

(xvii) ***Tax Status of the Master Scheme***

The Master Scheme is a relatively new type of UK fund structure developed to be tax transparent in the UK and elsewhere. While it is expected that non-UK tax authorities will also recognise it as being tax transparent, this may not prove to be the case in one or more relevant jurisdictions. If so, depending on the particular circumstances of the Unitholder and/or the investments, this could have adverse tax consequences for the Unitholder, including a liability to taxation which could exceed the value of the Unitholder's holding. A relevant change in the tax status of the Master Scheme either in the UK or in the country of residence or domicile of the Unitholder or of any of the underlying investments could lead to tax liabilities being incurred. Investors considering subscribing for the Units in the Master Fund should seek professional advice in relation to such matters. The ACS Manager shall not be liable for any unexpected tax liability being due.

(xviii) ***Delayed Delivery Transactions***

Where the Master Fund invests in fixed income transferable securities, it may also purchase TBAs, for example US mortgages. This generally refers to a forward contract on a pool of mortgages in which the specific mortgages are not announced and allocated prior to a specified delivery date. TBAs are not settled at the time of purchase, which may lead to leveraged positions within the Master Fund. Purchasing a TBA involves a risk of loss if the value of the security to be purchased declines prior to the settlement date and exposes the Master Fund to additional counterparty default risk. The Master Fund may dispose of a commitment prior to settlement if it is deemed appropriate to do so. Proceeds of TBA sales are not received until the contractual settlement date.

(xix) ***Derivatives (General)***

In accordance with the investment restrictions set out in the prospectus of the Master Scheme, the Master Fund may use derivatives for the purposes of "efficient portfolio management" (in order to reduce risk and/or costs), as further described in the prospectus of the Master Scheme. The ACS Manager may also use derivatives to hedge or manage risk.

The use of derivatives may expose the Master Fund to a certain degree of risk. These risks may include credit risk with regard to counterparties with whom the Master Fund trades, the risk of settlement default, lack of liquidity of the derivative, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the Master Fund is seeking to track and greater transaction costs than investing in the underlying assets directly.

In accordance with standard industry practice when purchasing derivatives, the Master Fund may be required to secure its obligations to its counterparty. For non-fully funded derivatives, this may involve the placing of initial and/or variation margin assets with the counterparty. For derivatives which require the Master Fund to place initial margin assets with a counterparty, such assets may not be segregated from the counterparty's own assets and, being freely exchangeable and replaceable, the Master Fund may have a right to the return of equivalent assets rather than the original margin assets deposited with the counterparty. These deposits or assets may exceed the value of the Master Fund's obligations to the counterparty in the event that the counterparty requires excess margin or collateral. In addition, as the terms of a derivative may provide for one counterparty to provide collateral to the other counterparty to cover the variation margin exposure arising under the derivative only if a minimum transfer amount is triggered, the Master Fund may have an uncollateralised risk exposure to a counterparty under a derivative up to such minimum transfer amount.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities and leveraged positions can therefore increase Master Fund volatility. Whilst the Master Fund will not borrow money to leverage they may for example take synthetic short positions through derivatives to adjust their exposure, always within the restrictions provided for in the prospectus of the Master Scheme.

The Master Fund may enter into long positions executed using derivatives such as futures positions including currency forwards. Additional risks associated with investing in derivatives may include a counterparty breaching its obligations to provide collateral, or due to operational issues (such as time gaps between the calculation of risk exposure to a counterparty's provision of additional collateral or substitutions of collateral or the sale of collateral in the event of a default by a counterparty), there may be instances where the Master Fund's credit exposure to its counterparty under a derivative contract is not fully collateralised but the Master Fund will continue to observe the limits set out in the prospectus of the Master Scheme. The use of derivatives may also expose the Master Fund to legal risk, which is the risk of loss resulting from changing laws or from the unexpected application of a law or regulation, or because a court declares a contract not legally enforceable.

The Master Fund may use derivatives to facilitate complex management techniques. In particular, this may involve:

(i) using swap contracts to hedge interest rate risk;

(ii) using currency derivatives to buy or sell currency risk;

(iii) buying and selling options for investment purposes; or

(iv) using synthetic long positions to gain market exposure.

Market leverage obtained through derivatives is expressed through the Master Fund's gross market exposure to the underlying reference assets of the derivatives contracts. Gross market exposure may vary although the Master Fund's global exposure, which is the aggregate sum of its obligations under the derivative contracts, shall not exceed the total net value of the Master Fund. Furthermore, the Master Fund's overall risk exposure will remain within the limits imposed by the COLL Sourcebook, as further described in the prospectus of the Master Scheme. The ACS Manager's current policy concerning the use of derivatives to gain market leverage is disclosed within the relevant product literature which is available on request.

Where derivative instruments are used in this manner the overall risk profile of the Master Fund may be increased. The ACS Manager uses a risk management process to monitor and measure as frequently as appropriate the risk of the Master Fund's portfolio and contribution of the underlying investments to the overall risk profile of the Master Fund.

Losses in excess of the amount invested may be incurred from investment in such derivative instruments due to low margin deposits creating leverage which is typically associated with investment in such instruments. These instruments may be sensitive to small price movements, may be considered illiquid and could be difficult to price under certain market conditions.

(xx) ***Forward Contracts***

The ACS Manager or its delegates may enter into forward contracts and options on behalf of the Master Fund which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Counterparties with whom the Master Fund may maintain accounts may require the Master Fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. The Master Fund’s counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration (see ‘Liquidity Risk’). There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, which potentially reduces liquidity (see 'Liquidity Risk'). The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the ACS Manager would otherwise recommend, to the possible detriment of the Master Fund. Additionally, disruptions can occur in any market traded by the Master Fund due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to the Master Fund. In addition, the Master Fund may be exposed to credit risks with regard to counterparties with whom it trades as well as risks relating to settlement default (see 'Credit Risk', 'Counterparty Risk' and 'Settlement Risk'). Such risks could result in substantial losses to the Master Fund.

(xxi) ***Futures***

Futures are standardised contracts between two parties to buy or sell a specified asset or index with a standardised quantity for a price agreed upon today with delivery and payment occurring at a future delivery date.

They are negotiated on an exchange acting as an intermediary between parties.

The Master Fund may enter into futures transactions as either the buyer or seller and may combine them to form a particular trading strategy as well as use futures for reducing an existing risk.

Futures positions may be illiquid (see 'Liquidity Risk') because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations or an exchange or the Commodity Futures Trading Commission may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only.

Investments in futures may also involve the following non-exhaustive list of risks; see 'Market Risk', 'Settlement Risk'.

(xxii) ***Hedging Techniques***

Hedging techniques could involve a variety of derivative transactions (see 'Derivatives (General)'). As a result, hedging techniques involve different risks than those of underlying investments, including liquidity risk and the potential for loss in excess of the amount invested. In particular, the variable degree of correlation between price movements of hedging instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of the Master Fund's positions. In addition, although the contemplated use of these techniques should minimise the risk of loss due to a decline in the value of the hedged position, at the same time they may limit any potential gains resulting from an increase in the value of such positions. The ability of the Master Fund to hedge successfully will depend on the ACS Manager's, or its delegate's, ability to predict pertinent market movements, and as a consequence there can be no assurance that hedging transactions will be successful in protecting against adverse market and/or currency movements.

(xxiii) ***When Issued and Forward Commitment Securities***

The Master Fund may purchase "when-issued" securities and may contract to purchase or sell securities for a fixed price at a future date beyond the usual settlement time. When-issued securities are securities that have been authorised, but not yet received, and can be used to hedge against anticipated changes in interest rates and prices or for speculative purposes.

Forward commitment transactions involve a commitment by the Master Fund to purchase or sell securities at a future price and date.

The purchase of such securities involves the risk of the value of the security being purchased declining before the purchase date. Equally the sale of securities on a forward commitment basis can expose the Master Fund to the risk of the value of the security being sold increasing prior to settlement. Such securities may be disposed of prior to settlement if deemed appropriate by the ACS Manager.

24. Taxation

The information below is a general guide based on current UK law and HMRC practice, both of which are subject to change (possibly with retrospective effect). It summarises the tax position of the Company and of investors who are UK resident and hold Shares as investments. This summary is general in nature and non-exhaustive, and does not constitute legal or tax advice. It is strongly recommended that Shareholders and prospective Shareholders seek professional tax advice on their own situation which will be dependent on the relevant laws of the jurisdiction to which the Shareholder is subject.

Dividends, interest and capital gains which the Company receives with respect to investments may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located. The Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between the UK and such countries.

(a) Tax implications of the investment into the Master Fund for the Company

The investment into the Master Fund has no specific UK tax impact. The Master Fund is a sub-fund of the Master Scheme which is a UK authorised contractual scheme. As the Master Scheme and its sub-funds are either tax transparent or tax exempt for UK direct tax purposes, they are not subject to UK tax on income or capital profits.

(b) Taxation of the Company in the UK

Each sub-fund of the Company (including, for the avoidance of doubt, the Sub-Fund) is treated as a separate open-ended investment company for UK tax purposes.

(i) ***Income***

Dividend distributions received by the Sub-Fund will generally be exempt from corporation tax, provided the distribution falls within an exempt class. The Sub-Fund is chargeable to corporation tax at the applicable rate, currently 20 per cent., on most other income (net of allowable expenses including the gross amount of any interest distributions).

(ii) ***Chargeable Gains***

The Sub-Fund is generally exempt from UK corporation tax on capital gains realised on the disposal of its investments (including capital profits on interest-paying investments and derivative contracts but excluding gains realised on the disposal of certain offshore fund holdings) held within it.

(iii) ***Other Taxes***

The Sub-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 Sub-Fund is incorporated, established or resident for tax purposes. The Sub-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 the Sub-Fund or the counterparty to a transaction involving the Sub-Fund is incorporated, established or resident for tax purposes. Where the Sub-Fund invests in securities or enters into transactions that are not subject to withholding 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.

(c) **Taxation of Shareholders**

Investors should inform themselves of, and when appropriate consult their professional advisers on, the possible tax consequences of subscribing for, buying, holding, switching, redeeming or otherwise disposing of Shares under the laws of their country of citizenship, residence, domicile and/or incorporation.

For the purposes of UK taxation, the same consequences will follow whether the Sub-Fund's income is distributed to a Shareholder or accumulated on its behalf. Reference in the following paragraphs to a distribution of the Sub-Fund are of equal application where income is accumulated.

(i) ***Income Equalisation***

Income equalisation applies in relation to the Sub-Fund.

Income equalisation in respect of a Share created or issued or sold by the Company during an accounting period for which income allocation is to be made will be a capital sum representing the ACD's best estimate of the amount of income included in the issue price of a Share (or in the issue price by reference to which the selling price of that Share was determined). The amount of income equalisation per Share is calculated by dividing the aggregate of the amounts of income included in the issue price of Shares of each class of Shares issued or sold to the Shareholders in the relevant accounting period and dividing that aggregate by the number of those Shares in each class of Shares and applying the resulting average to each of the Shares of each class of shares in question.

The income equalisation amount is returned to Shareholders of the Sub-Fund in the first allocation after an acquisition of Shares from the Company in respect of the Shares so acquired as a return of capital. For income distribution Shares, this amount should be deducted from the cost of Shares in computing any capital gain realised on the disposal of those Shares. For accumulation Shares, the equalisation amount is reinvested alongside the taxed income.

The Depositary is not required to distribute income allocated to any Shares in any case where the ACD of the Depositary considers it necessary or appropriate to carry out or complete identification procedures in relation to the Shareholder or another person pursuant to a statutory, regulatory or European Union obligation
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(ii) ***Income tax***

(1) **Dividend distributions**

Individual Shareholders are liable to UK income tax on dividends and other distributions of income ("distributions") regardless of whether these dividends are reinvested in the Sub-Fund (as in case of Accumulation Shares) or paid to the Shareholder (as in case of Income Shares). The Company does not deduct any taxes on any dividend distributions paid. The dividend allowance for Shareholders resident in the UK on or after 16 April is set at £2,000 and is subject to change (please refer to www.gov.uk). For individual Shareholders resident in the UK, dividends and dividend distributions received or accumulated within the applicable dividend allowance limit in each tax year will be free of income tax (the "dividend allowance"). Where an individual's dividends and dividend distributions from all sources exceed the dividend allowance, the excess will be liable to income tax at the dividend tax rates reflecting the Shareholder's highest rate of tax. These rates are 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers (please refer to www.gov.uk). Dividends received within a Shareholders dividend allowance count towards total taxable income and affect the rate of tax due on any dividends received exceeding it.

(2) **Interest distributions**

If the total amount shown in the distribution account of the Sub-Fund is shown as available for distribution as yearly interest, such amount will be treated when distributed or accumulated as if it were a payment of yearly interest. The ACD will generally deduct UK income tax at the rate of 20 per cent. on the gross amount of payments to UK resident Shareholders who will receive credit for the tax suffered. Shareholders liable to UK income tax at the higher rate (40 per cent.) or the additional rate (45 per cent.) must account to HMRC for the further tax due of 20 per cent. (or 25 per cent. in the case of an additional rate taxpayer) on the gross amount of the interest. A basic rate taxpayer has no further tax liability. Shareholders who are non-taxpayers may reclaim all or part of the tax deducted from HMRC.

Corporate Shareholders, individuals who are resident outside the UK, persons who are unlikely to have net income subject to income tax and certain others who are exempt from tax on income, including pension funds, charities and individuals whose Shares are held through an ISA may be eligible to receive interest distributions without the deduction of UK income tax.

(iii) ***Corporation tax***

(1) **Dividend distributions**

Shareholders within the charge to corporation tax are subject to tax on a dividend distribution of the Sub-Fund unless it falls within an exemption. Subject to the "corporate streaming" rules below, it is expected that most dividend distributions paid by the Sub-Fund should be exempt from the charge to corporation tax.

Shareholders within the charge to UK corporation tax receive dividend distributions 'streamed' into franked and unfranked income depending on the underlying income of the Sub-Fund, if any, which has been subject to UK corporation tax. The franked stream is treated as franked investment income in the hands of the corporate Shareholder. The unfranked stream is treated as an annual payment from which income tax at the basic rate of 20 per cent. is deemed to have been deducted, the gross amount of which will be chargeable to corporation tax.

Where foreign dividend income is subject to UK tax and foreign tax has been credited in arriving at the UK tax liability, the distribution of such income will be treated as unfranked foreign dividends with a deemed foreign tax credit. The percentages to be used to calculate the allocation between franked investment income, unfranked income and any unfranked foreign dividends received may be set out on tax vouchers accompanying dividend distributions.

The corporate streaming rules also limit the maximum amount of UK income tax that may be reclaimed from HMRC on the unfranked stream. The maximum amount reclaimable by a corporate Shareholder is (broadly) the corporate Shareholder’s portion of the Sub-Fund’s net liability to UK corporation tax in respect of gross income for the distribution period in question. The tax voucher may state the Sub-Fund’s net liability to UK corporation tax in respect of the gross income for the distribution period in question. Additional information may also be provided on the tax voucher, for example, the net liability per Share. Specific additional rules may also apply to certain Shareholders within the charge to UK corporation tax.

(2) **Interest distributions**

Shareholders who are eligible to receive interest distributions gross include, inter alia, companies within the charge to UK corporation tax, UK charities, UK tax-exempt pension funds and ISA plan managers, provided that evidence is received of their eligibility to receive such payments gross.

Where interest distributions are made net, a UK resident corporate Shareholder will be treated as receiving a payment of yearly interest (the "**gross amount**" of the interest distribution) from which tax has been deducted (currently at 20 per cent.). Such a Shareholder will be liable to UK corporation tax on the gross amount of the interest distribution, but will be entitled to credit for the tax deducted at source, and repayment of any excess of the tax credit over the liability to UK corporation tax.

(3) **Tax regime applicable to corporate debt**

Under the tax regime in the UK applicable to corporate debt, if at any time during a corporate Shareholder's accounting period the Sub-Fund fails to satisfy the "qualifying investments test", a corporate Shareholder's holding in the Sub-Fund is treated as a creditor loan relationship. As such, the corporate Shareholder will generally be taxed on the increase in the fair value of its holding during that period (rather than on disposal), or obtain tax relief on any equivalent decrease in market value.

The Sub-Fund fails to satisfy the "qualifying investments" test at any time where more than 60 per cent. of its assets by market value consist of "qualifying investments". "Qualifying investments" are broadly those which yield a return directly or indirectly in the form of interest.

(iv) ***Income tax and corporation tax – Certain Shareholders***

(1) **Charities and pension funds**

Any income tax withheld from interest distributions and paid to HMRC is repayable to charities and pension funds which are exempt from UK income tax on their investment income. They cannot reclaim the tax credit on dividend distributions.

(2) **ISAs**

UK income tax withheld from interest distributions and paid to HMRC is repayable to the ISA plan manager (on behalf of the plan investor). The tax credit on dividend distributions cannot be reclaimed.

(3) **Non-resident Shareholders**

Interest distributions may be made without deduction of tax to a Shareholder who certifies to the Company that he or she is an individual who is not resident in the UK for tax purposes.

Shareholders who are not resident in the UK may be entitled to a repayment in respect of the tax credit (where one is available) attached to a dividend distribution or interest distribution. This entitlement is generally dependent on the terms of any double taxation agreement between the UK and the Shareholder’s country of residence; typically these provide for full or partial repayment of tax deducted from interest distributions but little, if any, repayment in respect of dividend distributions.

(v) ***Tax on gains***

For holders of Shares who are resident for tax purposes in the UK, redemptions and other disposals of Shares will generally be subject to UK capital gains tax or UK corporation tax. Switches between Sub-Funds (if and where permitted) may constitute a disposal for the purposes of UK capital gains tax or UK corporation tax on chargeable gains.

In respect of accumulation Shares, income arising from these Shares may be accumulated and added to the capital property of the Sub-Fund. As a result, such amounts should be added to the allowable cost of such accumulation Shares when calculating the capital gain realised on their disposal for UK capital gains tax or corporation tax on chargeable gains purposes.

Individuals who are resident in the UK are only liable to UK capital gains tax (at the current rate of 10 per cent. or, in the case of higher rate taxpayers and additional rate taxpayers, 20 per cent.) if their total chargeable gains (net of allowable losses) in the year exceed the annual exemption (£11,700 for the 2018/2019 tax year).

Shareholders within the charge to UK corporation tax are chargeable to corporation tax on all such gains, subject to indexation relief.

(d) **Tax Reporting**

The Company, the ACD or both may have obligations to report details of Shareholders and their interest in the Sub-Fund to HMRC or other tax authorities, for example, under the terms of certain UK regulations such as the International Tax Compliance Regulations 2015 (SI 2015/878) (the "**UK Compliance Regulations**"). The UK Compliance Regulations seek to unify, as far as possible, the due diligence and reporting requirements and penalties in relation to various information exchange agreements with the US, Member States of the EU and other jurisdictions.

The Company is required to report to HMRC details of interest distributions paid to UK, and many non-UK, investors. Dividend distributions and payments made to ISA investors are unaffected.

(i) ***Foreign Account Tax Compliance Act ('FATCA')***

The US-UK Agreement to Improve International Tax Compliance and to Implement FATCA (the "**US-UK IGA**") was entered into with the intention of enabling the UK implementation of the FATCA provisions of the Hire Act which impose a new reporting regime and potentially a 30 per cent. withholding tax on certain payments made from (or attributable to) US sources or in respect of US assets to certain categories of recipient including a non-US financial institution (a "**foreign financial institution**" or "**FFI**") that does not comply with the terms of FATCA and is not otherwise exempt. Certain financial institutions ("**reporting financial institutions**") are required to register with the US Internal Revenue Service and provide certain information about their US accountholders to HMRC (which information will in turn be provided to the US tax authority) pursuant to UK regulations implementing the US-UK IGA. It is expected that the Company will constitute a UK reporting financial institution for these purposes. It is the Company's intention to procure that it is treated as complying with the terms of FATCA by complying with the terms of the reporting system contemplated by the US-UK IGA. No assurance can, however, be provided that the Company will be able to comply with FATCA and, in the event that it is not able to do so, a 30 per cent. withholding tax may be imposed on payments it receives from (or which are attributable to) US sources or in respect of US assets, which may reduce the amounts available to it to make payments to its Shareholders.

(ii) ***UK Multilateral Arrangements***

The UK has also entered into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (OECD). These also require the Company to provide certain information to HMRC about Shareholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities).

(iii) ***UK Crown Dependencies and Overseas Territories***

The Company is also required to comply with UK regulations implementing agreements to improve international tax compliance entered into between the UK and its Crown Dependencies and certain overseas territories (namely, Jersey, Guernsey, The Isle of Man and Gibraltar), pursuant to which the Company will be required to provide certain information about its Shareholders resident in these jurisdictions to HMRC (which information will in turn be provided to the relevant tax authorities).

In light of the above, Shareholders will be required to provide certain information to the ACD to enable the Company to comply with the terms of the UK regulations.

(e) **European Union Taxation of Savings Income Directive**

European Union Savings Directive may apply to the Company depending on the investments in its underlying portfolios.

On June 3 2003 the European Commission published a directive (EC Directive 2003/48/EC) regarding the taxation of savings income (the "**Directive**"). Depending on the location of the paying agent, it was proposed that Member States are required to provide to the tax authorities of another Member State details of payments of interest (which may include distributions or redemption payments by collective investment funds) or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, or to operate a withholding system in relation to such payments. The UK, amongst others, has opted for exchange of information rather than a withholding tax system. The Directive has been enacted into legislation by Member States and applies to interest payments made on or after 1 July 2005.

Accordingly, the ACD, Administrator or Registrar, or such other entity considered a "paying agent" for the purposes of the Directive may be required to disclose details of certain payments (including redemption payments) to investors in the Company who are individuals or residual entities to HMRC who will pass such details to the Member State where the investor resides. To the extent that the paying agent is located in a jurisdiction that operates a withholding tax system under the terms of the Directive, rather than an exchange of information system, tax may be deducted from interest payments to investors.

For the purposes of the Directive, interest payments include income distributions made by certain collective investment funds, to the extent that the fund has invested more than 15 per cent. of its assets directly or indirectly in interest bearing securities and income realised upon the sale, refund or redemption of fund shares to the extent that the fund has invested 25 per cent. of its assets directly or indirectly in interest bearing securities.

The European Council on 24 March 2014 adopted a new directive amending the Directive, with a view to closing existing loopholes and eliminating tax evasion. These changes, which are material, in particular relate to the scope of, and mechanisms implemented by, the Directive.

On 10 November 2015, the European Council announced that it has adopted a Council Directive repealing the Directive with effect from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

(f) **Other US Tax Considerations**

Under the double tax treaty between the UK and the United States of America, the withholding tax on dividends paid by US corporations on any US equity investments of the Sub-Fund of the Company can be reduced to 15 per cent. from 30 per cent.. The availability of this relief to the Sub-Fund is dependent, amongst other things, on the Company being over 50 per cent. owned by qualifying UK/US persons. Given this shareholding test it is possible that the Sub-Fund will not be eligible for the reduction in withholding tax.

(g) **Stamp Duty Reserve Tax (SDRT)**

From 30 March 2014, there is no SDRT liability on the redemption of Shares, unless the redemption is in specie and not on a pro rata basis. (As noted in paragraph 12(e) above, no in specie redemptions will be permitted.)

25. Charges

The current charges made for the Sub-Fund are shown below and are set out in Appendix 1. On giving at least 60 days' written notice to Shareholders, the ACD may, where relevant, increase any charge (including agreeing revised charges with any Service Provider) on the Sub-Fund provided any such increase does not constitute a fundamental change to the Sub-Fund. Any change to charges which constitutes fundamental change will require prior Shareholder consent. For details of the categorisation of fundamental, significant and notifiable changes, please see section 28.

(a) **Aggregated Costs associated with the Master Feeder Structure**

Details of the costs associated with a Sub-Fund investing in a Master Fund are set out in the context of the relevant Sub-Fund in Appendix 1.

(b) **Director's Charges**

No additional management fees or performance fees will be payable to the ACD with respect to the Sub-Fund. A management fee and a performance fee are payable to the ACS Manager with respect to the relevant Master Fund as detailed in Appendix 1 and the prospectus of the Master Scheme.

(c) **Depositary's Charges**

(i) ***Periodic Charge***

A periodic charge is payable to the Depositary with respect to the Master Fund and the Equitile Resilience Feeder Fund per annum as detailed in Appendix 1.

(ii) ***Depositary's Expenses***

To the extent permitted by the FCA Handbook, the Depositary will be paid or reimbursed out of the Scheme Property of the Sub-Fund for all fees, costs, charges and other expenses properly incurred by the Depositary, its nominees, custodians, sub custodians or agents in performing the services under the Depositary Services Agreement (and any VAT or any other governmental charges, duties or levies chargeable or payable in respect of such costs, charges, expenses or fees), which are attributable to the Sub-Fund.

The Depositary will also (either directly or through delegates) act as the global custodian (the "**Custodian**") of the Scheme Property and is entitled to receive reimbursement of the Custodian’s fees (where applicable) as an expense of the Company. The Depositary’s remuneration for acting as Custodian comprises a transaction fee plus a safekeeping fee, each determined by the territory or country in which the Sub-Fund’s assets are held. Currently, the transaction fees are in the range of £4 to £83 per transaction and the safekeeping fees, based upon the value of the assets held in the territory or country in question, are in the range of 0.0041 per cent. to 0.39 per cent. per annum. The Custodian's fees are subject to an annual minimum of £40,000. It is not currently intended that the Company or the Sub-Fund will hold assets that would need to be held by the Custodian and consequently attract any Custodian's fees and, therefore, in practice, such fees are not expected to be applicable with respect to the Scheme Property.

Any services provided by the Custodian in addition to safekeeping and transaction services will accrue an additional cost.

(d) **Administrator's Charges**

(i) ***Fund Accounting Fees***

The remuneration of the Administrator consists of a periodic charge which will be paid out of the Scheme Property of the Sub-Fund monthly in arrears. The periodic charge comprises a fixed fee which will be at such annual rate (before VAT) as the Company and Administrator may, from time to time agree. Currently, the Company and the Administrator have agreed that the annual rate of periodic charge will be £40,000 per annum, which will accrue and be charged on a monthly basis. The periodic charges will be subject to periodic review and may be subject to reasonable increases over time.

(ii) ***Middle Office Fees***

No fees will be payable to HSBC Bank plc by the Company in its capacity as the Administrator for the provision of middle office services with respect to the Sub-Fund. A periodic charge is payable to the HSBC Bank plc with respect to the Master Fund for such services as detailed in Appendix 1.

(e) **Transfer Agency and Registrar Charges**

For each class of Shares operated by the Sub-Fund, HSBC Bank plc, in its capacity as the Transfer Agent and Registrar, is entitled to a fixed annual fee and a dealing fee for dealings in that Share class on a per transaction basis. The fixed annual fee will accrue and be charged to the Sub-Fund on a monthly basis. The dealing fee is dependent on whether the deal is made manually or through an automated system. The transfer agency and registrar fees will be at such rate (before VAT) as the Company and the Transfer Agent and Registrar may, from time to time, agree. Currently, the ACS Manager and the Transfer Agent and Registrar have agreed that the transfer agency and registrar fees will be as follows:

Fixed fee: £3,000 per annum per class of Shares

Dealing fee (Manual): £20 per transaction

Dealing fee (Automated): £7 per transaction

The transfer agency and registrar fees will be subject to periodic review and may be subject to reasonable increases over time.

(f) **FX Hedging Fees**

Share class Hedging - For applicable hedged share classes there will be range fee applicable on the Net Value Asset of the hedged share class - fee of 0.8 bps per month on NAV between 0-500 million, of 0.6 bps per month between 500 million to 1 billion and a fee of 0.3 bps per month on NAV of over 1 billion.

Portfolio Hedging – where the ACS Manager employs currency hedging, there will be a range fee applicable on the Net Asset Value of the Master Fund – fee of 0.6 bps per month on NAV between 0-500 million, 0.5 bps per month on 500 million to 1 billion and 0.3 bps per month on NAV of over 1 billion.

(g) **Auditor's Fees**

The remuneration of the Auditor consists of a yearly fixed fee that will be agreed from time to time, currently being as set out in Appendix 1.

(h) **Other Expenses**

The following other expenses may be reimbursed out of the property of the Company:

(i) costs of dealing in the Scheme Property;

(ii) costs of marketing the Sub-Fund in the relevant jurisdictions as set out in Appendix 5 including the fees payable to local representatives and other agents in connection therewith;

(iii) interest on borrowings permitted by the Company and related charges;

(iv) taxation and duties payable in respect of the Scheme Property, the issue, surrender or transfer of Shares (including, without limitation, stamp duty reserve tax, overseas transfer taxes and capital gains tax and any similar generated tax charges);

(v) any costs incurred in modifying the Instrument of Incorporation, including costs incurred in respect of meetings of Shareholders convened for purposes which include the purpose of modifying the Instrument of Incorporation, where the modification is necessary or expedient by reason of changes in the law or to remove obsolete provisions;

(vi) any costs incurred in respect of meetings of Shareholders convened on a requisition by Shareholders not including the ACD or an associate of the ACD;

(vii) unanticipated liabilities on unitisation, scheme of arrangement or reconstruction where the property of a body corporate or of another collective investment scheme is transferred to the Depositary in consideration of the issue of Shares in the Company to shareholders in that body or to participants in that other scheme;

(viii) the costs of preparation and distribution of reports, accounts, any prospectuses, key investor information documents, the Instrument of Incorporation and any costs incurred as a result of changes to any prospectus or the Instrument of Incorporation, periodic updates of any other administrative documents, as well as the cost of maintaining other documentation required to be maintained in respect of the Company;

(ix) any expenses of the Auditor as well as the fees of and expenses of third party tax, legal and other professional advisers; and

(x) the fees of the FCA under Schedule 1 Part III of FSMA and the corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Shares of the Company are or may be marketed.

In the event that additional Sub-Funds are created under the Company, fees, costs, and duties which are not attributable to a particular Sub-Fund will usually be allocated between the Sub-Funds pro-rata to the net asset value of each Sub-Fund or in accordance with another reasonable method at the ACD's discretion.

26. Conflicts of Interest

The ACD has a conflicts of interest policy which contains the details of identified conflicts or potential conflicts of interest and the procedures it follows in order to avoid, minimise and manage such conflicts or potential conflicts. The ACD is structured and organised in a way so as to minimise the risks of a client's interests being prejudiced by conflicts of interest and will, wherever possible, try to ensure that a conflict of interest does not arise. In the event that a conflict of interest cannot be avoided, the ACD will always act in the best interests of the Company and ensure that the Sub-Fund is fairly treated. If circumstances arise such that the ACD's arrangements for avoiding and managing conflicts of interest are not sufficient to ensure with reasonable confidence that the risks of damage to the interests of the Sub-Fund or its Shareholders will be prevented, the senior management of the ACD must act to ensure that appropriate action is taken in the best interests of the Sub-Fund and its Shareholders.

The conflicts of interest policy is reviewed by senior management of the ACD at least once a year or whenever there are material changes in the business services to be offered by the ACD.

The Depositary may act as the depositary of other open-ended investment companies or authorised contractual schemes and as trustee or custodian of other collective investment schemes. The Depositary when acting as such must act solely in the interests of the relevant investors.

The FCA Handbook contains provisions governing any transaction with the Sub-Fund, which is carried out by, or with any "affected person", which will include the ACD, an associate of the ACD, the Depositary and an associate of the Depositary. These provisions allow an affected person to buy from or sell property to the Sub-Fund, lend money to the Sub-Fund or accept a deposit of cash from the Sub-Fund if certain conditions are met. The conditions vary depending on the type of transaction but are designed to ensure the Sub-Fund is treated on a normal arms-length commercial basis.

27. Fair Treatment

The detailed rights and obligations of the Depositary, the ACD and the Shareholders are set out in the Instrument of Incorporation. The Company ensures that the Instrument of Incorporation is made available for review by each Shareholder as set out in section 31(ix), such that each Shareholder is informed about its rights and obligations under that document. The Company seeks to ensure fair treatment of all Shareholders by complying with the terms of the Instrument of Incorporation and applicable law.

28. Changes to the Company and Meetings of Shareholders

Changes to the Company or the Sub-Fund may be made in accordance with the method of classification described in sections (a), (b) and (c) below.

(a) Fundamental Change

A fundamental change is a change or event which:

(i) changes the purpose or nature of the Company or the Sub-Fund; or

(ii) may materially prejudice a Shareholder; or

(iii) alters the risk profile of the Company or the Sub-Fund; or

(iv) introduces any new type of payment out of Scheme Property.

The ACD will obtain prior approval from Unitholders to any fundamental change by way of an Extraordinary Resolution of the Shareholders of the Company or the Sub-Fund. See below for details of calling a meeting of Shareholders.

(b) Significant Change

A significant change is a change or event which the ACD has determined is not a fundamental change but is a change which:

(i) affects a Shareholder's ability to exercise its rights in relation to its investment; or

(ii) would reasonably be expected to cause a Shareholder to reconsider its participation in the Company or the Sub-Fund; or

(iii) results in any increased payments out of Scheme Property to the ACD or any of its associate companies; or

(iv) materially increases other types of payment out of Scheme Property.

The ACD will give Shareholders at least 60 days' notice in advance of implementing any significant change.

(c) Notifiable Change

A notifiable change is a change or event, other than a fundamental change or a significant change, which is reasonably likely to affect or have affected the operation of the Company or the Sub-Fund.

Depending on the nature of the change the ACD will inform Shareholders of notifiable events either by:

(i) sending an immediate notification to Shareholders; or

(ii) publishing information about the change on the ACD's website; or

(iii) including it in the next report for the Company.

(d) **Changes to the Master Scheme or Master Fund**

Where the ACD becomes aware of any change in respect of the Master Fund or the Master Scheme which has the effect of a change to the Company or the Sub-Fund, the ACD will, as soon as reasonably practicable:

(i) classify it as a fundamental change, significant change or a notifiable change to the Sub-Fund in accordance with this section 28; and

(ii) follow the procedure in this section 28 as may be applicable.

(e) **Notice**

The ACD will write to Shareholders at their registered postal address to give notice of any fundamental change or significant change.

(f) **Meetings of Shareholders**

Rules for the calling and conduct of meetings of Shareholders and the voting rights of Shareholders at such meetings are governed by the COLL Sourcebook and the Instrument of Incorporation. The Company will not hold annual general meetings. At a meeting of Shareholders a resolution put to the vote shall be decided on a show of hands unless a poll is demanded by the chairman, by the Depositary or by at least two Shareholders present in person or by proxy. On a show of hands, every Shareholder who (being an individual) is present in person or, (being a corporation) is present by its representative properly authorised in that regard, has one vote. On a poll, the voting right for each Share must be the proportion of the voting rights attached to all of the Shares in issue that the value of the Share bears to the aggregate value of all the Shares in issue. A person entitled to more than one vote need not use all its votes or cast all the votes it uses in the same way.

A corporation being a Shareholder may authorise such a 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 it represents as the corporation could exercise if it were an individual Shareholder.

In the case of joint Shareholders any joint Shareholder may vote provided that if more than one votes the most senior Shareholder in the Register who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint Shareholders.

On a poll, votes may be given either personally or by proxy.

The ACD and its associates may hold Shares in the Sub-Fund. The ACD is entitled to receive notice of and attend any meeting but it is not entitled to vote or be counted in the quorum and its Shares are not regarded as being in issue in relation to such meetings. An associate of the ACD may be counted in the quorum and if in receipt of voting instructions may vote in respect of Shares held on behalf of a person who, if itself the registered Shareholder, would be entitled to vote, and from whom the associate has received voting instructions.

29. Winding Up

The Company or the Sub-Fund will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. The Sub-Fund may otherwise only be wound up under the COLL Sourcebook.

Where the Company is to be wound up or the Sub-Fund is to be terminated under the COLL Sourcebook, such winding up or termination may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company or the Sub-Fund as the case may be) either that the Company or the Sub-Fund will be able to meet its liabilities within 12 months from the date of the statement or that the Company or the Sub-Fund will be unable to do so. The Company may not be wound up or the Sub-Fund terminated under the COLL Sourcebook if there is a vacancy in the position of the ACD at the relevant time.

The Company may be wound up or the Sub-Fund terminated upon the happening of any of the following:

(i) an Extraordinary Resolution to that effect is passed by the Shareholders; or

(ii) the period (if any) fixed for the duration of the Company or the Sub-Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which, the Instrument of Incorporation provides that the Company or the Sub-Fund is to be wound up, including where the share capital of the Company is below its prescribed minimum or (in relation to the Sub-Fund) the net asset value of the Sub-Fund is less than £100,000, or if a change in the laws or regulations of any country mean that, in the ACD's opinion, it is desirable to terminate the Sub-Fund; or

(iii) the effective date of a duly approved scheme of arrangement, which is to result in the Company (or the Sub-Fund) being left with no property; or

(iv) the FCA agrees to a request by the ACD for the revocation of the authorisation order in respect of the Company or the Sub-Fund.

On the occurrence of any of the above (the "**relevant events**"):

(a) the provisions of COLL 6.2 (Dealing), COLL 6.3 (Valuation and pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the

Company or the Sub-Fund (as the case may be);

(b) the Company will cease to issue and cancel Shares in the Company or the Sub-Fund;

(c) the ACD must cease to sell or redeem Shares or to arrange for the issue or cancellation of Shares in the Company or the Sub-Fund;

(d) no transfer of a Share may be registered and no other change to the Register may be made without the approval of the ACD;

(e) where the Company is being wound up, the Company must cease to carry on its business, except for its beneficial winding up; and

(f) the corporate status and corporate powers of the Company (subject to the preceding paragraphs (a) to (e)) and the powers of the ACD will remain until the Company is dissolved.

On a winding up the ACD is required as soon as practicable after the Company or a Sub-Fund falls to be wound up, to realise the Scheme Property of the Company or the Sub-Fund and, after paying out of the Company or the Sub-Fund or retaining adequate provision for all liabilities properly so payable and retaining provision for the costs of the winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to the Shareholders proportionately to their rights to participate in the Scheme Property of the Company or the Sub-Fund. If the ACD has not previously notified the Shareholders of the proposal to wind up the Company or to terminate the Sub-Fund, the ACD shall, as soon as practicable after the commencement of the winding up of the Company or the termination of the Sub-Fund, give notice in writing to the Shareholders. When the ACD has used all of the Scheme Property to be realised and all of the liabilities of the Company or the Sub-Fund have been discharged, the ACD will arrange for the Depositary to make a final distribution of any balance remaining to the Shareholders on or prior to the date on which the final account is sent to the Shareholders, in proportion to their holdings in the Company or the Sub-Fund.

On the completion of a winding up of the Company or the termination of the Sub-Fund, the Company will be dissolved or the Sub-Fund terminated and any unclaimed net proceeds or other cash standing to the account of the Company or the Sub-Fund will be paid into court within one month of the dissolution or termination in accordance with the OEIC Regulations.

Except to the extent that the ACD can show that it has complied with the duty to ascertain liabilities under the COLL Sourcebook, the ACD is personally liable to meet any liabilities of the Company or the Sub-Fund wound up or terminated that were not discharged before the completion of the winding up or termination.

If, where the Company is wound up, the proceeds of the realisation of the assets attributable or allocated to the Sub-Fund are not sufficient to meet the liabilities attributable or allocated to the Sub-Fund, the ACD must pay to the Company, for the account of the Sub-Fund, the amount of the deficit unless and to the extent it can show that the deficit did not arise as a result of any failure by the ACD to comply with the COLL Sourcebook. Such liability of the ACD will be an accruing debt due from it on the completion of the winding up or termination and is payable on demand. Such obligations are in addition to any other obligations that the ACD may have under general law.

On completion of the winding up, the Depositary must notify the FCA in writing of that fact and at the same time, the ACD or the Depositary must request the FCA to revoke the relevant authorisation order (on the winding up of the Company) or to update its records (on the termination of the Sub-Fund).

Following completion of a winding up of the Company or termination of the Sub-Fund, the ACD must prepare an account showing how the winding up took place and how the property was distributed. Such an account will be a final account for the purposes of winding up the Company and a termination account for the purposes of the termination of the Sub-Fund. The Auditors of the Company shall make a report in respect of the final account or termination account (as the case may be) stating their opinion as to whether such account has been properly prepared. The final account or termination account (as the case may be) and the Auditor's report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) within four months of the completion of the winding up of the Company or the termination of the Sub-Fund.

Where the Master Fund is proposed to be terminated, merged or divided, the provisions of COLL 11.6 will apply.

30. Allocation of Income

The income available for allocation is determined in accordance with the COLL Sourcebook and the Investment Management Association's Statement of Recommended Practice for Accounting Standards for Investment Funds (SORP).

Distributable income comprises all income received or receivable for the account of the Sub-Fund in respect of the accounting period, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the ACD considers appropriate, in accordance with the COLL Sourcebook.

Income on debt securities, such as bonds and other fixed interest securities is calculated using the "Effective Interest Rate" method, in accordance with the methodology laid down in the SORP.

The Effective Interest Rate method for calculating income generated from debt securities treats any premiums and discounts arising on the purchase of a debt security (when compared to its maturity or par value) as income and this, together with any future expected income streams on the debt security, is amortised (written off) over the life of that security (to its maturity) and discounted back to its present value and included in calculation of distributable income.

For the purposes of allocating income, the ACD will determine on an annual basis, with reference to the objectives of the Sub-Fund, whether such income should exclude premiums and discounts arising on purchase of bonds attributed through the Effective Interest Rate method.

The Sub-Fund will distribute any available income following the end of its accounting periods in relation to which it has an income allocation date. Each accounting period ends on an accounting date (either interim or final). Details of the accounting periods and income allocation dates for the Sub-Fund are set out in Appendix 1.

In relation to accumulation Shares, any available income will become part of the capital property of the Sub-Fund as at the end of the relevant accounting period. In relation to income Shares, any income distribution will be made on or before the relevant allocation date for the Sub-Fund to those Shareholders who are entitled to the allocation by evidence of their holding on the Register at the previous accounting date for the Sub-Fund. If an income allocation date is not a Business Day, the allocation will be made on the next Business Day.

31. Additional Information

(i) Generally, the profile of the typical investor for whom the existing Sub-Fund has been designed is an investor wishing to invest in stocks, shares and related financial instruments for the long term (at least five years) and who is prepared to accept fluctuations in the value of their investment and the risks associated with investing in the Master Fund through the Master Scheme, as described in the section on "Risk Considerations" of this Prospectus and in the prospectus of the Master Fund. The ACD will not consider the suitability or appropriateness of an investment in the Sub-Fund for any Shareholder's individual circumstances. Shareholders should be willing to accept capital and income risk, which may vary greatly from Sub-Fund to Sub-Fund in the event that additional Sub-Funds are created. The Sub-Fund is not suitable for short term investment and should therefore generally be regarded as a long-term investment of at least five years. The price of the Shares in the Sub-Fund, and any income from them, can go down as well as up and is not guaranteed.

(ii) A subscription for or redemption of Shares by approved electronic communication and/or in writing is a legally binding contract.

(iii) Any person relying on the information contained in this Prospectus, which was current at the date shown, should check with the Company that this document is the most recent version and that no revisions have been made nor corrections published to the information contained in this Prospectus since the date shown.

(iv) This document is important and Shareholders should read all the information contained in it carefully. If Shareholders are in any doubt as to the meaning of any information contained in this document, Shareholders should consult either the Company or their financial adviser. The Company has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no material facts, the omission of which would make misleading any statement herein whether of fact or opinion.

(v) Long reports on the Company are available free of charge on request to the ACD and include a list of the Sub-Fund's holdings of securities. Long reports must be made available to the Unitholders within four months of the end of the annual accounting period and within two months of the end of the half-yearly accounting period. For information on the publication dates pertaining to the reports of the Sub-Fund, please refer to Appendix 1.

(vi) Complaints may be made about the operation of the Company or any aspect of the service received to the Compliance Officer of the ACD at its registered address. Written details of the Company's complaints procedure are available from the ACD upon request. If a Shareholder is not satisfied with the way the ACD handles a complaint, a Shareholder who is an "Eligible Complainant" for the purposes of the FCA "Dispute Resolution: Complaints" rules may refer their complaint to the FOS at Exchange Tower, E14 9SR (further contact details available at www.financial-ombudsman.org.uk). Making a complaint will not prejudice a Shareholder's right to take legal action.

(vii) The Company is a participant in the FSCS. Shareholders may be entitled to compensation from the FSCS if the Company cannot meet its obligations. This depends on the eligibility of the claimant, the type of business and the circumstances of the claim. Most types of investment business are covered for 100 per cent. of the first £50,000, so the maximum compensation is £50,000. Further information about the FSCS is available on request, or by contacting the FSCS Limited at 10th Floor, Beaufort House, 15 St. Botolph Street, London EC3A 7QU Tel: 0800 678 1100, or at www.fscs.org.uk.

(viii) The Sub-Fund qualifies as a feeder UCITS scheme which may, subject to the satisfaction of any further requirements, be marketed in any Member State of the EEA in accordance with the UCITS Directive. At present, the Company and the Sub-Fund will only be marketed to investors in the UK and certain other jurisdictions as set out in Appendix 5, which also includes relevant details regarding provision of information and status for each such jurisdiction.

(ix) Copies of the Instrument of Incorporation, the key investor information documents of the Sub-Fund and the Master Fund, the ACD Agreement and the most recent annual and half-yearly reports may be inspected at the ACD's registered office during Normal Business Hours. Copies of the Prospectus and the prospectus of the Master Scheme may be obtained from the ACD at its registered office free of charge and copies of the Instrument of Incorporation are available free of charge to Shareholders and at a charge of up to £5 per copy for each Instrument of Incorporation for non-Shareholders.

(x) The personal details of each Shareholder will be held by the Company in accordance with current data protection law for the purposes of carrying out its agreement with each Shareholder. Information regarding the Company's data protection policies is available upon request.

32. Risk Management Process

The ACD is required by the COLL Sourcebook to employ a risk management process in respect of the Sub-Fund which enables it to accurately monitor and manage the global exposure from the financial derivative instruments ("**global exposure**") which each Sub-Fund gains.

The ACD uses a risk methodology appropriate to the Sub-Fund. This may be a Net Commitment approach or a Value at Risk ("**VaR**") approach in order to measure the global exposure of the Sub-Fund and manage the potential loss to them due to market risk. The VaR methodology measures the potential loss to a fund at a particular confidence (probability) level over a specific time period and under normal market conditions. The ACD uses 95 per cent. confidence interval and one month measurement period for the purposes of carrying out this calculation.

There are two types of VaR measures which can be used to monitor and manage the global exposure of the Sub-Fund: "Relative VaR" where risk is assessed with respect to a benchmark or reference portfolio and "Absolute VaR" where risk is assessed in absolute terms.

The ACD uses either the Absolute VaR methodology or the Net Commitment approach to monitor the global exposure of the Sub-Fund as appropriate to its investment strategy. (See section 23, "Risk Considerations")

APPENDIX 1

Equitile Resilience Feeder Fund

The Equitile Resilience Feeder Fund is a sub-fund of Equitile Investments Feeder OEIC, a UCITS retail scheme under the COLL Sourcebook. The Sub-Fund was authorised by the FCA on 16 December 2015.

Investment Objective and Policy

The Sub-Fund aims to generate capital growth by investing not less than 85 per cent. of its Scheme Property in Equitile Resilience Fund (the "**Master Fund**"), a sub-fund of Equitile Investments ACS, an authorised contractual scheme constituted as a co-ownership scheme and authorised by the FCA. The Master Fund is the master UCITS (as defined in the FCA Handbook) for these purposes.

To the extent that the Sub-Fund is not fully invested in the Master Fund, the Sub-Fund will hold its remaining assets in accordance with the COLL Sourcebook (as detailed in Appendix 3).

The Sub-Fund will not utilise borrowing or leverage in order to achieve the investment objective. Short term borrowing may be used for the purposes of efficient portfolio construction.

The Sub-Fund will utilise a hedging strategy with respect to the Hedged Share Classes. Other than the proposed hedging strategy, the Sub-Fund will not utilise derivatives for efficient portfolio construction or otherwise, in addition to any derivatives that may be utilised by the Master Fund as set out below and in the prospectus of the Master Fund.

The performance of the Sub-Fund is expected to be similar to the performance of the Master Fund but may not be exactly the same due to cash holding and transactional costs.

The Master Fund

The Master Fund is a sub-fund of Equitile Investments ACS (the "**Master Scheme**"), a UCITS scheme under the COLL Sourcebook. The Master Fund was authorised by the FCA on 16 December 2015. Equitile Investment Limited ("**ACS Manager**") is the manager of the Master Scheme.

Investment Objective and Policy of the Master Fund

The Master Fund aims to deliver capital growth over a 5 year rolling period by investing in the global equities of resilient large cap companies (Market Capitalization greater than $5BN), meaning those assessed as being well-managed, conservatively financed and benefiting from strong corporate governance. Additionally, the Master Fund may choose to invest in bonds and money market instruments as part of strategy diversification. Investors may assess the success of this strategy by considering, in combination, the average annual return of the Master Fund and the average annual maximum loss of the Master Fund where the annual maximum loss is defined as the largest percentage loss which an investor could have incurred by investing into and subsequently redeeming from the Master Fund within a given year.

In normal market conditions, the Master Fund will be close to fully invested in equity securities (e.g. shares) of companies assessed as being well-managed, conservatively financed and benefiting from strong corporate governance.

Allocations to bonds and cash may be made periodically for the purpose of capital preservation.

Use may be made of cash holdings, hedging and other investment techniques for the purposes of efficient portfolio management as permitted by the COLL Sourcebook.

The Master Fund will not utilise borrowing or leverage in order to achieve the investment objective. Short term borrowing may be used for the purposes of efficient portfolio management.

The Master Fund may utilise derivatives for efficient portfolio construction and for hedging purposes.

Additional Information on the Sub-Fund

ACD	Equitile Investments Ltd
Type of Shares	The following Share classes are available for investment in the Sub-Fund as at the date of the Prospectus: Class A – GBP Accumulation Class B – EUR Accumulation Class C – USD Accumulation Class E – NOK Accumulation

	The following Share classes are available to launch at the Company's discretion: Class D – CHF Accumulation Class B1 – EUR Hedged Accumulation Class B1 will be a Hedged Share Class. Class C1 – USD Hedged Accumulation Class C1 will be a Hedged Share Class. Class D1 – CHF Hedged Accumulation Class D1 will be a Hedged Share Class. Class E1 – CHF Hedged Accumulation Class E1 will be a Hedged Share Class.
Class of Shares in the Master Fund in which the Sub-Fund invests:	Class A1 – GBP Feeder OEIC Accumulation.
Dealings	Each Business Day between 8.30 a.m. and 5.30 p.m. ("**Dealing Day**").
Deal Cut-Off Point	11 a.m.
Valuation Point	Each Business Day at 3 p.m.
Initial Offer Period	The initial offer period commenced at 8.30 a.m. on 1 February 2016 and closed at 5.30 p.m. on 26 February 2016.
Launch Date	29 February 2016
Initial Offer Price	Class A: £100. Class B: €100. Class C: US$100. Class E: NOK 100

	Class A	Class B	Class C	Class D	Class E
***Minimum Investment**	£10,000	€10,000	US$10,000	CHF 10,000	NOK 100,000
***Minimum Further Investment**	£5,000	€5,000	US$5,000	CHF 5,000	NOK 50,000
***Minimum Holding**	£5,000	€5,000	US$5,000	CHF 5,000	NOK 50,000
****Minimum value for partial transfer of Shares**	£10,000	€10,000	US$10,000	CHF 10,000	NOK 100,000
		Class B1	Class C1	Class D1	Class E1
***Minimum Investment**		€10,000	US$10,000	CHF 10,000	NOK 100,000
***Minimum Further Investment**		€5,000	US$5,000	CHF 5,000	NOK 50,000
***Minimum Holding**		€5,000	US$5,000	CHF 5,000	NOK 50,000
****Minimum value for partial transfer of Shares**		€10,000	US$10,000	CHF 10,000	NOK 100,000

*****Criteria for investment**	Class A Shares are currently only available for retail investors and "professional clients" (in relevant EEA jurisdictions where the sub-fund is eligible to be marketed to retail investors) and "professional clients" (within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive), resident in an EEA state where the Sub-Fund is marketed for tax purposes. Class B Shares are currently only available for retail investors (in relevant EEA jurisdictions where the sub-fund is eligible to be marketed to retail investors) and (i) "professional clients" (within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive) resident in an EEA state where the Sub-Fund is marketed for tax purposes and (ii) Qualified investors who are resident in Switzerland for tax purposes to whom Shares in the Sub-Fund may be validly offered and distributed. Class C Shares are currently available for retail investors (in relevant EEA jurisdictions where the sub-fund is eligible to be marketed to retail investors) and (i) "professional clients" (within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive) resident in an EEA state where the Sub-Fund is marketed for tax purposes and (ii) investors who are resident in Hong Kong for tax purposes to whom Shares in the Sub-Fund may be validly offered and distributed. Class E Shares are currently only available for retail investors (in relevant EEA jurisdictions where the sub-fund is eligible to be marketed to retail investors) and "professional clients" (within the meaning of Annex II of Directive 2004/39/EC (Markets in Financial Instruments Directive)

	resident in an EEA state where the Sub-Fund is marketed for tax purposes. Class D Shares, when launched will be available to investors who are resident in Switzerland for tax purposes to whom Shares in the Sub-Fund may be validly offered and distributed. Class B1, C1 & D1 shares will be available to eligible professional or other investors at the discretion of the ACD
******Current Charges**	As set out under "Total Costs Associated with the Master Fund"
Accounting Dates	
Annual Accounting Date	31 December
First Accounting Date	31 December 2016
Annual Income Allocation Date	31 March
Half-Yearly Accounting Date	30 June

* Further details are given in section 18 titled "Share Denominations, Minimum Investment and Minimum Holding" in this Prospectus. Minimum investment and holdings amounts may be waived at the ACD's discretion.

** Further details are given in section 12 titled "Subscription and Redemption of Shares" in this Prospectus. The minimum value for a partial transfer of Shares may be waived at the ACD's discretion.

*** Currently, the Sub-Fund is only marketed in the UK and certain other jurisdictions as detailed in Appendix 5. The Sub-Fund may be marketed in other jurisdictions at the ACD's discretion and subject to compliance with the requirements of the FCA Handbook and any other applicable laws, rules and regulations in the relevant jurisdictions. Existing Share classes may be offered in such other jurisdictions as the ACD may, at the relevant time, determine at its discretion.

**** Further details are given in section 25 titled "Charges" in this Prospectus.**Total Costs Associated with the Master-Fund and the Sub-Fund**

	Master Fund	**Equitile Resilience Feeder Fund**	**Total**
Management Fee	0.7 per cent. over the first £350 million of the net asset value of the Master Fund attributable to class A1. No management fee will be payable on the net asset value attributable to class A1 in excess of £350 million.*	None.	0.7 per cent. over the first £350 million of the net asset value of the Master Fund attributable to class A1.
Performance Fee	10 per cent. on net returns generated on investments at any Valuation Point attributable to that part of the net asset value of the Master Fund attributable to class A1 in excess of £350 million.†	None.	10 per cent. on net returns generated on investments at any Valuation Point attributable to that part of the net asset value of the Master Fund attributable to class A1 in excess of £350 million.
Fund Accounting Fee	Fixed fee of £60,000 per annum plus a band range fee of a maximum of 0.02 per cent. per annum of the net asset value of the Master Fund.‡	Fixed fee of £60,000 per annum.	A maximum fixed fee of £120,000 per annum plus a maximum band range fee of 0.02 per cent. per annum of the net asset value of the Master Fund which is attributable to the Sub-Fund.
Middle Office Fee	A band range fee of a maximum of 0.015 per cent. per annum of the net asset value of the Master Fund.§	None.	A band range fee of a maximum of 0.015 per cent. per annum of the net asset value of the Master Fund which is attributable to the Sub-Fund.
Transfer Agency and Registrar Fee	Fixed fee of £3,000 per annum for class A1 plus a dealing fee of £20 per transaction (if manual) and £7 per transaction (if automated).	Fixed fee of £3,000 per annum per Share class plus a dealing fee of £20 per transaction (if manual) and £7 per transaction (if automated).	Fixed fee of £3,000 per annum per class of Shares, fixed fee of £3,000 per annum for class A1 plus a dealing fee of £20 per transaction (if manual) and £7 per transaction (if automated).
Depositary Fee	A fixed fee of £10,000 per annum and £5,000 per annum for cash flow monitoring and Reconciliation transaction charges plus a band range fee of a maximum of 0.03 per cent. per annum of the net asset value of the Master Fund.**	A fixed fee of £10,000 per annum and £5,000 per annum for cash flow monitoring and reconciliation transaction charges.	A maximum fixed fee of £30,000per annum and a band range fee of a maximum of 0.03 per cent. per annum of the net asset value of the Master Fund.

Custody Fees	A safekeeping fee in the range of 0.0041 per cent. to 0.39 per cent. of the value of the assets held in custody depending on the territory or country in which the assets are located. A transaction fee in the range of £4 to £83 per transaction depending on the territory or country where the transaction is executed. The safekeeping fee and the transaction fee is subject to an annual minimum of £40,000.††	None expected.‡‡	A safekeeping fee in the range of 0.0041 per cent. to 0.39 per cent. of the value of the assets held in custody depending on the territory or country in which the assets are located. A transaction fee in the range of £4 to £83 per transaction depending on the territory or country where the transaction is executed. The safekeeping fee and the transaction fee is subject to an annual minimum of £40,000.
Auditor's Fee	To ensure quality of the Fund audit, audit fee charged by the auditor will depend on the Fund activity and time spent on the audit. These fees will be published in the annual financial statements.	To ensure quality of the Fund audit, audit fee charged by the auditor will depend on the Fund activity and time spent on the audit. These fees will be published in the annual financial statements.	
FX hedging	**Portfolio Hedging** – the currency hedging fee will be applicable where the ACS Manager uses FX forwards to hedge the currency exposure. It will be a range fee applicable on the Net Asset Value of the Master Fund. A fee of 0.6 bps per month on NAV between 0-500 million, 0.5 bps per month on 500 million to 1 billion and 0.3 bps per month on NAV of over 1 billion. Where applicable, such fees will be published on the Company's website as well as in the annual financial statements.	**Share class Hedging** - For applicable share classes there will be range fee applicable on the Net Value Asset of the hedged share class - fee of 0.8 bps per month on NAV between 0-500 million, of 0.6 bps per month between 500 million to 1 billion and a fee of 0.3 bps per month on NAV of over 1 billion.	**Share class Hedging** - For applicable share classes there will be range fee applicable on the Net Value Asset of the hedged share class - fee of 0.8 bps per month on NAV between 0-500 million, of 0.6 bps per month between 500 million to 1 billion and a fee of 0.3 bps per month on NAV of over 1 billion. **Along with,** when applicable, the Portfolio hedging range fee applicable on the Net Asset Value of the Master Fund. – fee of 0.6 bps per month on NAV between 0-500 million, 0.5 bps per month on 500 million to 1 billion and 0.3 bps per month on NAV of over 1 billion.

* Further details are available in Appendix 6 of the prospectus of the Master Fund.
† Further details are available in Appendix 6 of the prospectus of the Master Fund.
‡ Further details of the band range fee are available in section 28 of the prospectus of the Master Fund.
§ Further details of the band range fee are available in section 28 of the prospectus of the Master Fund.
** Further details of the band range fee are available in section 28 of the prospectus of the Master Fund.
†† Further details of the safekeeping fee and the transaction fee are available in section 28 of the prospectus of the Master Fund.
‡‡ Further details are available in section 26(c)(ii) of this Prospectus.

APPENDIX 2

FUNDS MANAGED BY THE ACD

Name	Regulatory Status
Equitile Resilience Fund	Master UCITS Scheme
Equitile Resilience Feeder Fund	Feeder UCITS Scheme

APPENDIX 3

INVESTMENT RESTRICTIONS APPLICABLE TO THE COMPANY

1. **Investment and Borrowing Powers**

1.1 The property of the Sub-Fund will be invested with the aim of achieving its investment objective as set out in Appendix 1 but subject to the limits set out in Chapter 5 of the COLL Sourcebook. The Instrument of Incorporation may impose stricter limits than the COLL Sourcebook. The Sub-Fund of the Company is a "feeder UCITS" (as defined in the COLL Sourcebook) and is permitted to invest solely in the Master Fund, which is a "master UCITS" (as defined in the COLL Sourcebook) pursuant to COLL 5.8.

2. **Collective Investment Schemes**

2.1 The Sub-Fund shall invest at least 85 per cent. in value of the Scheme Property in the Master Fund (the "**Second Scheme**").

2.2 The Second Scheme is an associated collective investment scheme as the ACD of the Company is also the ACS Manager of the Second Scheme. The Second Scheme must, therefore, comply with the following requirements:

(1) where an investment or disposal by the Sub-Fund is made in the Second Scheme and there is a charge in respect of such investment or disposal, the ACD must pay the Sub-Fund the amounts referred to in paragraphs (2) or (3) below, subject to paragraph 2.3 below, within four Business Days following such investment or disposal;

(2) when an investment is made, the amount referred to in paragraph (1) is either:

(i) any amount by which the consideration paid by the Sub-Fund for 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

(ii) if such price cannot be ascertained, the maximum amount of any charge permitted to be made by the seller of units in the Second Scheme; and

(3) when a disposal is made, the amount referred to in paragraph (1) is any charge made for the account of the ACS Manager or an associate of the ACS Manager in respect of the disposal.

2.3 Any addition 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 stamp duty reserve tax provision, is to be treated as a part of the price of the Units and not as a part of any charge.

3. **Balance of Scheme Property**

3.1 The Sub-Fund may hold up to 15 per cent. in value of the Scheme Property in:

(1) cash and near cash in accordance with section 4 below;

(2) derivatives and forward transactions which may be used only for the purposes of hedging in accordance with the COLL Sourcebook; and

(3) movable and immovable property which is essential for the direct pursuit of business.

3.2 To the extent that the Sub-Fund invests in assets other than the units of the Second Scheme, the Company will ensure that, taking into account the investment objective and policy of the Sub-Fund, it aims to provide a prudent spread of risk.

3.3 The Company does not intend for the Sub-Fund to have an interest in either movable or immoveable property.

3.4 Notwithstanding the above, the Sub-Fund will in practice invest substantially all of its Scheme Property into the Master Fund and will therefore hold virtually no or a very low percentage of its assets in ancillary liquid assets.

4. **Cash and Near Cash**

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

(1) redemption of Shares; or

(2) efficient management of the Sub-Fund in accordance with its investment objectives; or

(3) other purposes which may reasonably be regarded as ancillary to the investment objectives of the Sub-Fund; or

(4) pursuit of the Sub-Fund's investment objectives.

4.2 During any initial offer period, the Scheme Property of the Sub-Fund may consist of cash and near cash without limitation.

5. **Exposure to Derivatives**

5.1 In calculating the global exposure of the Sub-Fund to derivatives and forward transactions in accordance with the COLL Sourcebook, the Sub-Fund must combine its own direct exposure with either:

(1) the Master Fund's actual exposure to derivatives and forward transactions in

proportion to the Sub-Fund's investment into the Master Fund; or

(2) the Master Fund's potential maximum global exposure to derivatives and forward transactions provided for in the co-ownership deed of the Master Scheme or the prospectus of the Master Scheme in proportion to the Sub-Fund's investment into the Master Fund.

6. **Borrowing Powers**

6.1 Subject to any restrictions in the Instrument of Incorporation, the Company may in accordance with this section, borrow money for the use of the Sub-Fund on terms that the borrowing is repayable out of the Scheme Property.

6.2 The Company may borrow only from an Eligible Counterparty or an Approved Bank (as defined by the FCA).

6.3 The ACD must ensure that any borrowing is on a temporary basis and that the borrowings are not persistent. For these purposes the ACD must have regard in particular to the duration of any period of borrowing and the number of occasions on which borrowing is resorted to in any period.

6.4 In addition, the ACD must ensure that no period of borrowing exceeds three months, whether in respect of any specific sum or at all, without the prior consent of the Depositary.

6.5 The Depositary's consent may be given only on such conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis only.

6.6 The ACD must ensure that the Sub-Fund's borrowing does not, on any day, exceed 10 per cent. of the value of the Scheme Property of the Sub-Fund. "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 property in the expectation that the sum will be repaid.

7. **Restrictions on Lending of Money**

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

8. **Restrictions on Lending of Property other than Money**

8.1 Scheme Property other than money must not be lent by way of deposit or otherwise. The Scheme Property must not be mortgaged.

9. **Guarantees and Indemnities**

9.1 The Company must not provide any guarantee or indemnity in respect of the obligation of any person.

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

9.3 These requirements do not apply to any indemnity:

(1) falling within regulation 62(3) of the OEIC Regulations (*Exemptions from liability to be void*);

(2) given to the Depositary against any liability incurred in consequence of the performance of the Safekeeping Function by it or by anyone retained by the Depositary to assist in performing the Safekeeping Function; and

(3) 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 property of the Sub-Fund and the holders of units in that scheme become the Shareholders in the Company.

APPENDIX 4

VALUATION AND PRICING

1. **DETERMINATION OF NET ASSET VALUE**

The value of the Scheme Property shall be the value of the assets less the value of the liabilities determined in accordance with the following provisions:

(i) All the Scheme Property (including receivables) is to be included, subject to the following provisions.

(ii) Property which is not cash (or other assets dealt with in paragraphs (vii) to (viii) below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain.

(iii) Units or shares in a Master Fund will be valued at their last determined and available net asset value.

(iv) Exchange-traded derivative contracts shall be valued:

- if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
- if separate buying and selling prices are quoted, at the average of the two prices.

(v) OTC derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary.

(vi) Any other investment:

- if a single price for buying and selling the security is quoted, at that price; or
- if separate buying and selling prices are quoted, at the average of the two prices; or
- if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or, if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;

(vii) Scheme Property other than that described in paragraphs (iii), (iv), (v) and (vi) and above shall be valued at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.

(viii) Cash and amounts held in current, deposit and margin accounts and in other time related deposits shall be valued at their nominal values.

(ix) 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 COLL Sourcebook, the OEIC Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.

(x) Subject to paragraphs (xi) and (xii) below, agreements for the unconditional sale or purchase of Scheme 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 if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

(xi) Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph (x).

(xii) All agreements are to be included under paragraph (x) 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.

(xiii) There shall be deducted 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) capital gains tax, income tax, corporation tax, value added tax, stamp duty, stamp duty reserve tax and any other UK or foreign taxes or duties.

(xiv) There shall be deducted an estimated amount for any liabilities of the Company or the Sub-Fund, as applicable, payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day-to-day.

(xv) There shall be deducted the principal amount of any outstanding borrowings of the Company or the Sub-Fund, as applicable, whenever payable and any accrued but unpaid interest on borrowings.

(xvi) There shall be added an estimated amount for accrued claims for tax of whatever nature which may be recoverable by the Company or the Sub-Fund, as applicable.

(xvii) There shall be added any other credits or amounts due to be paid into the Scheme Property.

(xviii) There shall be added a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.

(xix) Currencies or values in currencies other than the base currency of the Sub-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.

2. DETERMINATION OF SHARE PRICE

(i) There is a single price for Shares in the Sub-Fund.

(ii) The actual cost of purchasing or selling the Sub-Fund's investments may be higher or lower than the mid-market value used in calculating the Share price. The Sub-Fund may suffer a reduction (dilution) in the value of the Scheme Property resulting from the costs incurred in dealing in the underlying investments of the Master Fund and any spread between the buying and selling prices of those investments but it is not possible to accurately predict whether any reduction diluting the Sub-Fund will occur at any time.

(iii) No dilution levy or dilution adjustment shall be made with respect to the Sub-Fund. A dilution adjustment may be made with respect to the Master Fund. Details of the circumstances and amount of any such dilution adjustment are set out in the prospectus of the Master Scheme.

(iv) The ACD will use reasonable endeavours to match buy and sell trades to limit the effect of the dilution adjustment with respect to the Master Fund.

APPENDIX 5

INFORMATION ON OTHER JURISDICTIONS

Finland

Copies of this Prospectus, the prospectus of the Master Fund, the key investor information documents for the Sub-Fund and the Master Fund (along with a Swedish translation), the most recent annual and half-yearly reports of the Company and the Master Scheme may be obtained free of charge from www.equitile.com. Details of any distribution declared, calling of meeting of Shareholders or termination of a Sub-Fund or the Company or the revocation of their authorisation will be communicated to investors by notice at their registered postal address. The subscription and redemption prices shall be available by calling 020 3397 7701 or by sending an email to info@equitile.com. Please note that the prices are for information only and these prices may not be the actual prices obtained when the Shares are dealt.

Germany

The following sections contain additional information for investors in Germany. The information is part of the prospectus and should be read in conjunction with the other parts of the Prospectus.

Sub-Funds allowed to be marketed in Germany

The Company has currently only the Sub-Fund Equitile Resilience Feeder Fund. This Sub-Fund has been notified for marketing in Germany to Bundesanstalt für Finanzdienstleistungsaufsicht and is authorised to be marketed in Germany in accordance with the German Capital Investment Act (Kapitalanlagegesetzbuch, "**KAGB**") and any laws and regulations applicable to the issue, offering, marketing and sale of the Shares in Germany.

Availability of documents and information for Shareholders in Germany

The Information Agent in Germany is Zeidler Legal Services (office address: Bettinastrasse 48, 60325 Frankfurt, Germany, telephone +49 69 99 99 97610, facsimile: +49 69 99 99 97619, email: agencyservices@zeidlerlegalservices.com) for those Sub-Funds that are authorised to be marketed in Germany.

Copies of the Prospectus, the key investor information documents as well as the most recent annual and half-yearly reports of the Sub-Funds as well as the prospectus and the most recent annual and half-yearly reports of the Master Funds may be obtained free of charge from the Information Agent in Germany. The Information Agent in Germany will also have available the subscription and redemption prices for the Sub-Funds. In addition, the Information Agent will have available copies of the Instrument of Incorporation, the ACD Agreement as well as all other documents and information that are available for investors at the ACD's office or that are to be published pursuant to this Prospectus. The COLL Sourcebook may be inspected at the Information Agent's office during Normal Business Hours.

In addition to the availability at the Information Agent's office in Germany, the Prospectus, the key investor information documents as well as the most recent annual and half-yearly reports of the Sub-Funds that are authorised to be marketed in Germany as well as the prospectus and the most recent annual and half-yearly reports of their Master Funds are available for German investors through the ACD's website, www.equitile.com. Daily subscription and redemption prices for these Sub-Funds can additionally be obtained by calling 020 3397 7701 or sending an email to info@equitile.com. Please note that the published prices are for information only and these prices may not be the actual prices obtained when Shares are dealt.

The ACD will inform the Shareholders in Germany in a durable medium and on the ACD's website, www.equitile.com, in case of the following events with regard to the relevant Sub-Fund:

- suspension of redemption of Shares;
- termination of management of the Sub-Fund or its liquidation;
- amendments to the investment policy and restrictions of the Sub-Fund to the extent such amendments are not consistent with the previous investment policy and restrictions, or concern material rights of the Shareholders or concern charges, fees and expenses that are paid out of the relevant Sub-Fund;
- a merger of the Sub-Fund with one or more funds;
- a change of a Master Fund.

In addition, the ACD will write to Shareholders at their registered postal or e-mail address (as applicable) to give notice of any fundamental or significant change.

Payments and requests for subscriptions and redemptions

Requests for subscriptions and redemptions by German Investors with regard to Shares can be made in writing from Germany to the ACD at their Head Office 22 Tudor St, London EC4Y 0AY, United Kingdom directly or via the custodian bank of the German Investor in accordance with the terms and conditions as specified under the heading "Subscription and Redemption of Shares" in this Prospectus. Subscription and redemption monies may be paid from / to the German account at the custodian bank of the German Investor or any other account the Investor indicates as suitable. German

Investors who purchased Shares via financial intermediaries can send their redemption requests to such financial intermediaries as well.

Ireland

Copies of the Prospectus, the Key Investor Information Documents for the Sub-Fund and the Master Fund, the most recent annual and half-yearly reports of the Funds may be obtained free of charge from the Facilities Agent in Ireland or at www.equitile.com. Daily subscription and redemption prices for these Sub-Funds can additionally be obtained by calling 020 3397 7701 or sending an email to info@equitile.com. Please note that the published prices are for information only and these prices may not be the actual prices obtained when Shares are dealt.

Prospective investors should not construe the contents of this Prospectus as legal or tax advice. This Prospectus has been prepared for marketing purposes only and should not be conceived as investment advice.

The appointed Facilities Agent in Ireland is Zeidler Legal Process Outsourcing Ltd, 5 Lower Mount Street, Dublin 2, Ireland.

Norway

Copies of this Prospectus, the prospectus of the Master Fund, the key investor information documents for the Sub-Fund and the Master Fund (along with a Norwegian translation), the most recent annual and half-yearly reports of the Company and the Master Scheme may be obtained free of charge from www.equitile.com. Details of any distribution declared, calling of meeting of Shareholders or termination of a Sub-Fund or the Company or the revocation of their authorisation will be communicated to investors by notice at their registered postal address. The subscription and redemption prices shall be available by calling 020 3397 7701 or by sending an email to info@equitile.com. Please note that the prices are for information only and these prices may not be the actual prices obtained when the Shares are dealt.

Sweden

Equitile Investments Feeder OEIC (the "**Company**") and its sub-fund, Equitile Resilience Feeder Fund (the "**Fund**"), have been registered with the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "**SFSA**") under Chapter 1 Section 7 of the Swedish Securities Funds Act (Sw: lag (2004:46) om värdepappersfonder), which implies that the shares of the Fund may be marketed in Sweden. The Company has appointed MFEX Mutual Funds Exchange AB of Grev Turegatan 19, Box 5378, SE-102 49 Stockholm, Sweden (the "**Paying Agent**") to (i) make payments to shareholders in Sweden, (ii) redeem shares in Sweden and (iii) distribute in Sweden the information that the Company and/or the Fund is required to supply under the laws of the United Kingdom.

Prospective investors should not construe the contents of this Prospectus as legal or tax advice. This Prospectus has been prepared for marketing purposes only and should not be conceived as investment advice.

Past performance is no guarantee of a particular return in the future. The money invested in a fund can increase or decrease in value, and there is no guarantee that all of the capital you invest will be repaid.

Switzerland

Qualified Investors

Shares may only be distributed in Switzerland to qualified investors within the meaning of Article 10 paragraph 3, 3^{bis} and 3^{ter} of the Swiss Collective Investment Schemes Act ("**CISA**").

This Prospectus does not constitute an issuance prospectus pursuant to Articles 652a or 1156 of the Swiss Code of Obligations and may not comply with the information standards required thereunder. The interests will not be listed on the SIX Swiss Exchange, and consequently, the information presented in this Prospectus does not necessarily comply with the information standards set out in the relevant listing rules. The documentation of the Company has not been and will not be approved, and may not be able to be approved, by the Swiss Financial Market Supervisory Authority FINMA under CISA. Therefore, investors do not benefit from protection under the CISA or supervision by the FINMA. This Prospectus does not constitute investment advice. It may only be used by those persons to whom it has been handed out in connection with the Shares and may neither be copied or directly/ indirectly distributed or made available to other persons.

Representative

The representative in Switzerland is ACOLIN Fund Services AG (office address: *Leutschenbachstrasse 50 CH-8050 Zurich*, telephone: +41 44 396 96 96, facsimile: +41 44 396 96 99).

Paying agent

The paying agent in Switzerland is Aquila & Co. AG (office address: Bahnhofstrasse 28a, CH – 8001 Zurich, telephone: +41 58 680 60 22, facsimile: +41 58 680 60 01).

Location where the relevant documents may be obtained

The relevant documents as defined in Article 13a CISO including copies of the Prospectus, key investor information documents and the Instrument of Incorporation of the Company as well as the annual and semi-annual reports may be obtained free of charge from the representative as well as from www.equitile.com.

Payment of retrocessions and rebates

Equitile Investments Ltd (the "**ACD**") and its agents may pay retrocessions as remuneration for distribution activity in respect of the Shares in or from Switzerland. This remuneration may be deemed payment for any subscription for, or holdings, of Shares by any qualified investors introduced by them.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the shares of the investor concerned.

In respect of distribution in or from Switzerland, the Company, the Fund, the ACD and its agents do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the Fund.

Place of performance and jurisdiction

In respect of the Shares distributed in and from Switzerland, the place of performance and jurisdiction is the registered office of the Representative.

State of Origin

The state of origin of the Company is the United Kingdom.

No distribution of the Master Scheme in Switzerland

Units in the Master Scheme may not be distributed to investors domiciled or with a registered address in Switzerland. No representative or paying agent has been appointed for the Master Scheme in Switzerland.

Hong Kong

Warning: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document you should obtain independent professional advice.

SCHEDULE 1

ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKET

As the Company (and the Sub-Fund) invests solely in the Master Scheme (and the Master Fund), it does not invest directly on any eligible securities or derivatives markets. The Master Fund invests through a number of eligible securities and derivatives markets as set out in the prospectus of the Master Scheme.

SCHEDULE 2

REMUNERATION POLICY

As per Directive 2014/91/EU of the European Parliament and the Council ("the UCITS V Directive"), Equitile Investments Ltd ("Equitile") has a remuneration policy. The Policy covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management. The policy is designed to promote sound and effective risk management and not to encourage risk-taking which is inconsistent with the risk profiles, rules or memorandum and articles of association of the Company.

The Policy is reviewed and updated at least annually and as required to ensure compliance with all regulatory obligations.

Introduction

Equitile Remuneration Policy aims to serve both Equitile and its investors' best interests by:

- Promote good corporate governance
- Discouraging excessive risk taking (outside of those defined in the prospectus)
- Retaining and recruiting high quality staff
- Delivering and demonstrating alignment of interests between Equitile and its investors

The aim is to manage employees' total compensation appropriately by applying the right mix of the different remuneration types. Any remuneration is paid competitively based on market-based remuneration according to employees' skills, experience, performance and responsibilities.

Equitile remuneration policy is designed to promote sound and effective risk management and does not encourage risk taking that exceeds the firm's conservative risk appetite. This is done by ensuring that remuneration is in line with performance and in adherence to UCITS investment rules.

Remuneration Review Process

The Board is responsible for ensuring that remuneration decisions properly reflect the importance of delivering the standards and requirements set in respect of Equitile risk management process. The overall pool available for incentive remuneration, which includes the control functions, is correlated to business performance.

Identified Staff

Equitile has identified the members of staff who fall within the definition of "Identified Staff". The term "Identified Staff" is broadly defined in the ESMA's draft "Guidelines on sound remuneration policies under the UCITS Directive and AIFMD" (2015/ESMA/1172) (the "ESMA draft Guidelines") and includes:

- senior management
- risk takers
- control functions
- employees whose professional activities have a material impact on the Company's risk profile; and
- staff of the entity to which portfolio and/or risk management activities have been delegated by the Company, whose professional activities have a material impact on the risk profile of the Company.

Conflicts of interest

The Policy is designed to avoid conflicts of interest between the Equitile and the interests of investors.

The Policy details the decision-making process in relation to setting bonuses. Factors taken into account in setting remuneration levels include full-year financial results, achievement of strategic and operating results and other considerations such as adherence to risk management policy and compliance with internal and external rules, management and leadership capabilities.

Reward Mechanism

Where agreed by the board variable remuneration will have a minimum of 40% withheld for a period of no less than 3 years. Payment of the withheld component of the remuneration will be at the discretion of the Equitile senior management. In addition, an Individual may be granted a lower or no variable remuneration should they be the subject of possible disciplinary actions.

Disclosure to Investors

Details of Equitile's remuneration policy will be available at www.equitile.com and a paper copy will be made available free of charge upon request.

SCHEDULE 3

DELEGATES

Country	Sub-custodian/Agent
Australia	HSBC Bank Australia Ltd
Belgium	BNP Paribas Securities Services (Belgium)
Belgium	Euroclear Bank S.A./N.V.
Canada	Royal Bank of Canada
Denmark	Skandinaviska Enskilda Banken AB (publ), Copenhagen Branch
Finland	Skandinaviska Enskilda Banken AB (publ.), Helsinki Branch
France	CACEIS Bank
France	BNP Paribas Securities Services (France)
Germany	HSBC Trinkaus & Burkhardt
Greece	HSBC Bank Plc
Hong Kong	The Hongkong and Shanghai Banking Corporation Ltd (HK)
Ireland	HSBC Bank Plc
Italy	BNP Paribas Securities Services (Italy)
Japan	The Hongkong and Shanghai Banking Corporation Ltd (Japan)
South Korea	The Hongkong and Shanghai Banking Corporation Ltd (South Korea)
Netherlands	BNP Paribas Securities Services (Netherlands)
New Zealand	The Hongkong and Shanghai Banking Corporation Ltd (New Zealand)
Norway	Skandinaviska Enskilda Banken AB (publ) Oslo Branch
Portugal	BNP Paribas Securities Services (Portugal)
Spain	BNP Paribas Securities Services (Spain)
Sweden	Skandinaviska Enskilda Banken AB (publ.)

Switzerland	Credit Suisse AG
Switzerland	UBS AG
United Kingdom	Deutsche Bank AG (London Branch)
United Kingdom	JPMorgan Chase Bank NA
United Kingdom	HSBC Bank Plc (UK)
United Kingdom	State Street Bank & Trust Co (UK)
United Kingdom	UBS AG, London branch
United States	HBSC Bank (USA) NA
United States	Brown Brothers Harriman & Co
United States	Citibank, N.A. (USA)
Germany	Clearstream Banking Frankfurt
Switzerland	SIX SIS AG ZUERICH
Taiwan	HSBC Bank (Taiwan) Ltd

Brexit – implications for the Fund and its shareholders after 31 December 2020

The U.K. left the EU on 31 January 2020 ('Brexit date'). Investors in the Funds should note the following:

1. The Fund continues to be an authorised investment fund that may be marketed to all investor types (including retail investors) in the U.K. While the Fund is no longer a "UCITS" as defined by the EU law it is now categorised by the FCA as a "U.K. UCITS". The Fund and its sub-fund(s) shall, in general terms and subject to the terms of this Prospectus, continue to be managed in the as per the terms of the Prospectus and as per the applicable laws and regulations.

2. The terms of this Prospectus shall be read so as to: (a) reflect the status of the Fund as a "U.K. UCITS" under U.K. law and under applicable FCA rules; and (b) ensure that the operation of the Fund and its sub-fund(s) continues to be the same as before Brexit date.

3. All references in this Prospectus to EU legislation and guidance shall, now be read as follows:

(a) a reference to an EU Regulation shall be construed as a reference to that EU Regulation as it forms part of the domestic law of the United Kingdom pursuant to section 3 of the Withdrawal Act, and as amended from time to time;

(b) a reference to an EU Directive shall be construed as a reference to the provision or provisions of U.K. law which implemented that EU Directive in U.K. law immediately before Brexit date, and as amended from time to time; and

(c) a reference to guidance issued by the EU (including any guidance issued by ESMA) shall be construed as a reference to that guidance as it stood immediately before the Brexit date, and read in light of the U.K.'s withdrawal from the EU and any amendments made to associated legislation or rules. In each case, this will be subject to any grandfathering provisions.

4. The Fund, from the Brexit date, has ceased to be a "UCITS" for the purposes of the UCITS Directive. Shareholders resident in the U.K. or outside the EEA will not be affected adversely by this. Any existing Shareholders resident in the EEA, may wish to consider or take appropriate external legal or tax advice to determine how this may impact their investment in the Fund.