

HC Verbatim Multi-Index Funds

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**UK Authorised Investment Company
with Variable Capital**

This document constitutes the Prospectus for HC Verbatim Multi-Index Funds (referred to as the "Company") which has been prepared in accordance with the rules contained in the COLL Sourcebook.

The Prospectus is dated and is valid as at 7th August 2019.

Copies of this Prospectus have been sent to the FCA and the Depositary.

IMPORTANT NOTICE: If you are in any doubt about the contents of this Prospectus you should consult your own financial adviser.

This Prospectus is intended for distribution in the United Kingdom. The distribution of this Prospectus and the offering of shares in the Company may be restricted in other jurisdictions. Potential investors are required to inform themselves of the legal requirements and restrictions of their own jurisdiction and act accordingly. This Prospectus does not amount to a solicitation or offer by any person in any jurisdiction in which such solicitation or offer would be unauthorised or unlawful.

The Company is offering Shares in its Sub-Funds on the basis of the information contained in this Prospectus. No person has been authorised by the ACD or the Company to give any information or to make any representations in connection with the offering of the Shares other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon.

The delivery of this Prospectus or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Distributors and other intermediaries which offer, recommend or sell shares in the Fund must comply with all laws, regulations and regulatory requirements as may be applicable to them. Also, such Distributors and other intermediaries must consider such information about the Fund and its share classes as is made available by the Authorised Corporate Director on the ACD's website at: www.hostcapital.com.

This Prospectus has been prepared solely for and is being made available to investors for the purposes of evaluating an investment in Shares in the Funds. Investors should only consider investing in the Funds if they understand the risks involved including the risk of losing all capital invested.

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

This Prospectus has been approved for the purpose of section 21 of the Financial Services and Markets Act 2000 by Host Capital Limited.

Shareholders are deemed to have taken notice of the provisions of the Company's Instrument which is binding on each of its Shareholders. A copy of the Instrument is available on request.

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

This Prospectus describes the constitution and operation of the Company at the date of this Prospectus and is based on information, UK laws and practice at the date hereof. The ACD cannot be bound by an out of date Prospectus when it has issued a new Prospectus. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated in this Prospectus, this Prospectus will be revised. Investors should check with the ACD that this is the latest version and that there

have been no revisions or updates.

The Depository is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility for its contents under the FCA Regulations or otherwise.

International Tax Reporting

In order to fulfil our legal obligations in accordance with the requirements of FATCA and other intergovernmental arrangements such as the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015, the Company is required to obtain confirmation of the tax residency of Shareholders to comply with certain reporting requirements. We may ask for evidence of the tax identification number, and country and date of birth of individual Shareholders, or for the Global Intermediary Identification number (GIIN) of corporate Shareholders. If certain conditions apply, information about your shareholding may be passed to HM Revenue & Customs ("HMRC") in order to be passed on to other tax authorities, where the UK has an agreement with that country. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

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1. Definitions

"ACD" means	Host Capital Limited, the Authorised Corporate Director (ACD) of the Company;
"ACD Agreement" means	the agreement between the Company and Host Capital Limited dated 28 April 2018;
"Act" means	the Financial Services and Markets Act 2000, as amended from time to time;
"Administrator" means	Apex Fund Services (UK) Ltd or such other entity as is appointed to act as the Administrator to the Company from time to time;
"AIFM Directive" means	the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2004/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
"Annual Management Charge" means	the periodic fee paid to the ACD and calculated as set out in Section 32;
"Auditor" means	Grant Thornton LLP, or such other entity as is appointed to act as auditor to the Company from time to time;
"Base Currency" means	Pounds Sterling;
"Business Day" means	Monday to Friday excluding public and bank holidays in the United Kingdom, or any day on which the London Stock Exchange is not open for the normal duration of its trading hours, except for any day on which the ACD has notified the Depositary that it is not open for normal business or as otherwise agreed between the ACD and the Depositary;
"Collective Investment Schemes Sourcebook" or "COLL"	the Collective Investment Schemes Sourcebook issued by the FCA pursuant to the Act as amended or replaced from time to time;
"Company" means	HC Verbatim Multi-Index Funds, a UK authorised investment company with variable capital (ICVC) incorporated in England and Wales under registered number IC000829;
"Custodian" means	CACEIS Bank UK Branch, or any company the Depositary appoints from time to time to act as custodian for the Scheme Property;

“Depositary” means	the person appointed from time to time by the Company or otherwise as Depositary pursuant to the FCA Regulations being CACEIS Bank UK Branch at the date of this Prospectus;
“Depositary Agreement” means	the agreement between the Company, the ACD and the Depositary;
“EEA State” means	a member state of the European Union and any other state which is within the European Economic Area;
“Eligible Market” means	any securities or derivatives market set out in Appendix 2 to this Prospectus;
“FCA” means	the Financial Conduct Authority, 12 Endeavour Square, London E20 1JN, United Kingdom and any predecessor or successor entity;
“FCA Regulations” means	the rules contained in FUND and the COLL Sourcebook of the FCA Rules as amended;
“FCA Rules” means	the FCA handbook of rules made under the Financial Services and Markets Act 2000 as amended or replaced from time to time, excluding, for the avoidance of any doubt, any guidance or evidential provisions;
“FDI” means	financial derivative instruments;
“the FUND Sourcebook” means	the Investment Fund Sourcebook issued by the FCA as amended or replaced from time to time;
“Growth Share(s)” means	Shares (of whatever class), denominated in the Base Currency, of the Sub-Funds of the Company as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules;
“HMRC” means	HM Revenue and Customs;
“Income Shares” means	Shares (of whatever class), denominated in the Base Currency, of the Sub-Funds of the Company as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules;
“Instrument of Incorporation” or “Instrument” means	the Instrument of Incorporation for the Company dated 12 th May 2014 as amended from time to time;
“Investment Adviser” means	Altium Investment Management Limited, the Investment Adviser to the ACD in respect of the Company;

“ISA” means	an Individual Savings Account;
“Leverage” means	any method by which the exposure of a Fund is increased, whether through borrowing of cash or transferrable securities or leverage embedded in derivative positions or by any other means;
“Net Asset Value” or “NAV” means	the value of the Scheme Property of the Company (or of any Sub-Fund as the context requires) less the liabilities of the Company (or of the Sub-Fund concerned) as calculated in accordance with that Company’s Instrument of Incorporation;
“Non-UCITS Retail Scheme” means	a type of collective investment scheme such as the Company which is authorised by the FCA and therefore meets the standards set by the FCA to enable the scheme to be marketed to the public within the UK, but which does not comply with the conditions necessary for it to benefit from certain passporting rights under the UCITS Directive;
“OEIC Regulations” means	the Open-Ended Investment Companies Regulations 2001 as amended;
“PRN”	FCA Product Reference Number;
“Professional Liability Risks”	shall have the meaning given to it in IPRU(INV) 11.3.12 EU of the FCA Handbook;
“Register” means	the register of Shareholders of the Company;
“Registrar” means	Host Capital Limited, or such other entity as is appointed to act as Registrar to the Company from time to time;
“Regulations” means	the OEIC Regulations, and the FCA Handbook (including the COLL Sourcebook and FUND Sourcebook, as relevant);
“Scheme Property” means	the cash, securities or any other asset of the Company, or a Sub-Fund as the case may be, required under the FUND Sourcebook to be held for safekeeping by the Depositary;
“Share” or “Shares” means	a share in a Sub-Fund;
“Share Class(es)” means	a particular class of Shares;
“Shareholder” means	a registered holder of Shares;
“Sub-Fund” or “Sub-Funds” means	a Sub-Fund of the Company (being part of the Scheme Property of the Company which is pooled separately) and to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to that Sub-Fund;

“switch” or “switching” means	the exchange where permissible of Shares of one Class or Sub-Fund for Shares of another Class or Sub-Fund;
“TER” means	the total expense ratio as calculated in accordance with the FCA Regulations;
“Transfer Agent”	Way Fund Managers Limited trading as Investor Administration Solutions Ltd or such other entity as is appointed to act as the Transfer Agent to the Company from time to time;
“UCITS” means	a collective investment scheme such as the Company, which complies with the UCITS Directive and therefore may enjoy certain passporting rights under that directive;
“UCITS Directive” means	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to collective investment in transferable securities (“UCITS”) (No 2009/65/EC) (as amended from time to time);
“UK” means	the United Kingdom of Great Britain and Northern Ireland;
“Valuation Point” means	the point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property or a Sub-Fund (as the case may be) for the purpose of determining the price at which Shares of a class may be issued, cancelled, sold, redeemed or exchanged; and
“VAT” means	UK value added tax.

2. The Company and Company Structure

HC Verbatim Multi-Index Funds is an open-ended investment company with variable capital incorporated in England and Wales under registered number IC000829. The Company was authorised by the FCA as a Non-UCITS Retail Scheme pursuant to an authorisation order dated 21 September 2010 and has an unlimited duration. The FCA product reference number for the Company is 523309. The Company was launched on 22 October 2010.

The head office of the Company is at 73 New Bond Street, London W1S 1RS. The head office is also the address for service on the Company of notices or other documents. The maximum share capital of the Company is currently £100,000,000,000 and the minimum is £100.

Shareholders in a Sub-Fund of the Company are not liable for the debts of the Company. All communications in relation to this Prospectus shall be in English.

The Company is a collective investment scheme in which each investor's funds in a given Sub-Fund are pooled with all other investors' funds in that Sub-Fund. The ACD takes reasonable steps to ensure that each investment transaction carried out within a Sub-Fund is suitable for a Sub-Fund, having regard to the investment objective and policy of the relevant Sub-Fund.

The Company is structured as an umbrella company in that different Sub-Funds may be formed by the ACD, subject to approval from the FCA. On the establishment of a new Sub-Fund or Share Class an updated prospectus will be prepared setting out the relevant information concerning the new Sub-Fund or Share Class. Please note that approval by the FCA in this context refers only to approval under the OEIC Regulations 2001 (as amended) and does not in any way indicate or suggest endorsement or approval of the Funds as an investment.

Each Sub-Fund within the Company has a specific portfolio of assets and investments, and its own liabilities, and investors should view each Sub-Fund as a separate investment entity.

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

While the provisions of the Open-Ended Investment Companies Regulations 2001, as amended (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 (as defined in the glossary of terms in the FCA Handbook of Rules and Guidance), it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations. It is therefore not free from doubt that the assets of a Sub-Fund will always be "ring-fenced" from the liabilities of other Sub-Funds of the Company.

Each Sub-Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-Fund. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-Fund of the Company may be allocated by the ACD within the Company in a manner which is fair to Shareholders as a whole and will normally be allocated to all Sub-Funds pro rata to the value of the net assets of the relevant Sub-Funds.

Details of the Sub-Funds of the Company, including their investment objectives and policies, are set out in Appendix 4.

Details of the investment powers of the Company and the Sub-Funds, and limitations on such

powers, are set out in Appendix 1.

Historical performance figures for the Sub-Funds are set out in Appendix 6.

3. Shares

The Share Classes presently available for each Sub-Fund within the Company are set out in the Appendix for that Sub-Fund. Further Share Classes for each Sub-Fund may be made available in due course in accordance with the Instrument and the FCA Regulations.

Shares have no par value and, within each Share Class in each Sub-Fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the Company or termination of a relevant Sub-Fund. Shares do not carry preferential or pre-emptive rights to acquire further Shares.

Shares issued by the Company are Income Shares and Growth Shares. Holders of Growth Shares do not receive payment of income. Any income arising in respect of a Growth Share is automatically accumulated and added to the assets of the Sub-Fund and is reflected in the price of each Growth Share.

Income arising in respect of Income Shares is paid to Shareholders.

Details of Share classes currently in issue for each Sub-Fund are detailed in the Appendix for that Sub-Fund. Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in one Sub-Fund for Shares in a different Sub-Fund. Details of this switching facility and the restrictions are set out in Sections 17 and 18.

The Shares will be valued in the Base Currency of the Company being Pounds Sterling.

No bearer Shares are issued.

Initial Offer Period

Details (if applicable) to the initial offer period for each Sub-Fund are included in the Appendix for that Sub-Fund.

4. The ACD

The authorised corporate director of the Company is Host Capital Limited (the "ACD"), a private company limited by shares and authorised and regulated by the FCA. The ACD was incorporated in England under the Companies Act 1985 on 7 January 1999. The ACD is the sole director of the Company.

The ACD also serves as authorised corporate director or authorised unit trust manager to other funds and companies. The ACD currently acts as a manager or authorised corporate director of the authorised funds set out in Appendix 5.

The ACD may in the future provide management, investment management and/or administration services to other funds and clients.

The ACD is responsible for managing and administering the Company's affairs in compliance with the FCA Regulations.

Directors

The executive directors of the ACD are:

CT Finch
GL Brooks
B Primrose
SJ Anderson
S Chaudhri

Registered office and Head office

The ACD's registered office is at 73 New Bond Street, London W1S 1RS.

Share Capital

The ACD's issued share capital is £1,341,684 fully paid.

Terms of Appointment

The appointment of the ACD has been made under an agreement dated 28 April 2018 between the Company and the ACD, as amended from time to time, (the "ACD Agreement").

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities. It also excludes the ACD from liability to the Company or any Shareholder for any error of judgment or loss suffered in connection with the subject matter of the ACD Agreement, unless arising as a direct consequence of recklessness, fraud, bad faith, wilful default or negligence in the performance or non-performance of its obligations and functions under the ACD Agreement. Any liability for defaults of a person to whom it has delegated certain functions is also limited to the extent permitted by the Regulations.

The Company has agreed to indemnify the ACD, to the extent permitted by the COLL Sourcebook, (for itself and its delegates) against claims and expenses that arise in respect of their duties, except where there is fault on its or their part of the kind referred to above.

Details of the fees payable to the ACD are set out in the paragraph headed "Charges payable to the ACD" below.

The ACD (or its associates or any affected person) is also under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed. The ACD may carry out or arrange for the carrying out of stock lending transactions in respect of the Funds. The ACD reserves the

right to receive a fee in relation to stock lending, subject to giving Shareholders 60 days' written notice of the details of such fees.

The ACD Agreement is for an initial period of six years and will continue after then unless and until terminated by resolution of the Company in general meeting on not less than 12 months' prior notice to the ACD, or earlier on certain types of breaches or the insolvency of a party.

The fees to which the ACD is entitled are set out in Sections 31 and 32.

5. The Depositary

Introduction and key duties

The Depositary of the Company is CACEIS Bank, UK Branch.

The principal business activity of the Depositary is acting as trustee and depositary of collective investment schemes.

The key duties of the Depositary consist of:

- cash monitoring and verifying each Fund's cash flows;
- safekeeping of the Scheme Property of each Fund;
- ensuring that the sale, issue, re-purchase, redemption, cancellation and valuation of shares are carried out in accordance with the Instrument of Incorporation constituting the Company, this Prospectus, and applicable law, rules and regulations;
- ensuring that in transactions involving the Scheme Property of a Fund that any consideration is remitted to the relevant Fund within the usual time limits;
- ensuring that each Fund's income is applied in accordance with Instrument of Incorporation constituting the Company, this Prospectus, applicable law, rules and regulations; and
- carrying out instructions from the ACD unless they conflict with the Instrument of Incorporation, this Prospectus, or applicable law, rules and regulations.

Information about the Depositary

CACEIS Bank is a private limited company incorporated under the laws of France having its head office located at 1-3, place Valhubert, 75013 Paris, France. CACEIS Bank is registered with the French Register of Trade and Companies under number 692024722. It is an authorised credit institution supervised by the European Central Bank ("ECB") and the Autorité de Contrôle Prudential et de Résolution ("ACPR").

In the UK, CACEIS Bank conducts its business through its UK Branch, with its registered office being at Broadwalk House 5 Appold Street, London, EC2A 2DA. The UK Branch is authorised by the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority. ("FCA"). Further details are available from the Depositary on request.

Liability of the Depositary

As a general rule the Depositary is liable for any losses suffered as a result of the Depositary's, its agent's or sub-custodian's negligence, intentional failure or fraud in fulfilling its obligations except that it will not be liable for any loss where:

- the event which has led to the loss is not the result of any act or omission of the Depositary or a third party to whom the Depositary has delegated its safekeeping function;
- the Depositary could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice; and
- despite rigorous and comprehensive due diligence, the Depositary could not have prevented the loss.

However, in the case of loss of a financial instrument by the Depositary, or by a third party, the Depositary is under an obligation to return a financial instrument of identical type or corresponding amount without undue delay unless it can prove that the loss arose as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

Delegation of safekeeping function

Under the terms of the Depositary Agreement the Depositary has the power to delegate its safekeeping functions.

As a general rule, whenever the Depositary delegates any of its custody functions to a delegate, the Depositary will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Depositary. The use of securities settlement systems does not constitute a delegation by the Depositary of its functions.

Conflicts of interest

From time to time conflicts may arise from the appointment by the Depositary of any of its delegates out of which may arise a conflict of interest with the Funds.

All delegates of the Depositary are required to manage any such conflict having regard to the FCA Handbook and its their duties to the Depositary and the ACD.

There may also be conflicts arising between the Depositary and the Funds, Shareholders and the ACD. The Depositary is prohibited from carrying out any activities with regard to the Funds unless:

- The Depositary has properly identified any such potential conflicts of interest;
- The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks; and
- The potential conflicts of interest are properly managed, monitored and disclosed to the investors of the Funds.

Terms of the Depositary Agreement

The appointment of the Depositary has been made under an agreement between the Funds, the ACD and the Depositary (the "**Depositary Agreement**").

The Depositary Agreement shall continue for a minimum period of 36 months from the effective date of the agreement. After the initial period the Depositary Agreement may be terminated by not less than 3 months' written notice provided that no such notice shall take effect until the appointment of a successor to the Depositary.

To the extent permitted by the FCA Rules, the Funds will indemnify the Depositary (or its associates) against costs, charges, losses and liabilities incurred by it (or its associates) in the proper execution, or in the purported proper execution, or exercise (reasonably and in good faith) of the Depositary's duties, powers, authorities and discretions to that Funds, except in the case of any liability for a failure to exercise due care and diligence in the discharge of its functions.

The Depositary is entitled to receive remuneration out of the Scheme Property for its services, as explained in the "The Fees, Charges and Expenses of the Depositary" section below.

Shareholders may request an up to date statement regarding any of the information set out above from the ACD.

6. The Investment Adviser

The ACD has appointed Altium Investment Management Limited (the "Investment Adviser") as the Investment Adviser to the ACD in relation to the Funds. The Investment Adviser is authorised and regulated by the FCA.

Terms of Appointment

Under the terms of an agreement dated 15 July 2019 between the Investment Adviser and the ACD (the "Investment Advisory Agreement"), the Investment Adviser shall have authority to act as portfolio manager in relation to the multi-assets within the Company. Subject to instances where the Investment Advisory Agreement may be terminated with immediate effect in the interests of the shareholders, the Investment Advisory Agreement may be terminated by either party giving the other at least 90 Business Days' written notice.

Under the terms of the Investment Advisory Agreement, the Investment Adviser may delegate to any person the performance of its duties and services required to be performed by it under the Investment Advisory Agreement.

The principal activity of the Investment Advisers is the provision of portfolio management services and investment advice. Any third party research received in connection with investment management services that the Investment Advisers provides to the Funds will be paid for by the Investment Advisers out of the fees they receive for investment management and advisory services provided to the ACD..

7. The Auditor

The auditor of the Company is Grant Thornton LLP, registered auditor, whose address is 30 Finsbury Square, London EC2P 2YU.

8. The Transfer Agent and Registrar

On behalf of the Company the ACD has also appointed Way Fund Managers Limited trading as Investor Administration Solutions Ltd as the Transfer Agent to provide certain transfer agency services, including registration. The Transfer Agent's registered office is Cedar House 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

The ACD also acts as the Registrar of the Company.

The Register of Shareholders for the Company is maintained at the address of the Transfer Agent as noted in Appendix 3 and may be inspected at that address between 9.00am and 4.30pm on each Business Day by any Shareholder or any Shareholder's duly authorised agent.

The plan register (being a record of persons who subscribe for Shares through ISA plans) can be inspected at the office of the Transfer Agent.

9. Conflicts of interest

The ACD, the Depositary and the Investment Adviser or any affected person are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the Company or the Sub-Funds.

The ACD will seek to identify the types of conflicts that may arise between the interests of the Company and those of their own with reference to: the likelihood of making a financial gain or avoiding a loss at the expense of the Company; whether the ACD has an interest in the outcome of a service or transaction it provides to the Company; whether there is a financial or other incentive to favour the interest of the ACD over the interests of the Company; and whether there are inducements deriving from sources in relation to the services the ACD provides to the Company, in the form of monies, goods or services, other than standard commission or fees for the service(s) in question. Where a potential conflict arises, the ACD is committed to managing these to prevent them from constituting or giving rise to a material risk of damage to the interests of the Company and to ensure that transactions and services are effected on terms which are not materially less favourable to the Company had the potential conflict not existed. The circumstances in which conflicts of interest might arise include where the ACD acts for other investors with an interest in such investments or where the transactions are in shares of another fund for which the ACD is the authorised corporate director or investment advisor. The ACD is required to identify, manage, record and, where relevant, disclose actual or potential conflicts of interest between its self and other clients and between one client and another and to have a written policy in place.

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented. Should any such situations arise the ACD will, as a last resort, if the conflict cannot be avoided, disclose these to Shareholders in an appropriate format.

Further detail of the ACD's conflicts of interest policy is available on request.

10. Profile of a Typical Investor

The Company is designed to be marketable to retail and institutional investors. The choice of the Company and Sub-Fund should be determined by the attitude to risk, wish for income and/or growth, and intended length of time for investment and in the context of the investor's overall portfolio.

All investors in the Company should understand and appreciate the risks associated with investing in Shares in the Company and must be able to accept losses. The ACD recommends that investors always seek professional advice before investing in Shares. Investors should also note the "Risk Factors" set out in Section 30 below.

Investors and potential investors should note that neither the description of the typical investor profile as set out above nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of shares in any of the Funds. Neither the Company, nor the ACD makes any statement or representation in relation to the suitability, appropriateness or otherwise any transaction in shares in any of the Funds.

11. Buying, selling and switching shares

The dealing office of the ACD is open on each Business Day from 9.00am to 5.00pm to receive requests for the buying, selling and switching of shares in the Sub-Funds, which will be effected at prices determined at the next Valuation Point following receipt of such request.

12. Buying shares

Procedure

All orders will be dealt at a forward price; this being the price calculated by reference to the next Valuation Point after the order is received by the Transfer Agent.

Shares can be bought by sending a completed application form and payment to the offices of the Transfer Agent. Applications forms are available from the Transfer Agent at Cedar House 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. Alternatively, the buying of Shares may be effected by telephone: +44 (0) 120 280 2900 and/or e-fax: +44 (0) 120 285 5850. Telephone conversations of all dealers, staff in the administration department and client services may be recorded for mutual protection.

The ACD has the right to reject, without providing an explanation, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition, the ACD may reject any application previously accepted if the applicant has paid by cheque and that cheque subsequently fails to be cleared. The ACD reserves the right to add other forms of dealing at its discretion. Any subscription monies that remain after a whole number of shares have been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued equal to a fraction of a whole share.

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. Investors who invest through the regular savings plan will be entitled to receive back the full amount they invested if they cancel. The ACD may extend cancellation rights to other investors but is under no obligation to do so.

The UK has implemented the Foreign Account Tax Compliant Act (FATCA) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015. As a result of UK legislation, the Company may be required to obtain confirmation of certain information from shareholders and (where applicable) their beneficial owners, such as where you are resident for tax purposes, your tax

identification number, and your place and date of birth, and your tax status classification and place of incorporation if you are a corporate body. Under certain circumstances (including where you do not supply us with the information we request), we will be obliged to report your personal details as well as the details of your Investment to HMRC. This information may then be passed to other tax authorities. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

Documents the buyer will receive

A contract note or letter of acknowledgement as appropriate giving details of the Shares purchased and the price used will be issued by the end of the business day following the Valuation Point by reference to how the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel. In addition, statements of holdings as at 30 April and 31 October will be sent to all Shareholders within 25 Business Days of those dates.

All sales will be made on a cash basis and payment for Shares must be made on receipt, by the purchaser, of the contract note or letter of acknowledgement. Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Company's register of Shareholders. Entries are made after the later of the date the payment clears and any cancellation rights expire. Statements in respect of periodic allocations of income in each Sub-Fund will show the number of Shares held by the Shareholder in the Sub-Fund in respect of which the allocation is made.

Minimum purchases and holdings

Minimum initial investment limits as well as for any subsequent top up investments for each Share Class are stated in the respective Appendix for each Sub-Fund. The ACD may at its absolute discretion accept subscriptions lower than the minimum amount. If a holding is below the minimum holding the ACD has discretion to require redemption of the entire holding.

13. Regular Savings Plan

A Regular Savings Plan is available for investors in all Share Classes. It operates by collecting a monthly amount from the Shareholder's bank account by Direct Debit and investing that amount on the same day of each month in the selected Sub Fund(s). The minimum value of Shares which may be the subject of any one single transaction is £100.

To invest in this way, Shareholders must complete and return to the ACD the relevant plan application form and direct debit form before contributions may begin. Monthly contributions may be increased, decreased (subject to maintaining the minimum level of contribution) or stopped at any time by notifying such party as the ACD may direct. If, however, payments are not made into the Regular Savings Plan for more than ten months and the Shareholder holds less than the minimum holding for that Share Class, then the ACD reserves the right to redeem that Shareholder's entire holding in that Share Class. Confirmations will not be issued to Shareholders investing through a Regular Savings Plan, however statements detailing all Share transactions will be sent out to all monthly savers at least on a six monthly basis.

14. Selling shares

Procedure

Every Shareholder has the right to require that the Company buys back his/her Shares on any Business Day (unless this would reduce the value of his/her shareholding below the required minimum for the relevant Share Class – see below). Requests to sell Shares may be directed to the Transfer Agent by telephone: +44 (0) 120 280 2900 and/or e-fax: +44 (0) 120 285 5850

or in writing using the appropriate form to the Transfer Agent, Cedar House 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

Documents the seller will receive:

A contract note giving details of the number and price of Shares sold will be sent to the selling Shareholder (the first named, in the case of joint Shareholders) and/or their duly authorised agent together (if sufficient written instructions have not already been given) with a form of renunciation, for joint holders, for completion and execution by the Shareholder (and, in the case of a joint holding, by all the joint holders) not later than the end of the business day following the Valuation Point by reference to which the redemption price is determined. Cheques in satisfaction of the redemption monies will be issued within four business days after the later of:

- i. receipt by the Transfer Agent of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Shareholders and completed as to the appropriate number of Shares, together with any other appropriate evidence of title; and
- ii. the Valuation Point following receipt by the Transfer Agent of the request to sell.

However, neither the Company nor the ACD is required to make payment in respect of a redemption of Shares where the money due on the earlier issue of those Shares has not yet been received or where the ACD considers it necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to a statutory, regulatory or European Community obligation (such as the UK's anti-money laundering regulations).

Minimum sales and holdings

The ACD reserves the right to refuse a sale request if the value of the Shares of any Sub-Fund of the Company to be sold would result in a Shareholder holding less than the minimum holding as detailed in the Appendix for that Sub-Fund. In these circumstances, the Shareholder may be required to sell his/her entire holding.

In specie redemption

If a Shareholder requests the sale of Shares, the ACD may, if in its sole discretion it considers the deal substantial in relation to the total size of the Sub-Fund concerned, arrange for the Company to cancel the Shares and transfer Scheme Property to the Shareholder instead of paying the price of the Shares in cash, or, if required by the Shareholder, pay the net proceeds of sale of the relevant Scheme Property to the Shareholder. A deal involving Shares representing 5% or more in value of a Sub-Fund will normally be considered substantial, although the ACD may at its discretion agree an in specie redemption with a Shareholder whose selling Shares represent less than 5% in value of the Sub-Fund concerned. Before the proceeds of cancellation of the Shares become payable, the ACD will give written notice to the Shareholder that relevant Scheme Property (or the proceeds of sale of that relevant Scheme Property) will be transferred to that Shareholder. The ACD will select the property to be transferred (or sold) in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders. Any such redemption as set out above may be subject to a retention by the Depositary from that property (or proceeds), for the value (or amount) of any relevant transaction costs.

15. Buying Shares for children

Minors may not be registered as Shareholders, but Shares may be bought on their behalf and registered in an adult Shareholder's name and designated with the child's initials, e.g. John Smith a/c A.N.S. The holding(s) may be transferred into the name of the child when the child reaches 18 years upon receipt of a properly completed stock transfer form, which is available from the ACD.

16. Buying Shares on behalf of a trust

A trust cannot be registered as a Shareholder and therefore any Shares bought on behalf of a trust are registered in the names of the individual trustees (maximum 4). Any appointment of new trustees or resignation of existing trustees should be notified to the Transfer Agent in writing as soon as possible after the change. It will be necessary to complete a stock transfer form in order to reflect the change on the register of Shareholders. Failure to do this may result in a delay in releasing the proceeds of any sale of Shares. The Sub-Funds are 'wider range' investments under the Trustee Investments Act 1961.

17. Switching

Subject to any restrictions on the eligibility of investors for a particular Share Class and/or Sub-Fund, a holder of Shares in a Sub-Fund may at any time switch all or some of those Shares ("Old Shares") for Shares of another Sub-Fund ("New Shares") in the Company. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Old Shares at the next Valuation Point applicable when the Old Shares are repurchased and the New Shares are issued. In addition, subject to meeting the eligibility requirements, a holder of Shares of a particular Share Class in a Sub-Fund ("Old Class Shares") may at any time switch all or some of their Shares for Shares of another class in the same Sub-Fund ("New Class Shares"). The number of New Class Shares issued will be determined by reference to the respective prices of New Class Shares and Old Class Shares at the next Valuation Point after the instruction to switch is received.

Switching may be effected either by contacting the Transfer Agent by telephone: +44 (0) 120 280 2900 and/or e-fax: +44 (0) 120 285 5850 or in writing to the Transfer Agent's address and the Shareholder may be required to complete written instructions to switch (which, in the case of joint Shareholders must be signed by all the joint holders). A switching Shareholder must be eligible to hold the Shares into which the switch is to be made. The ACD may at its discretion charge a fee on the switching of Shares between Share Classes and between Sub-Funds. These fees are set out in Section 17.

If the switch would result in the Shareholder holding a number of Old Shares, New Shares, Old Class Shares or New Class Shares of a value which is less than the applicable minimum holding, the ACD may, at its discretion, convert the whole of the applicant's holding of Old Shares to New Shares or of Old Class Shares to New Class Shares or refuse to effect any switch of the Old Shares or Old Class Shares. No switch will be made during any period when the right of Shareholders to require the sale of their Shares is suspended. The general provisions on selling Shares shall apply equally to a switch. The ACD may adjust the number of New Shares or New Class Shares to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect of the issue or purchase of the New Shares or New Class Shares or the sale or cancellation of the Old Shares or Old Class Shares as may be permitted pursuant to the FCA Regulations. Please note that, under current tax law, a switch of Shares in one Sub-Fund for Shares in any other Sub-Fund in the same Company or a different company is treated as a sale and purchase and will, for persons subject to UK tax, be a realisation for the purposes of capital gains tax although a switch between different Share Classes in the same Sub-Fund

will not be deemed a realisation for the purposes of capital gains tax. A switch of Shares between Share Classes may be subject to income equalisation as referred to in Section 41.

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

Electronic Communications

Transfers of title to Shares may not, at present, be effected on the authority of an electronic communication.

18. Dealing charges

Preliminary charge

The ACD may impose a charge on the buying of Shares by investors. There is, at present, no preliminary charge. If a preliminary charge is imposed, it will be payable to the ACD and details will be set out in the details of the relevant Sub-Fund in Appendix 4.

Switching fee

On the switching of Shares of a Sub-Fund for Shares of another Sub-Fund within the Company the Instrument of Incorporation authorises the Company to impose a switching fee. The fee will not exceed an amount equal to the then prevailing preliminary charge for the Sub-Fund or Share Class, as appropriate, into which Shares are being switched. The fee for switching between Sub-Funds and Share Classes is currently NIL of the value of the Shares being switched. If such a Switching Fee is introduced in the future, the switching fee will be payable to the ACD and a period of 60 days' notice will be given to all Shareholders.

Redemption fee

There is currently no charge for redeeming Shares in any of the Share Classes. If such a Redemption Fee is introduced in the future, the Redemption Fee will be payable to the ACD and a period of 60 days' notice will be given to all Shareholders.

19. Other dealing information

Dilution Levy

The actual cost of purchasing, selling or switching underlying investments in a Sub-Fund may deviate from the mid-market value used in calculating its Share price, due to dealing charges, taxes, and any spread between buying and selling prices of the Sub-Fund's underlying investments. These dealing costs could have an adverse effect on the value of a Sub-Fund, known as "dilution". In order to mitigate the effect of dilution the Regulations allow the ACD to make a dilution levy on the purchase, redemption or Switch of Shares in a Sub-fund. A dilution levy is a separate charge of such amount or at such rate as is determined by the ACD to be made for the purpose of reducing the effect of dilution. This amount is not retained by the ACD but is paid into the relevant Sub-Fund.

The dilution levy is calculated by reference to the costs of dealing in the underlying investments of the relevant Sub-Fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of purchases and redemptions. It is not possible to predict accurately whether dilution would occur at any point in time.

The ACD's policy is that it may require a dilution levy on the purchase and redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the Scheme Property of a Sub-Fund is in continual decline; on a Sub-Fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 5% of the Net Asset Value of the relevant Sub-Fund); in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

This policy is intended to mitigate the dilutive effect of Shareholder transactions on the future growth of the Company.

Based on future projections the ACD may need to charge a dilution levy 2-4 times a year. If a dilution levy is required then, based on future projections the estimated rate of such a levy would be up to 1%. On the occasions when a dilution levy is not applied, there may be an adverse impact on the total assets of the relevant Sub-Funds.

The ACD, in its absolute discretion, may waive or reduce the dilution levy. The ACD may alter its current dilution policy in accordance with the procedure set out in the Regulations.

Method of delivery of applications or other instructions to deal in shares

Instructions (including applications and redemptions) sent to the Transfer Agent by fe-fax (+44 (0) 120 285 5850) are only valid and binding on the ACD if the applicant or the applicant's authorised agent obtains separate confirmation from the Transfer Agent that the Transfer Agent has received the e-fax. After sending the e-fax, the applicant or the applicant's authorised agent is required to telephone the Transfer Agent on +44 (0) 120 280 2900 promptly to obtain confirmation from a named representative of the Transfer Agent that the Transfer Agent has received the e-fax. Without procuring such verbal confirmation from the Transfer Agent, the applicant and the applicant's authorised representative acknowledge that the Transfer Agent shall not be under any liability in relation to any and all fax / e-fax messages not received by the Transfer Agent.

20. Anti-Money laundering

Under current laws, firms conducting investment business are required to maintain procedures to combat money laundering and other financial crime. Under these laws the ACD is legally obliged to carry out customer due diligence for anti-money laundering purposes. This means that, in certain circumstances Shareholders or potential Shareholders may be asked to provide some proof of their identity. Such proof may involve the Transfer Agent on behalf of the ACD obtaining information directly from (potential) Shareholders or from a third party such as a credit reference agency. Where the Transfer Agent seeks proof of identity on a sale or redemption, proceeds will not normally be paid until the Transfer Agent has received appropriate verification. The ACD reserves the right to reverse the transaction or to refuse to sell shares if it is not satisfied as to the identity of the applicant.

21. Restrictions and compulsory transfer and sale

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

If it comes to the notice of the ACD that any Shares (“affected Shares”):

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself 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);
- (c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case; or
- (d) are owned by a Shareholder who is registered in a jurisdiction (where the Sub-Fund is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Sub-Fund, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach),

(or if the ACD is not satisfied that any Shares may not give rise to a situation discussed in (a), (b), (c) or (d) above), the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with COLL. If any Shareholder upon whom such a notice is served does not within thirty days after the date of such notice transfer his affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares.

A Shareholder who becomes aware that he is holding or owns affected Shares shall immediately, unless he has already received a notice as set out above, either transfer all his affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all his affected Shares.

Where a request in writing is given or deemed to be given for the redemption of affected Shares, such redemption will (if affected) be effected in the same manner as provided for in COLL.

22. Suspension or deferrals of dealings

Suspension

The ACD may, with the prior agreement of the Depositary, and must without delay, if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares in any or all of the Sub-Funds of the Company, if the ACD or the Depositary is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of Shareholders or potential Shareholders. Re-calculation of the

share price for the purpose of sales and purchases will commence on the next relevant Valuation Point following the ending of the suspension.

On suspension, the ACD, or the depository if it has required the ACD to suspend dealings in Shares, will immediately inform the FCA, stating the reason for its action and as soon as practicable give written confirmation of the suspension and the reasons for it to the FCA and the Home State regulator in each EEA State in which the ACD holds itself out as willing to sell or redeem Shares.

The ACD will ensure that a notification of the suspension is made to Shareholders of the Sub-Fund as soon as practicable after suspension commences drawing Shareholders' particular attention to the exceptional circumstance which resulted in the suspension. The notice of suspension must be clear, fair and not misleading.

The ACD will publish (on its website or by other general means) sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration. The suspension of dealings in Shares will cease as soon as practicable after the exceptional circumstances have ceased. The ACD and the Depository will formally review the suspension at least every 28 days and inform the FCA of the results of this review and any change to the information previously provided. The ACD and the Depository will ensure that the suspension is only allowed to continue for as long as it is justified having regard to the interests of the Shareholders.

Re-calculation of the Share price, for the purposes of sales and purchases, will commence on the next relevant Valuation Point following the end of the suspension.

During any suspension, the ACD will exercise its discretion to permit a Shareholder to withdraw their redemption notice provided that this withdrawal is in writing and is received before the period of suspension ends. Any notice not withdrawn will be dealt with on the next Business Day following the end of the suspension.

Deferred Redemption

Each Sub-Fund permits deferral of redemptions at the Valuation Point to the next Valuation Point where the requested redemptions exceed 10% of the Sub-Fund's value. Redemptions not processed at a Valuation Point will be processed at the next Valuation Point, up to the 10% net asset value limit. Available Shares to be redeemed will be bought back pro rata (up to the amounts requested) across all Shareholders who have sought to redeem Shares at any Valuation Point at which redemptions are deferred. All deals relating to an earlier Valuation Point will be completed before those relating to a later Valuation Point are considered.

23. Market Timing Policy

The ACD does not knowingly allow investments which are associated with market timing activities, as these may adversely affect the interests of Shareholders. In general, market timing refers to the investment behaviour of a person or group of persons buying, selling or switching Shares on the basis of predetermined market indicators. Market timing may also be characterised by transactions that seem to follow a timing pattern or by frequent or large transactions in Shares.

Accordingly, the ACD reserves the right to reject any application for switching and/or subscription of Shares from investors whom it considers to be associated with market timing activity. In this connection the ACD may combine Shares which are under

common ownership or control for the purposes of ascertaining whether investors can be deemed to be involved in such activities.

24. Governing law

The Company, the Instrument of Incorporation, this Prospectus and any matters arising out of or in connection with a Shareholder's investment in the Company and the establishment, management and administration of the Company shall be governed by and construed in accordance with the laws of England and Wales. The rights of the Shareholders and the construction and effect of the provisions of the Instrument of Incorporation and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

25. Valuation of the Company

The Net Asset Value per Share of a Sub-Fund is currently calculated at 12.00 noon on each Business Day (the Valuation Point). Subject to the FCA Regulations the ACD may at any time carry out an additional valuation if the ACD considers it desirable to do so. Where a Sub-Fund is invested in stocks or markets which are closed at the time of the fund valuation, there is a risk that the quoted prices of those stocks may be out of date and unreliable. In accordance with the FCA regulations, the ACD may make adjustments to the value of any investments which may be materially impacted by out of date prices through a technique known as fair value pricing.

26. Calculation of the Net Asset Value

There is only a single price for any Share as determined from time to time by reference to a particular Valuation Point. The value of the Scheme Property of the Company or of a Sub-Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the Company's Instrument of Incorporation. The Shares will be valued in the Base Currency.

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

26.1 Scheme Property which is not cash (or other assets dealt with below) or a contingent liability transaction shall be valued as follows:

- a) Units or shares in a collective investment scheme:
 - i. if a single price for buying and selling units or shares is quoted, at the most recent such price; or
 - ii. if separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any preliminary charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
 - iii. if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which in the opinion of the ACD reflects a fair and reasonable price for that investment.
- b) Any other transferable security:
 - i. if a single price for buying and selling the security is quoted, at that price; or

- ii. if separate buying and selling prices are quoted, the average of those two prices; or
 - iii. if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which in the opinion of the ACD reflects a fair and reasonable price for that investment.
- c) Property other than that described in the Sections above:
- i. a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 26.2 Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- 26.3 Property which is a contingent liability transaction shall be treated as follows:
- i. if it is a written option (and the premium for writing the option has become part of the Scheme Property), the amount of the net valuation of premium receivable shall be deducted.
 - ii. if it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
 - iii. if the property is an off-exchange derivative, it will be included at a valuation method agreed between the ACD and Depositary;
 - iv. if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).
- 26.4 Any outstanding borrowings, whenever payable and any accrued but unpaid interest thereto shall be deducted
- 26.5 In determining the value of the Scheme Property, all instructions given to issue or cancel shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 26.6 Agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 26.7 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 this Section.
- 26.8 All agreements are to be included under this Section which are, or ought reasonably to have been, known to the person valuing the property.
- 26.9 An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, and stamp duty will be deducted.

- 26.10 An estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day will be deducted.
- 26.11 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added. Any other credits or amounts due to be paid into the Scheme Property will be added.
- 26.12 A sum representing any income accrued due or deemed to have accrued but not received will be added.
- 26.13 Currency or values in currencies other than the Base Currency shall be converted at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholder or potential Shareholders.

27. Price per Share in each Sub-Fund and each Share Class

The price of a Share in a Sub-Fund is calculated by reference to the Net Asset Value of the Sub-Fund to which it relates. The price at which Shares may be bought or sold is the Net Asset Value of the respective Share and is to be quoted in pence to two decimal places. In addition, a preliminary charge may be charged when buying shares, which is also quoted to two decimal places. There may also, for both buying and selling, be a dilution levy as described in Sections 19.

The income available for allocation in relation to a Sub-Fund (either by distribution in the case of Income Shares or accumulation in the case of Growth Shares) is determined in accordance with the FCA Regulations. Broadly it comprises all sums deemed by the Company to be in the nature of income received or receivable for the account of the Company and attributable to the Sub-Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the ACD considers appropriate, following consultation with the auditors in accordance with the FCA Regulations, in relation to taxation and other matters. Each allocation of income made in respect of any Sub-Fund at a time when more than one Share Class is in issue in respect of that Sub-Fund, shall be effected by reference to the relevant holder's proportionate interest in the scheme property of the Sub-Fund in question.

28. Pricing basis

The Company deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or sale is agreed.

29. Publication of prices

The most recent prices of Shares will appear daily on the ACD's website (www.hostcapital.com) and will be published on www.fundlistings.com. This is the primary method of price publication. The prices of Shares may also be obtained by calling the Transfer Agent on +44 (0) 120 280 2900.

30. Risk factors

Potential investors should consider the following risk factors before investing in the Company and the Sub-Funds. Further risk factors relating to a specific Sub-Fund is included in the relevant Sub-Fund Appendix.

General

An investment in one or more of the Sub-Funds of the Company will involve exposure to those risks normally associated with investment in stocks and shares. As such, the price of shares and the income from them can go down as well as up and an investor may not get back the full amount he has invested. There is no assurance that investment objectives of any Sub-Fund will actually be achieved. The Sub-Funds of the Company may have significant investments in smaller companies, in which there may be no established market for the shares, or the market may be highly illiquid. Because of this potential illiquidity in the investments of certain Sub-Funds, such Sub-Funds may not be appropriate for all investors, including those who are not in a position to take a long-term view of their investment. Shares in all the Sub-Funds should generally be regarded as long-term investments. Details of specific risks in addition to the Risk Factors set out below; any additional risk factors relating to particular Sub-Funds are set out in the relevant Sub-Fund Appendix.

Charges to Capital

Charges in respect of certain Sub-Funds may be taken against capital rather than income. Where insufficient income is available to meet those charges, all or part of the charges, may also be taken from the capital of the Fund, which may constrain capital growth of the Sub-Fund in question.

Emerging Markets

The Company may invest in emerging markets. Investing in emerging markets involves additional risks and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include: (i) increased risk of nationalisation or expropriation of assets or confiscatory taxation; (ii) greater social, economic and political uncertainty, including war; (iii) higher dependence on exports and the corresponding importance of international trade; (iv) greater volatility, less liquidity and smaller capitalisation of securities markets whereby the purchase and sale of investments may take longer than in developed markets and transactions may need to be conducted at unfavourable prices; (v) greater volatility in currency exchange rates; (vi) greater risk of inflation; (vii) greater controls on foreign investment and limitations on repatriation of invested capital and on the ability to exchange local currencies for Pounds Sterling; (viii) increased likelihood of governmental decisions to cease support of economic reform programmes or to impose centrally planned economies; (ix) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (x) less extensive regulation of the securities markets; (xi) longer settlement periods for securities transactions and less reliable clearance and custody arrangements; and (xii) less stringent corporate laws regarding fiduciary duties of officers and directors and less developed mechanisms for the protection of investors.

Global Economic and Market Conditions

The Company will invest in currencies, securities and instruments traded in various markets throughout the world, including in global emerging markets, some of which are highly controlled by governmental authorities. Such investments require consideration of certain risks typically not associated with investing in currencies or securities of developed markets. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavourable currency exchange rate fluctuations, imposition of exchange control regulation by governments, withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalisation of their industries, political difficulties, including expropriation of assets, confiscatory taxation and social, economic or political instability in foreign nations. These factors may affect the level and volatility of securities prices and the liquidity of a Sub-Funds' investments. Unexpected

volatility or illiquidity could impair a Sub-Funds' profitability or result in losses. The economies of countries differ in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Political Risk

The value of the Company's assets may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the Company is exposed.

Market Risks

The investments of the Company are subject to normal market fluctuations and the risks inherent in investment in equity securities and similar instruments and there can be no assurance that appreciation will occur. The price of Shares can go down as well as up and investors may not realize their initial investment.

Liabilities of the Company

Each Sub-Fund will bear the liabilities, expenses, costs and charges attributable to it and these will not be payable by any other Sub-Fund. The Company may allocate any assets or liabilities which it receives or incurs on behalf of the Sub-Funds, or in order to enable the operation of the Sub-Funds, and are not attributable to any particular Sub-Fund, between its Sub-Funds in a manner which it considers is fair to Shareholders.

A Shareholder is not liable to make any further payment to the Company or Sub-Fund after he has paid the price on purchase of the Shares.

International Investing

Investments on an international basis involve certain risks, including fluctuations in foreign exchange rates, future political and economic developments and the possible imposition of exchange controls or other governmental laws or restrictions. Prices of securities in different countries are subject to different economic, financial, political and social factors. Since the Company will invest in securities denominated in various currencies, changes in foreign currency exchange rates will affect the values of securities held by the Company. In addition, investments held by the Company may be subject to non-recoverable withholding taxes. Inflation in some countries in which investments are made may affect performance.

Investment and Trading Risks in general

All securities investments present a risk of loss of capital. The ACD believes that the Company's investment policy for each Sub-Fund moderates this risk through a careful selection of securities and other financial instruments.

Investing in Smaller Companies

Investments in smaller companies may involve greater risks and thus may be considered speculative. Investment in a Sub-Fund investing in smaller companies should be considered long term and not as a vehicle for seeking short-term profits, nor should an investment in such Sub-Fund be considered a complete investment programme. Many small companies' stocks trade less frequently and in smaller volume and may be subject to more abrupt or erratic price movements than stocks of larger companies. The securities of small companies may also be more sensitive to market changes than the securities of large companies.

Restrictions on Foreign Investment

Substantial limitations may exist in certain countries with respect to a Sub-Fund's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. A Sub-Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the Company of any restriction on investments.

Counterparty and Broker Risk

The Company will be subject to counterparty risk with respect to transactions, whether due to the insolvency or bankruptcy of counterparties or brokers or other causes.

Currency Risk and Hedging

Although shares in the Company are denominated in the Base Currency, the Company may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of the Sub-Fund as expressed in its Base Currency will fluctuate in accordance with the changes in the foreign exchange rate between the currency and the currencies in which the Company investments are denominated. The Sub-Fund may therefore be exposed to a foreign exchange / currency risk exposure. The ACD may enter into hedging transactions at its sole discretion and solely for the purposes of efficient portfolio management.

Transactions in Derivatives

The value of derivative transactions may fluctuate and while they may in certain circumstances reduce or eliminate risk they may also limit the potential for capital appreciation. The use of derivatives may lead to higher volatility of the net asset value. In general, the possible effect on the Company's or a Sub-Fund's risk profile from the use of derivatives will be to reduce volatility when used for hedging or efficient portfolio management and could increase volatility if used to take additional market or securities exposure.

None of the Sub-Funds currently uses derivatives for investment purposes, but the ACD has the power to do so, subject to giving at least 60 days' notice to Shareholders.

If derivatives are used for investment purposes, the net asset value of the Sub-Funds may in consequence be highly volatile at times and the risk profile of the Sub-Funds may be increased.

Forward foreign exchange contracts may be used for hedging purposes. There can be no assurance that the objective sought to be attained from the use of these instruments will be achieved.

Investment Techniques and Instruments for Efficient Portfolio Management

The Company may engage in transactions in FDIs for efficient portfolio management purposes, including hedging, (including without limitation foreign exchange transactions which alter the currency characteristics of transferable securities and money market instruments held by the Sub-Fund).

The ACD will employ a risk management process which will enable it to monitor and measure the risks attached to FDI positions and details of this process will be provided to the FCA.

The prices of derivative instruments, including futures, options and swap prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts 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. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. 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, amongst other things, interest rate fluctuations. The use of these techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the price movements of the derivatives and price movements of related instruments, (3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by any of the Sub-Funds, (4) the possible absence of a liquid market for any particular instrument at any particular time; which may result in possible impediments to effective portfolio management or the ability to meet redemption. Each Sub-Fund may invest in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

Each Sub-Fund may from time to time utilise both exchange traded and over the counter credit derivatives, such as collateralised debt obligations or credit default swaps for hedging purposes and, if expressly permitted in the Appendix for a particular Sub-Fund, as part of that Sub-Fund's investment policy. These instruments may be volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of the funds actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited. Furthermore, when used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged. Transactions in over the counter derivatives, such as credit derivatives, may involve additional risk as there is no exchange market on which to close out an open position.

The aim of any derivative or forward used for the purposes of Efficient Portfolio Management (including hedging) is not to materially alter the risk profile of the Sub-Fund, rather their use is to assist the ACD in meeting the investment objectives of each Sub-Fund by:

- i. reducing risk and/or**
- ii. reducing cost, and/or**

- iii. **generating additional income or capital for each Sub-Fund with a risk level which is consistent with the risk profile of each Sub-Fund and the risk diversification rules laid down in FUND.**

The aim of reducing risks or costs will allow the ACD to enter into exposures on permissible assets or currencies using derivatives or forwards as an alternative to selling or purchasing underlying assets or currencies. These exposures may continue for as long as the ACD considers that the use of derivatives continues to meet the original aim.

The aim of generating additional income allows the ACD to write options on existing assets where it considers the transaction will result in the Sub-Fund deriving a benefit, even if the benefit obtained results in the surrendering the chance of greater benefit in the future.

The aim of generating additional capital allows the ACD to take advantage of any pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights relating to assets the same as, or equivalent to which the Sub-Fund holds or may hold.

Potential Conflicts of Interest

The ACD and the Investment Adviser and any of their respective directors, officers, employees, agents and affiliates and the directors or any officer or agent of the Company, and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company.

The ACD and the Investment Adviser (and their respective affiliates, employees and agents) may promote, manage, advise or otherwise be involved in other collective investment schemes with similar or overlapping investment policies to the Company and, in particular, there could arise conflicts of interest relating to the allocation of investments or realisation opportunities between any Sub-Fund and also between a Sub-Fund and such other collective investment schemes or other clients of the ACD or the Investment Adviser. In such circumstances the ACD and the Investment Advisers will allocate such opportunities equitably. The ACD and the Investment Adviser shall manage any conflicts of interest that arise on an equitable basis having regard to their contractual obligations to the Company, to the ACD (in the case of the Investment Adviser), and to other clients.

In addition, the ACD and the Investment Adviser may provide to other entities services similar to those provided to the Company and shall not be liable to account for any profit earned from such services.

Related Party Transactions

The ACD and the Investment Adviser, the Depositary, and the Custodian and/or their affiliates may have dealings in the assets of the Company provided that any such transactions are effected on normal commercial terms negotiated at arm's length and provided that each such transaction complies with any of the following:

- (i) A certified valuation of such transaction is provided by a person approved by the ACD as independent and competent;

- (ii) The transaction has been executed on best terms, on and under the rules of an organised investment exchange; or

Where neither i) or ii) is practical;

- (iii) Where the ACD is satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

Past Performance Information

Market conditions and trading approaches are continually changing and the fact that any adviser or investment manager happened to be successful in the past may largely be irrelevant to its prospects for future profitability. Past results are not necessarily indicative of future performance and no assurance can be given that profits will be achieved or that substantial losses will not be incurred.

Inadequate Return

There can be no assurance that the returns on the Company's investment will be commensurate with the risk of an investment therein. Investors should not commit money to the Company unless they have the resources to sustain the loss of their entire investment in the Company.

Liquidity

There is a risk with all securities that they may not be realisable in the event of sale. There is also the risk that the price at which they are realisable at is below the price that it is valued at. This could be due to a lack of liquidity in the relevant market or security.

Leverage

Leverage of the Company's assets is limited to the permanent borrowing referred to in section 9 (Borrowing powers and Leverage) of Appendix I (Investment and Borrowing Powers of the Company).

31. Fees and expenses

General

The Company may pay out of its property charges and expenses incurred by it, which will include the following expenses:

- i. the costs of authorising new Sub-Funds of the Company;
- ii. the costs in relation to the preparation, updates and amendments to and dissemination of literature (including the Instrument, Prospectus and KID/PRIIP) required or necessary for the purpose of complying with the Regulations or any other applicable law or regulation including where Funds are recognised outside the UK;
- iii. the total amount of any cost relating to the application for authorisation and incorporation of the Company and its initial offer or issue of shares;
- iv. the fees and expenses payable to the ACD, to the Investment Adviser and to the Depositary (as detailed in Section 32, 33 and 34 below); broker's commission, fiscal

charges (including stamp duty) and other disbursements which are necessarily incurred in effecting transactions for the Sub-Funds and normally shown in contract notes, confirmation notes and difference accounts as appropriate including interest on and charges incurred in borrowings (and other charges incurred in effect with borrowing arrangements);

- v. fees and expenses in respect of establishing and maintaining the Register of Shareholders and any sub-register of Shareholders. The fees for maintaining the Register for each Sub-Fund Shareholder be £17.50 per annum per holding;
- vi. any costs incurred in or about the listing of shares in that Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;
- vii. the fees and expenses of the Transfer Agent in relation to dealing in Shares of the Sub-Funds by new and existing Shareholders, currently £17.50 per transaction;
- viii. the fees and expenses associated with the administration of the Company, pricing of the Shares and valuation of the assets of the Shares. These fees are detailed below:

Size of Sub Fund	Fee
£0 - £250,000,000	0.10%
£250,000,001 - £500,000,000	0.07%
£500,000,001 - £750,000,000	0.04%
£750,000,001 and larger	0.01%

- ix. any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper;
- x. any costs incurred in producing and dispatching any payments made by the Company and any communications with investors including the annual and interim reports of the Company;
- xi. any fees, charges, expenses or disbursements of any representative, associate, agent, legal or other professional adviser of the Company or the ACD for the assistance to the ACD in the performance of its duties;
- xii. any costs incurred in taking out and maintaining any insurance policy in relation to the Company;
- xiii. any costs incurred in respect of meetings of Shareholders convened for any purpose including those convened on a requisition by Shareholders not including the ACD or an associate of the ACD;
- xiv. liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Sub-Funds in consideration for the issue of shares as more fully detailed in the FCA Regulations;
- xv. taxation and duties payable in respect of the property of the Sub-Funds or the issue or redemption of shares;

- xvi. the audit fees of the Auditor (including VAT) and any expenses of the Auditor;
- xvii. the fees of the FCA as detailed in the FEES sourcebook of the FCA Rules, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in that Company are or may be marketed;
- xviii. any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- xix. any payments otherwise due by virtue of the FCA Regulations; and
- xx. any value added or similar tax relating to any charge or expense set out herein.

Costs relating to EPM

Certain direct and indirect operational costs and/or fees may arise from time to time as a result of Efficient Portfolio Management techniques being used for the benefit of the Company and/or the Sub-Funds. These costs and/or fees are regarded as transaction costs and, therefore, would fall within (iv) above. Further details on the payment of costs and/or fees relating to Efficient Portfolio Management techniques will be set out in the Annual Report.

Allocation of charges and expenses

Expenses are allocated between capital and income in accordance with the FCA Regulations. The applicable policy for each Sub-Fund is set out in the Appendix of each Sub-Fund. Where expenses are deducted in the first instance from income, if and only if, this is insufficient, deductions will be made from capital.

If deductions were made from capital, this could have an adverse effect on a Sub-Fund's capital and constrain growth.

32. Charges payable to the ACD

The ACD will be entitled to a periodic charge, "the Annual Management Charge", which will accrue and be calculated daily and will be payable monthly in arrears in respect of each calendar month as soon as practicable after the month end. This will be 0.40% p.a. of each Sub-Fund's Net Asset Value.

The Annual Management Charge will be paid to the ACD.

In addition, Value Added Tax where appropriate, would be charged on the amount of the Annual Management Charge. Depositary Fees, Custody Fees (safe custody aspects only; fees associated with investment transactions will be deducted from the Sub-Fund property), Audit Fee, FCA Fees, Transfer Agent and Administrator's fees, costs of updating the Prospectus, costs of setting up the OEIC, costs of producing and dispatching distributions and reports and accounts, and the cost of the underlying investments will be paid out of each Sub-Fund (see section 31 above).

The ACD is entitled to reimbursement of all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, including stamp duty on transactions in shares.

The ACD may increase the current rate or amount of its remuneration payable out of the Scheme Property of the Company or the Preliminary charge on giving Shareholders, not less than 60 days prior notice before the increase. Also, the ACD is required to revise the Prospectus to reflect the introduction of the new rate and the date of its commencement.

Any increase or an introduction of a new category of remuneration by the ACD will be carried out in accordance with the FCA Regulations.

Further charges and fees are payable to the ACD and are set out in Section 18 of this Prospectus. In summary, these are:

- i. Preliminary charge
- ii. Switching fee
- iii. Redemption fee

33. Investment Adviser's fee and expenses

The Investment Adviser is entitled to an investment advisory fee which is paid out of the Scheme Property of the Sub-Funds. The investment advisory fee currently:

- £180,000 per annum; plus
- 0.02% on the combined scheme property for all funds that exceeds £100m

The above fees are calculated on the Net Asset Value of the fund on the close of the day before the start of the month and apportioned to the fund's pro rata to their Assets Under Management.

The fees will be subject to an annual review and increase by the higher of RPI or 5%.

The above Investment Adviser fees shall be capped at the equivalent of 0.15% per annum on the Net Asset Value of the Scheme Property.

The investment advisory fee is exclusive of VAT which shall, if applicable, be payable in addition.

34. Depositary's fee and expenses

The Depositary receives for its own account a periodic fee which will accrue daily and is payable and is due monthly on the last Business Day in each calendar month in respect of that day and the period since the last Business Day in the preceding month and is payable within seven days after the last Business Day in each month. The fee is calculated by reference to the value of the Sub-Fund on the last Business Day of the preceding month except for the first accrual which is calculated by reference to the first Valuation Point of the Sub-Fund.

The Depositary's periodic charge is currently calculated on the value of each of the Funds on the following basis:

0.02% per annum

It is calculated daily on the Net Asset Value of each Fund on the previous business day. The valuation used for each day which is not a business day will be the value calculated on the previous business day. In addition, Value Added Tax on the amount of the periodic charge will be paid out of each Fund.

The Depositary Agreement between the Company and the Depositary provides that the Depositary may also be paid by way of remuneration, out of the property of the Company, custody fees and other transaction and bank charges. At present the Depositary delegates the function of custody of the Scheme Property to the Custodian.

The remuneration for acting as custodian is calculated at such rate, rates and/or amounts as may be agreed from time to time. The current remuneration will range between 0.005% and 0.05% per annum of the value of the property of each Fund, plus VAT (if any) represented by the Net Asset Value of the Fund calculated on the last business day of each month. The valuation used for each day which is not a business day will be the value calculated on the previous business day. The current range of transaction charges is between £5 and £35 per transaction plus VAT (if any). Custody and transaction charges will be payable monthly out the property of each Fund in arrears.

In addition to the remuneration referred to above, the Depositary is entitled to receive reimbursement for expenses properly incurred by it in discharge of its duties or exercising any powers conferred upon it in relation to the Company and each Fund. Such expenses include, but are not restricted to:

- 34.1 charges and expenses payable to the Custodian or to any person (whether or not an associate of the Depositary) to whom any function of custody or control in relation to Scheme Property is delegated or whose services are retained to assist in the performance of any such function;
- 34.2 all charges imposed by, and any expenses of, any agents appointed by the Depositary to assist in the discharge of its duties;
- 34.3 all charges and expenses incurred in connection with the collection and distribution of income;
- 34.4 all charges and expenses incurred in relation to the preparation of the Depositary's annual report to Shareholders;
- 34.5 all charges and expenses incurred in relation to stock lending or other transactions;

34.6 fees and expenses payable to any professional advisors advising or assisting the Depositary.

VAT (if any) in connection with any of the above is payable in addition.

On a winding up of the Company, termination of a Fund or the redemption of all outstanding Shares of a Class the Depositary is entitled to its pro rata fees and expenses to the date of such winding up, termination or redemption and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

35. Exemption from Liability to Account for Profits

The ACD, Investment Advisers, Depositary and Custodian or any affected persons in accordance with the FCA Regulations are not liable to account to the Shareholders of any Sub-Fund for any profits or benefits they make or receive that are derived from or in connection with:

- i. dealings in the Shares of a Sub-Fund,
- ii. any transaction in Sub-Fund property, and/or
- iii. the supply of services to the Sub-Fund.

36. Allocation of fees and expenses between Sub-Funds and Share Classes

All the above fees, duties and charges will be charged to the Sub-Fund or Share Class in respect of which they were incurred. Where an expense is not considered to be attributable to any one Sub-Fund or Share Class, the expense will normally be allocated to all Sub-Funds or Share Classes *pro rata* to the Net Asset Value of the Sub-Funds or Share Classes, although the ACD has discretion, after consultation with the Depositary and Auditor, to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

37. Shareholder meetings and voting rights **Annual General Meetings ("AGM")**

In accordance with the OEIC Regulations the Company has elected to dispense with the holding of an annual general meeting. Shareholders have the right to request copies of the service contracts in place between the Company and its service providers.

Requisitions of Extraordinary General Meetings

The ACD or the Depositary may requisition an extraordinary general meeting at any time.

Shareholders may also requisition an extraordinary general meeting of the Company. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The ACD or the Depositary must, on receipt of the requisition, immediately convene an extraordinary general meeting no later than eight weeks after receipt of such requisition.

Notice and quorum

Shareholders will receive at least 14 days' notice of a Shareholders' meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is two Shareholders present in person or by proxy although this may be reduced to one if two Shareholders are not present after 15 minutes (which shall be deemed to be a reasonable time). Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

Voting rights

At a meeting of Shareholders, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote. On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each share are such proportion of the voting rights attached to all the shares in issue that the price of the share bears to the aggregate price(s) of all the shares in issue at the date seven days before the notice of meeting is deemed to have been served. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. For joint Shareholders only the vote of the first named in the register of Shareholders, being the most senior of the joint Shareholders, can be taken. Except where the FCA Regulations or the Instrument of Incorporation of the Company requires an extraordinary resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution will be passed by a simple majority of the votes validly cast for and against the resolution.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the FCA Rules) of the ACD is entitled to vote at any meeting of the Company except in respect of shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions. "Shareholders" in this context means Shareholders on the date seven days before the notice of the relevant meeting was deemed to have been served.

Meetings and Modifications

The convening and conduct of meetings of Shareholders and the voting rights of Shareholders at such meetings is governed by the FCA Regulations, as amended from time to time. The requirement for a meeting depends on the proposed change to the Company.

Any proposals to change a Fund's investment objective or investment policy will typically be treated by the ACD (with the agreement of the Depositary) as a "fundamental event" requiring prior approval of the majority of Shareholders in the Fund. However, Shareholders should be aware that the ACD may change a Fund's investment objective and/or its investment policy without first obtaining Shareholder consent to the extent necessary to satisfy any changes to the Regulations. In these circumstances, Shareholders shall be given as much notice as is practicable in the circumstances.

The requirement for a Shareholder meeting depends on the proposed change to the Company. Changes to the Company may fall within one of the following three categories:

- **Fundamental** events which change the purpose or nature of the Company or the basis on which the investor invested, for example material changes to an investment objective, its risk profile or something that would cause material prejudice to the

investors would require investor approval. Fundamental changes require prior approval at a meeting of Shareholders

- **Significant** events are those which would materially affect an investor's investment, affect a Shareholder's ability to exercise his rights in relation to this investment, result in material increased payments out of the Company, or could reasonably be expected to cause investors to reconsider their participation in the Company. Those should be notified pre-event to the investors and in sufficient time to enable them to leave the Company, if they wish, before the change takes effect. 60 days minimum notice is required for these changes.
- **Notifiable** events for which the ACD would decide when and how Shareholders should be notified, depending on the type of event. In these cases, notification could be before or after the event. This may take the form of the sending of an immediate notification to Shareholders or the information being included in the next long report of the Company.

38. Sub-Fund and Share Class meetings

The above provisions, unless the context otherwise requires, apply to meetings of Sub-Funds and Share Classes as they apply to general meetings of Shareholders.

39. Taxation

The following summary is based on current United Kingdom law and HMRC practice. It is intended to offer information on UK taxation of the Sub-Funds. However, it should not be regarded as definitive nor as removing the desirability of taking separate professional advice. Any investor or potential investors must consult their professional taxation adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future. Please note that the tax treatment of investors depends on their individual circumstances and may be subject to change in the future.

Each Sub-Fund is taxed as if it were a separate company. The tax issues relating to the Sub-Funds and the investors within them are treated separately in this Section.

Taxation of Sub-Funds

Tax on capital gains

As funds of an open-ended investment company, the Equity Sub-Funds are not subject to UK taxation on capital gains arising on the disposal of their investments. In the unlikely event that a Sub-Fund should be considered to be trading in securities for tax purposes, however, any gains made will be treated as income and taxed accordingly.

Tax on income

Each Equity Sub-Fund will be liable to corporation tax at a rate equal to the lower rate of income tax, currently 20%, on its income after relief for expenses (which include fees payable to the ACD and to the Depositary). Dividends and similar income distributions from UK resident and overseas companies should fall within an exemption from UK corporation tax subject to certain exclusions and specific anti-avoidance rules.

From 1 September 2009, the Company may elect for a Sub-Fund to become a "Tax Elected Fund" ("TEF"), subject to certain exclusions. The effect of such an election means that a fund will not pay tax on its investment income and the point of taxation on such income will shift to

the investors in the fund. The Company reserves the right to elect as a “TEF” in respect of any Sub-Fund.

Relief for foreign withholding taxes

To the extent that an Equity Sub-Fund receives income from, or realises gains on disposal of investments in, foreign countries it may be subject to foreign withholding tax or other taxation in those jurisdictions. To the extent it relates to income, this foreign tax may be able to be treated as an expense for UK corporation tax purposes, or it may be treated as a credit against the UK corporation tax charge (up to the amount of tax so chargeable in the year on each foreign source).

OECD Common Reporting Standard (CRS)

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

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

FATCA

The Foreign Account Tax Compliance Act (FATCA) is a piece of legislation introduced by the United States Government to help counter US tax evasion by encouraging more effective reporting of information.

In the United Kingdom, the principles of FATCA have been brought into local law. This means the ACD will need to provide information on US accounts to the local tax authority, HM Revenue and Customs (HMRC).

For further information on FATCA please refer to the International Tax Reporting section of this Prospectus which precedes the contents pages.

40. Taxation treatment – the Shareholders

The Shareholder – Equity Sub-Funds

Income distributions

An individual shareholder resident in the United Kingdom for tax purposes is liable to income tax on distributions made by the Company.

Dividends paid to individual shareholders resident in the United Kingdom for tax purposes will be paid gross and individual UK resident holders will have an annual tax free allowance to dividend income of £5,000 per annum. For dividend income received above £5,000, the current tiers and rates of tax (as at 6th April 2016 and subject to change) are as follows and will be based upon an individual’s level of income:

Basic Rate Taxpayers - 7.5% (basic rate)

Higher Rate Taxpayers - 32.5%

Additional Rate Taxpayers - 38.1%

Individuals should note that if the receipt of dividend income takes them from one band/tier of UK personal taxation to another, the tax due on the excess dividend income over the annual allowance will be at the rates applicable to the new band/tier.

Dividend distributions will be made gross to Shareholders who are not UK resident. Non-resident Shareholders who are individuals are not liable to UK income tax on the dividend distribution. Non-UK resident Shareholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their residence.

Non-resident trusts may be chargeable to UK income tax on distributions made by the Company and are recommended to seek professional advice.

Revenue on a sliding scale

Distributions to Shareholders within the charge to corporation tax are deemed to comprise two elements. Where an equity Sub-Fund's gross income is not wholly derived from franked investment income, part of any distribution will be deemed to be reclassified as an annual payment received by such Shareholders after deduction of income tax at the lower rate, currently 20% ("deemed tax deducted"). Such Shareholders will be subject to corporation tax on the grossed-up amount of the annual distributions but will be entitled to offset the deemed tax deductible against any corporation tax liability. Where there is no corporation tax liability repayment is restricted to the lower of the deemed tax and the Shareholder's share of the equity Sub-Fund's corporation tax liability (after double tax relief on overseas income) for the period; and the remainder, which comprises franked investment income after grossing up the net distribution for the 10% tax credit. Such franked investment income, as it is known, is exempt from UK corporation tax. Details of the proportions of distributions comprising franked investment income and annual payments will be shown on the tax voucher of the Sub-Fund concerned. These rules do not apply to life companies to the extent that income is preferable to pensions and ISA business, life reinsurance business and overseas life assurance business, where such income (net of the 10% credit) is taxed when it falls due.

Capital gains

Shareholders who are resident or ordinarily resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including redemption, of shares. Individuals and certain trusts compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of shares. Exempt Shareholders, which include UK charities, and UK approved pension funds would not normally be expected to be liable to capital gains tax on their disposal of shares. Shareholders within the charge to corporation tax are taxed on the capital gain made computed on the basis of the rules described above. Special rules apply to life assurance companies who beneficially own Shares:

- i. to the extent that such gains are preferable to basic life and general annuity business, the shareholding in each Sub-Fund is deemed to be realised at the end of the investors' corporation tax accounting period and immediately reacquired; however, capital gains and losses may be spread on a seven-year basis; or
- ii. to the extent that such gains are preferable to pensions and ISA business, life reinsurance business and overseas life assurance business, gains (or losses) are

taxed (or relieved) on the mark to market method (which entails holdings being valued at the end of each accounting period and unrealised gains being recognised/taxed and unrealised losses being recognised/relieved).

Inheritance tax

A gift by a Shareholder of his shareholding in a Sub-Fund or the death of a Shareholder may give rise to a liability to inheritance tax, even if the Shareholder is neither domiciled in the UK, nor deemed to be domiciled there under special rules relating to long residence or previous domicile in the UK. For these purposes, a transfer of a shareholding at less than the full market value may be treated as a gift.

The above statements are only intended as a general summary of UK tax law and practice as at the date of this Prospectus (which may change in the future) applicable to individual and corporate investors who are the absolute beneficial owners of a holding in the Company and their applicability will depend upon the particular circumstances of each investor. In particular, the summary may not apply to certain classes of investors (such as dealers in securities). Any investor who is in any doubt as to his UK tax position in relation to the Company should consult his UK professional adviser.

Investment returns may be affected by changes in the basis of taxation.

41. Income equalisation

Income equalisation, as explained below, may apply in relation to each Sub-Fund in the Company. Part of the purchase price of a share reflects the relevant share of accrued income received or to be received by a Sub-Fund. This capital sum is returned to a Shareholder with the first allocation of income in respect of a share issued during a distribution period. The amount of income equalisation is either the actual amount of income included in the issue price of that share or is calculated by dividing the aggregate of the amounts of income included in the price of shares issued or sold to Shareholders in an annual or interim distribution period by the number of those shares and applying the resultant average to each of the shares in question.

42. Winding up of the Company or a Sub-Fund of the Company

The Company shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or, if solvent, under the FCA Regulations. A Sub-Fund may only be wound up under the FCA Regulations. As the Company is an Umbrella Company, each Sub-Fund may be wound up as if it were a separate open-ended investment company. Any liabilities attributable or allocated to a particular Sub-Fund under the FUND Sourcebook shall be met out of the Scheme Property attributable to that Sub-Fund. Where the Company or a Sub-Fund is to be wound up under the FCA Regulations, such winding up 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) either that that Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under the FCA Regulations if there is a vacancy in the position of ACD at the relevant time.

The Company or a Sub-Fund may be wound up under the FCA Regulations if:

- i. an extraordinary resolution to that effect is passed by Shareholders; or

- ii. the period (if any) fixed for the duration of that Company or a particular Sub-Fund by the Instrument of Incorporation expires, or an event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Sub-Fund is to be wound up (for example, if in relation to any Sub-Fund the Net Asset Value of the Sub-Fund is less than £1,000,000); or
- iii. on the effective date stated in an agreement by the FCA in response to a request from the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the Sub-Fund;
- iv. On the occurrence of any of the above:
- v. the FCA Regulations relating to valuation and pricing and investment and borrowing powers will cease to apply to the Company or the Sub-Fund;
- vi. The Company will cease to issue and cancel Shares in the Company or the Sub-Fund and the ACD shall cease to buy or sell Shares or arrange for the Company to issue or cancel them for the Company or the Sub-Fund;
- vii. No transfer of a Share shall be registered and no other change to the register shall be made without the sanction of the ACD;
- viii. Where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- ix. The corporate status and powers of the Company and, subject to the provisions above, the powers of the ACD shall remain until the Company is dissolved.

The ACD shall, as soon as practicable after the Company or the Sub-Fund falls to be wound up, realise the assets and meet the liabilities of the Company or the Sub-Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds remaining (if any) to Shareholders proportionately to their rights to participate in the Scheme Property of the Company or the Sub-Fund. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the Sub-Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders (if any Scheme Property remains to be distributed) on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the Sub-Fund. As soon as reasonably practicable after completion of the winding up of the Company or the Sub-Fund, the ACD shall notify the FCA.

On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company, will be paid into court within one month of dissolution. Following the completion of the winding up of the Company, the ACD shall notify the Registrar of Companies and shall notify the FCA that it has done so. Following the completion of a winding up of either the Company or a Sub-Fund, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA, to each Shareholder and, in the case of the winding up of the Company, to the Registrar of Companies within two months of the termination of the winding up. Shareholder

43. General information

Accounting periods and Income Allocations

The ACD will, within four months after the end of each annual accounting period ending on 31 May and two months after the end of each half-yearly accounting period ending on 30 November respectively, publish report and accounts for each period, which will be available, free of charge, on the ACD's website at www.hostcapital.com. Copies of the reports will also be available, free of charge, upon direct request to the ACD.

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

Any distribution that remains unclaimed for a period of 6 years after the distribution became due for payment will be forfeited and shall revert to the Company.

The amount of income allocated to Growth Shares becomes part of the capital property. Allocation statements and tax vouchers will be sent to holders of Growth Shares.

The long reports of the Company shall (if relevant) contain details of:

- (a) the percentage of each Fund's assets that are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements that the ACD has made for managing a Fund's liquidity;
- (c) each Fund's current risk profile and the risk management systems employed by the ACD to manage those risks.

Documents of the Company

The following documents may be inspected free of charge, between 9.00am and 5.00pm on each Business Day at the offices of the ACD at 73 New Bond Street, London W1S 1RS:

- i. The most recent annual and interim reports of the Company;
- ii. The Instrument of Incorporation (and any amending instrument of incorporation); and
- iii. This Prospectus for the Company and Sub-Funds.

Copies may be obtained on request from the ACD at the above address. The ACD may make a charge at its discretion for copies of documents, except for copies of accounts and the Prospectus which can be obtained free of charge.

Complaints

If you have a complaint you should write to the ACD, at 73 New Bond Street, London W1S 1RS. If your complaint is not resolved by us to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service (website: www.financial-ombudsman.org.uk) at Exchange Tower, Harbour Exchange Square, London E14 9SR. We will inform you of your rights when answering your complaint. A summary of our internal process for dealing with complaints is available upon request. The Financial Services Compensation Scheme offers compensation when an authorised firm is unable to pay claims against it, usually because the firm has gone out of business. Host Capital Limited is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. Details of the Scheme are included in a leaflet that you can request from us. Further information is available from the Financial Conduct Authority and the Financial Services Compensation Scheme.

Telephone calls and electronic communications

Please note that the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies may record telephone calls for record keeping, security training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where we can identify the call coming from you. If you ask us to send you a recording of a particular call, we may ask for further information to help us identify the exact call to which your request relates.

Appropriateness

The ACD is not required to assess the suitability of the investment or service provided or offered and, as a result, the investors will not benefit from the protection of the FCA Rules on assessing suitability. Therefore, the ACD will not assess whether:

- i. the investment or service meets the investors' investment objectives;
- ii. the investor is able financially to bear the risk of any loss that the investment or service may cause; and
- iii. the investor has the necessary knowledge and experience to understand the risks involved.

Best Execution

When dealing in securities within the Sub-Funds, the ACD and/or Investment Adviser will endeavour to achieve the best result. The Investment Advisers will review the arrangements that they have in place with counterparties from time to time to assess their ability to provide "best execution" of such dealing on a consistent basis. A variety of factors will be considered to ensure that the best possible result is achieved. These include, but will not be limited to, price, cost, size of order, nature of order and speed and likelihood of execution and settlement. Where the ACD or Investment Adviser considers these are not met on a consistent basis they will cease placing orders with that counterparty. Details of the Investment Advisers' best execution arrangements are included in their trade execution policy which is available upon request from the ACD.

Use of Dealing Commission Arrangements

The level of equity securities trading on relevant Sub-Funds is determined by portfolio management decisions and the main impact on the relevant Sub-Funds from this trading is the buying and selling values of trades. It is the Investment Advisor's intention that buying and selling values of securities always meet current best execution regulations. Commissions are paid to brokers for these trades. The Company will not enter into any Dealing Commission arrangements.

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Funds, the Investment Adviser will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party. The Investment Adviser will return to each relevant Fund as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to that fund, and disclose in the annual report¹ the fees, commissions or any monetary benefits transferred to them.

The Investment Adviser may, however, accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the relevant Fund; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of each Fund.

Data Protection

The use of personal data is covered by the ACD's registration as a "data controller" under the General Data Protection Regulation 2016. Any personal data provided by the Shareholders is on a contractual basis and will be used to enable the ACD to provide the services as set out in this Prospectus.

Shareholder personal data will be stored and processed by computer systems within the UK so that the ACD can provide the services required. Such information may be passed on to third party service providers and other counterparties, such as Depositary, Auditors, Legal Advisors, used by the ACD in relation to provision of the services to the Company; where these third party providers and other counterparties may be outside of the EEA or international organisations, the ACD will ensure that all overseas transfers are subject to appropriate safeguards such as data encryption and applicable data protection laws or enforceable contracts.

Primarily the Shareholder personal data will be held by the ACD and the Transfer Agent and will be subject to data processing. The ACD and the Transfer Agent will keep the personal data for up to 7 years after the relevant Sub-Fund has ended, or up to 7 years after the earlier end of the relevant Sub-Fund's contractual relationship with the ACD, for regulatory and legal purposes.

Shareholder personal data may be disclosed to external parties such as the Sub-Fund's Sponsor, the Sub-Fund's authorised distributors or the ACD's group companies and affiliates as necessary for the provision of enhanced Shareholders' related services and (subject to the application of the local laws/and or regulations) be used outside the United Kingdom and may therefore be potentially subject to the scrutiny of regulatory and tax authorities outside the United Kingdom. A full list of the Sub-Fund's Sponsors, authorised distributors and the ACD's group companies and affiliates is available from the ACD on request.

Shareholders may contact the ACD in writing to Transfer Agent Services, Host Capital Limited, 73 New Bond Street, London W1S 1RS or by calling +44 (0) 207 290 9411 to correct their personal data or, obtain a copy of their personal data held by the ACD, object to the processing, request restriction of processing, exercise their right to data portability, request an erasure or request information pertaining to automated decision making. Shareholders should note that so the ACD can fulfil their contractual obligation, Shareholders' personal data cannot be deleted for up to 7 years after the relevant Sub-Fund has ended, or up to 7 years after the earlier end of the relevant Sub-Fund's contractual relationship with the ACD.

To assist in confirming a potential shareholder's identity, the ACD may make searches with credit reference agency, SmartCheck, giving required categories of shareholder's personal data (this is name, address, NI number), who will supply the ACD with credit information, as well as information from other sources such as the UK electoral register. Some of the data transfers to the credit reference agency will be overseas. The ACD has a regulatory obligation and a legitimate interest to conduct these searches. The ACD will retain any detail information where required only to the point necessary to make decision.

If you have a complaint you may write to the Head of Compliance, Host Capital Limited, 73 New Bond Street, London, W1S 1RS or call +44 (0) 207 290 9490. If we are unable to resolve your complaint pertaining to your data, you can lodge a complaint with the Information Commissioner here at www.ico.org.uk.

For further information on the ACD's arrangements relating to personal data protection, please refer to the Privacy Policy published on the ACD's website www.hostcapital.com.

Professional Liability Risks

As the Company is an 'Alternative Investment Fund' for the purposes of the AIFMD, the ACD is required to ensure that certain Professional Liability Risks are covered at all times, either through additional own funds and/or through appropriate coverage of professional indemnity insurance. The ACD satisfies its obligations to cover Professional Liability Risks in relation to the Company by: (a) holding professional indemnity insurance (in accordance with the Regulations) and maintaining an amount of own funds to meet the capital requirements under the AIFMD; and (b) complying with the qualitative requirements in the AIFMD that address professional liability risks.

Preferential treatment of investors

From time to time the ACD may afford preferential terms of investment to certain groups of investors. In assessing whether such terms are afforded to an investor, the ACD will ensure that any such concession is not inconsistent with its obligation to act in the overall best interests of the relevant Fund and its investors.

In particular, the ACD will typically exercise its discretion to waive the initial charge or investment minima for investment in a Share Class for investors that are investing sufficiently large amounts, either initially or are anticipated to do so over time, such as platform service providers, institutional investors including fund of fund investors and fund-link investors. The ACD may also have agreements in place with such groups of investors which result in them paying a reduced annual management charge.

Shareholder's rights

Shareholders are entitled to participate in the Company on the basis set out in this Prospectus (as amended from time to time). The paragraphs headed "Complaints", "Shareholder Meetings and Voting Rights", "Annual Reports" and "Documents of the Company" of this prospectus set out important rights about Shareholders' participation in the Company.

Shareholders may have no direct rights against the service providers to the Company set out in paragraphs 4 to 8 of this prospectus.

Shareholders may be able to take action if the contents of this document are inaccurate or incomplete.

Shareholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation. Shareholders who are concerned about their rights in respect of the Company (or any Sub-fund) should seek legal advice.

Information available to Shareholders

The following information will be made available to Shareholders as part of the Company's periodic reporting and, as a minimum, in the annual report:

- (a) the percentage of each Sub-fund's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees will apply to these assets;
- (b) the current risk profile of each Sub-fund, and information on the risk management systems used by the ACD to manage those risks;
- (c) the total amount of leverage employed by each Sub-fund calculated in accordance with the gross and commitment methods; and
- (d) any material changes to the information above.

Shareholders will be notified appropriately of any material changes to the liquidity management systems and procedures such as the suspension of redemptions, the deferral of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage which a Sub-fund may employ will be provided to Shareholders without undue delay.

APPENDIX 1

INVESTMENT POWERS AND RESTRICTIONS

Investment of the assets of each of the Sub-Funds of the Company must comply with the FCA Regulations and its own investment objective and policy. Details of the Sub-Funds' investment objectives and policies are set out in each Sub-Fund Appendix with other information, including available Share Classes, charges, minimum investment levels and distribution dates. The property of each Sub-Fund of the Company will be invested with the aim of achieving the investment objective of that Sub-Fund as contained in the relevant Sub-Fund Appendix.

Important note:

Please remember that the value of investments and the income from them can go down as well as up (this may partly be the result of exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not get back the full amount invested. Past performance is not necessarily a guide to the future and cannot provide a guarantee of the future returns of a Sub-Fund. Investment returns may be affected by changes in the basis of taxation.

The assets of each of the Sub-Funds of the Company will be invested with the aim of achieving the investment objectives of each Sub-Funds but subject to any limits set out in a Sub-Fund's investment policy and the investment and borrowing set out in Chapter 5 of the COLL Sourcebook applicable to Non-UCITS Retail Schemes which are summarised in this Appendix.

The scheme property of a Non-UCITS Retail Scheme must be invested to provide a prudent spread of risk. There are also strict limits on both the spread and concentration of investments held by the Company as outlined below.

1. The Scheme Property

The Scheme Property of the Sub-Funds can only consist of:

- (a) transferable securities;
- (b) permitted money market instruments;
- (c) units in permitted collective investment schemes;
- (d) permitted derivatives, warrants and forwards.
- (e) deposits held with an approved bank, cash or near cash;

The Scheme Property of the Company will not include an interest in any moveable or immoveable property or gold.

The ACD intends that the Sub-Funds will normally be fully invested, but Scheme Property may be held in the form of cash or near cash when the ACD reasonably regards this as necessary in order to enable the pursuit of the Sub-Fund's investment objectives, the redemption of units, efficient management of a Sub-Fund in accordance with its investment objectives or any other purpose which may reasonably be regarded as ancillary to the investment objectives of a Sub-Fund.

No Sub-Fund may invest in the Shares of another Sub-Fund of the Company.

2. Transferable Securities

Transferable Securities are:

- (a) shares in companies and other securities equivalent to shares in companies
- (b) debentures;
- (c) government and public securities;
- (d) warrants; and
- (e) certificates representing certain securities,

Transferable securities held by the Company must be either:

- (i) approved securities, that is, admitted to or dealt on an eligible market where there are accurate, reliable and regular prices which are either market prices or prices available by valuation systems independent from issuers. Approved securities admitted to or dealt on an eligible market must remain so until disposed of by the Company. If not admitted to, or dealt in on an eligible market, where there is a valuation on a periodic basis derived from information from the issuer of the transferable securities, or from a competent investment research. Up to 20% in value of the Scheme Property may consist of transferable securities which are not approved securities. If a market ceases to be an eligible market, investments on that market cease to be approved securities and must then be included in the calculation of the 20% restriction on investing in non approved securities; or
- (ii) be recently issued transferable securities, provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and admission secured within a year of issue.

An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party (which does not include the issuing body corporate or any members or debenture holders of it).

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

3. Money Market Instruments

A Sub-Fund may invest in money market instruments provided that they are approved money market instruments. An approved money market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

A money-market instrument is regarded as normally dealt in on the money market if it:

- a) has a maturity at issuance of up to and including 397 days;
- b) has a residual maturity of up to and including 397 days;
- c) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
- d) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in (a) or (b) or is subject to yield adjustments as set out in (c).

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

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

- (a) enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
- (b) based either on market data or on valuation models including systems based on amortised costs.

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

Except as set out below, approved money-market instruments held by the Company must be admitted to or dealt in an eligible market.

Not more than 20% in value of the scheme property is to consist of money-market instruments, which are not:

- a) listed on or normally dealt on an eligible market; or
- b) liquid and whose value can accurately be determined at any time, provided the money market instrument is:
 - i) issued or guaranteed by a central, regional or local authority, a central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EEA States belong; or
 - ii) issued by a body, any securities of which are dealt on an eligible market; or
 - iii) issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by European Union law or by an establishment which is subject to and complies with prudential rules

considered by the FCA to be at least as stringent as those laid down by Community law.

Eligible Markets

The markets upon which transferable securities and money market instruments are traded must meet certain criteria laid down in the FCA Rules.

Eligible markets are markets which the ACD, after consultation with and notification of the Depositary, has decided are appropriate for the purpose of investment or, or dealing in the scheme property with regard to the relevant criteria set out in the FCA Rules and the guidance on eligible markets issued by the FCA (as amended from time to time).

Eligible markets include any market established in a member of state of the European Economic Area ('member state') on which transferable securities and money market instruments admitted to official list in the member state are dealt in, or traded.

In the case of all other markets, in order to qualify as an eligible market, the ACD, after consultation with the Depositary, must be satisfied that the relevant market:

- i. is regulated;
- ii. operates regularly;
- iii. is recognised;
- iv. is open to the public;
- v. is adequately liquid; and
- vi. has adequate arrangements for unimpeded transmission of income and capital to, or to the order, of investors.

See Appendix 2 for details of the Eligible Markets of the Company.

4. Spread: Corporates and other Collective Investment Schemes

The specific limits are set out in the following paragraphs (for the limits on Government and Public Securities see Section 0 below).

- (a) Not more than 20% of the Scheme Property can be deposits held with a single body. This limit includes amounts held in cash (except cash representing distributable income or credited to a distribution account);
- (b) A Sub-Fund can invest up to 10% of the Scheme Property in transferable securities, or money market instruments issued by any single body. This limit rises to 25% in value of the Scheme Property in respect of covered bonds. For these purposes, certificates representing certain securities are treated as equivalent to the underlying security;
- (c) Not more than 20% of the Scheme Property can consist of transferable securities and money market instruments issued by the same group.

- (d) A Sub-Fund's exposure to OTC derivatives must not exceed 10% of the Scheme Property. The exposure may be offset to the extent that the Sub-Fund holds collateral which meets the conditions set out in COLL.
- (e) A Sub-Fund's holdings in any combination of transferable securities, money market instruments, deposits or OTC derivatives issued by a single body must not exceed 20% of the Scheme Property overall (after accounting for approved collateral held by the Company to offset the exposure to OTC derivatives);
- (f) Up to 100% of the Scheme Property can be invested in other collective investment schemes provided that any such scheme is itself a Non-UCITS Retail Scheme, a UCITS Scheme, a recognised scheme, or an overseas scheme with investment restrictions at least equivalent to a Non-UCITS Retail Scheme. A Sub-Fund can invest in another scheme not meeting these conditions up to 20% (including any non-approved transferable securities) in value of the Scheme Property.

Schemes in this paragraph must operate on the principle of prudent spread of risk and must themselves be prohibited from having more than 15% in value of their property consisting of units in collective investment schemes. Investors must be entitled to redeem units in any such scheme at a redemption price that relates to the net asset value of the scheme in accordance with the scheme. Where such scheme is an umbrella scheme, these limits apply to each Sub-Fund as if it were a separate scheme.

A Sub-Fund may invest in the units of schemes meeting the conditions in this paragraph which are operated by the ACD or for which the ACD acts as authorised corporate director, or the authorised fund manager subject to the requirements of COLL.

- (g) Up to 35% in value of the Scheme Property can consist of units in any one collective investment scheme.
- (h) Where Scheme Property consists of warrants, the exposure created by the exercise of the right conferred by those warrants must not cause the Company to exceed the limits set out above.
- (i) A Sub-Fund must not invest in nil and partly paid securities unless it is reasonably foreseeable that the amount of the uncalled sum could be paid by the Sub-Fund at the time the sum is called and without breaching any rule in COLL.

5. Spread: Government and Public Securities

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

A Sub-Fund is permitted to invest more than 35% of the Scheme Property in the securities of any one body provided that the ACD and Depositary agree that the investment would be appropriate and:

- (a) no more than 30% is invested in any one issue;
- (b) the investment consists of at least six different issues.

The Governments and bodies in which a Sub-Fund is permitted to invest, over 35% of the Scheme Property in these circumstances are the Government of the United Kingdom or any other EEA State.

6. Derivatives

The Company's Instrument of Incorporation permits the use of derivatives. However, it is not currently intended that derivatives will be used for any purpose other than for hedging or the Efficient Portfolio Management of the Sub-Fund.

The use of derivatives for investment purposes may be applied, in the future, provided the Manager obtains and maintains the requisite permissions from the FCA under the Financial Services and Markets Act 2000 and gives not less than 60 days' notice to Shareholders in the Sub-Funds. If derivatives are used for the purpose of meeting the investment objective of the Sub-Fund it is not intended that the use of derivatives would significantly raise the risk profile.

If derivatives are used for investment purposes, the net asset value of the Sub-Funds may in consequence be highly volatile at times and the risk profile of the Sub-Funds may be increased.

A Sub-Fund may make transactions in approved derivatives (which include futures, options, contracts for differences (CFDs) and forwards), but will only do so for the purpose of hedging the Sub-Fund's investments in order to manage the risk profile of the Scheme Property, reduce costs and generate additional capital or income.

The transactions must be in line with the Sub-Fund's investment objectives and be sufficiently covered by the Scheme Property to the extent permitted by COLL.

Transactions in approved derivatives must be made on or under the rules of an eligible derivatives market. Eligible derivatives markets are regulated markets which the ACD, after consultation and notification with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the Scheme Property with regard to the relevant criteria set out in COLL and the Guidance on eligible markets issued by FCA as amended from time to time.

The eligible derivatives markets for the Company are set out in Appendix 2.

The underlying of a transaction in a derivative must consist of any one or more of the permitted investments for a Non-UCITS Retail Scheme (as listed in Section 1 of this Appendix and;

- (a) financial indices;
- (b) interest rates;
- (c) foreign exchange rates; and
- (d) currencies.

Derivatives of financial indices will be permitted if they satisfy the following criteria:

- (i) the index is sufficiently diversified;

- (ii) the index represents an adequate benchmark for the market to which it refers;
and
- (iii) the index is published in an appropriate manner.

The ACD will have regard to the FCA guidance in COLL in determining whether these criteria are met. Exposure of the Scheme Property to the underlying asset of a derivative must not cause the Sub-Fund to exceed the limits for investment in such assets as set out in this Appendix and COLL.

The addition of new eligible derivatives markets for a Sub-Fund requires the approval by resolution of Shareholders unless the ACD and the Depositary have agreed in writing that the addition is of minimal significance to the investment strategy of the Sub-Fund concerned, or the ACD has, not less than 60 days before the change, given notice in writing as set out above in the case of additional eligible securities markets.

Each derivative transaction must be fully covered by Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Sub-Fund is committed. Exposure includes the principal or notional principal created by the transaction taking into account the value of the underlying assets, any reasonably foreseeable market movements, counterparty risk and the time available to liquidate any positions. A Sub-Fund may not enter into a derivative position which would result in the Sub-Fund's global exposure exceeding the net value of its Scheme Property.

Generally scheme property is not available for cover if it is the subject of a stocklending transaction, unless the ACD has taken reasonable care to determine that such Scheme Property is redelivered in time to meet the obligation for which cover is required.

In the case of off exchange (OTC) derivatives, which may only be futures, options or CFDs, the transaction in an OTC derivative must be:

1. with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is:
 - a. an eligible institution or an approved bank; or
 - b. a person whose permission (including any requirements or limitations), as published in the FCA Register, or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
2. on approved terms. The terms of the transaction in derivatives are approved only if the ACD:
 - a. carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
 - b. can enter into one or more further transactions to sell, liquidate or close out that transactions at any time, at its fair value;
3. capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

- a. on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - b. if the value referred to in (a) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
4. subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
- a. an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
 - b. a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

For the purposes of paragraph (2) (a) above, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Depositary must take reasonable care to ensure that the ACD has systems and controls that are adequate to ensure compliance with paragraphs (1) to (4) above.

7. Efficient Portfolio Management (EPM)

A Sub-Fund may invest in derivatives for the purposes of hedging or EPM which means that the transactions must satisfy the following broad requirements:

- (a) A transaction must be reasonably believed by the ACD to be economically appropriate to the efficient portfolio management of the Sub-Fund in that they are realised in a cost effective way. This means that for transactions undertaken to reduce risk or cost (or both), the transaction alone or in combination will diminish a risk or cost of a kind or level which it is sensible to reduce and, for a transaction undertaken to generate additional capital or income, the Sub-Fund is likely (barring events which are not reasonably foreseeable) to derive a benefit from the transaction.
- (b) EPM may not include speculative transactions.
- (c) The purpose of an EPM transaction for a Sub-Fund must be to achieve one of the following in respect of the Sub-Fund:
 - (i) Reduction of risk. This allows for the use of the technique of cross- currency hedging in order to switch all or part of the scheme property away from a currency the ACD considers unduly prone to risk, to another currency. This aim also permits the use of tactical asset allocation (please see (ii))
 - (ii) Reduction of cost. The aims of reduction of risk or cost, together or separately, allow the ACD on a temporary basis to use the technique of tactical asset allocation. Tactical asset allocation permits the ACD to undertake a switch in

exposure by the use of derivatives rather than through sale and purchase of the scheme property.

- (iii) The generation of additional capital or income for a Sub-Fund with a risk level which is consistent with the risk profile of the Sub-Fund concerned and the rules in COLL.

The generation of additional capital or income may arise out of taking advantage of price imperfections or from the receipt of a premium for writing of covered call or covered put options (even if the benefit is obtained at the expense of the chance of yet greater benefit) or pursuant to stocklending as permitted by COLL.

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

The ACD has adopted a risk management process that takes account of the investment objectives and policies of the Sub-Funds which enables the ACD to monitor and measure as frequently as appropriate the risk of a Sub-Fund's positions and their contribution to the overall risk profile of the Sub-Fund.

The ACD will notify the requisite details of the risk management process to the FCA and will notify the FCA in advance of any material alteration to it.

8. Stock lending

A Sub-Fund may enter into a stock lending arrangement in accordance with COLL if it reasonably appears to the ACD to be appropriate to do so with a view to generating additional income for the Sub-Fund with an acceptable degree of risk. Briefly, such transactions are those where the Sub-Fund or the Depositary delivers securities which are the subject of the transaction in return for which it is agreed that securities of the same kind and amount should be redelivered to the Sub-Fund or the Depositary at a later date. The Sub-Fund or the Depositary at the time of delivery receives collateral to cover against the risk of the future redelivery not being completed. There is no limit on the value of the property of the Company which may be the subject of stocklending transactions.

Such transactions must always comply with the requirements of the Taxation of Chargeable Gains Act 1992. The transactions must also comply with the requirements of COLL and the Guidance on Stocklending issued by FCA as amended from time to time. Underwriting and sub-underwriting contracts and placings may also, subject to certain conditions set out in COLL, be entered into for the account of the Company.

9. Borrowing Powers and Leverage

The ACD may, on the instructions of the Company and subject to the FUND Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Company on terms that the borrowing is to be repayable out of the Scheme Property. Borrowing must be such that the ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of each Sub-Fund. These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

The ACD will not employ Leverage in respect of its management of the Company save where it undertakes certain derivatives and forward transactions for the limited purposes described in this Appendix III and subject at all times to the requirements and restrictions set out in the Regulations insofar as they relate to Non-UCITS Retail Schemes. Therefore, the Company will not be regarded as a type of fund using Leverage on a substantial basis (as described in the AIFM Directive).

APPENDIX 2

Eligible Markets

The following is a list of the markets which the ACD and/or Investment Adviser, in consultation with the Depositary, has deemed to be eligible securities and eligible derivatives markets, as defined in the FCA Regulations, for the Company (in addition to those eligible markets referred to in COLL 5.2.10R(1)(a) and (b) of the FCA Regulations). From time to time, an eligible market may be deemed temporarily ineligible by the ACD with the agreement of the Depositary, for example because the economic or political situation in the market has become unstable. This status will continue until the position regarding the market becomes clear, and the ACD and Depositary agree either that it should resume being an eligible market or that it should be removed from the list below.

Member States of the EEA

All regulated markets and all other market established in any EEA member state (which as at the date of this Prospectus includes the UK, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden) which is regulated, operates regularly and is open to the public are eligible securities markets and/or eligible derivatives markets.

Other Eligible Securities Markets

Australia

Australian Securities Exchange

Brazil

BM&F Bovespa SA

Canada

The Toronto Stock Exchange

The Montreal Stock Exchange

TSX Venture Exchange

Chile

Santiago Stock Exchange (Bolsa de Comercio de Santiago)

China

The Shanghai Stock Exchange

The Shenzhen Stock Exchange

Dubai

Dubai Financial Market

Hong Kong

The Hong Kong Stock Exchange

India

Bombay Stock Exchange

National Stock Exchange of India

Indonesia

Indonesia Stock Exchange (IDX)

Japan

The Tokyo Stock Exchange

The Osaka Securities Exchange

The Nagoya Stock Exchange

JASDAQ

Korea

The Korea Stock Exchange

Malaysia

The Kuala Lumpur Stock Exchange

Mexico

Bolsa Mexicana de Valores

New Zealand

The New Zealand Exchange Limited

Peru

Bolsa de Valores de Lima

Philippines

The Philippine Stock Exchange

Singapore

SGX – Singapore Exchange

South Africa

The Johannesburg Stock Exchange

Switzerland

SIX - Swiss Exchange

Taiwan

Taiwan Stock Exchange

Thailand

The Securities Exchange of Thailand

Turkey

The Istanbul Stock Exchange

United States

New York Stock Exchange (NYSE)

NASDAQ

NYSE MKT

Chicago Stock Exchange

NASDAQ OMX PHLX

NYSE Arca

NASDAQ OMX BX

National Stock Exchange

Other Eligible Derivatives Markets**Australia**

Sydney Futures Exchange

Canada

Toronto Futures Exchange

The Montreal Exchange

Hong Kong

Hong Kong Futures Exchange

Japan

Osaka Securities Exchange

Tokyo Stock Exchange

Tokyo Financial Exchange

New Zealand

New Zealand Futures and Options Exchange (NZFOX)

Singapore

SGX - Singapore Exchange

South Africa

The South African Futures Exchange

Switzerland

Swiss Options and Financial Futures Exchange

United States

NYSE MKT

NASDAQ OMX PHLX

Chicago Board of Trade

Chicago Mercantile Exchange

Chicago Board Options Exchange

New York Stock Exchange

New York Futures Exchange

New York Mercantile Exchange

APPENDIX 3

Directory

The Company's Head Office

73 New Bond Street
London W1S 1RS

ACD

Host Capital Limited
73 New Bond Street
London W1S 1RS

Investment Adviser

Altium Investment Management Limited
Scotland Farmhouse Clay Bank,
Hook Norton,
Banbury OX15 5PA

Administrator

Apex Fund Services (UK) Ltd
6th Floor, 140 London Wall
London EC2Y 5DN

Transfer Agent

WAY Fund Managers Limited trading as
Investor Administration Solutions Limited
Cedar House 3 Cedar Park
Cobham Road, Wimborne
Dorset BH21 9HQ

Registrar

Host Capital Limited
73 New Bond Street
London W1S 1RS

Depository

CACEIS Bank, UK Branch
Broadwalk House,
5 Appold Street
London

Custodian

CACEIS Bank, UK Branch
Broadwalk House,
5 Appold Street
London

Auditor

Grant Thornton UK LLP
30 Finsbury Square

London EC2A 1AG

APPENDIX 4

HC Verbatim Multi-Index Sub-Funds

This Appendix contains specific information in relation to the various Sub-Funds (each referred to herein as the "Sub-Fund" or "Fund") of the Company.

HC Verbatim Multi-Index Portfolio 3 Fund

Investment Objective:	The Fund will use a broadly defensive investment strategy with the aim of achieving capital growth over the medium to longer term.
Investment Policy:	<p>The Fund's portfolio will gain exposure to the underlying assets via a diversified range of passive open ended funds, exchange traded funds and real-estate investment trusts. The underlying asset mix is generally fixed interest but exposure to UK and global equities may be included.</p> <p>The underlying asset mix of the Fund will follow an asset allocation model, provided by an external risk rating agency, such that, on a risk scale between 1 and 10, where 1 is defined as likely to be "lowest risk" and 10 is defined as likely to be "highest risk", the Fund's risk level is expected to be at level 3¹ meaning low risk.</p> <p>The allocation of the Fund's assets between eligible asset classes will be managed by the Investment Adviser to achieve the investment objective of the Fund, whilst remaining at its pre-determined risk level.</p> <p>The Fund is able to invest in transferable securities (including exchange traded notes), bonds, collective investment schemes, warrants, money market instruments, cash, deposits (including certificates of deposit) and derivative instruments.</p> <p>Through its investments, the portfolio will be exposed to a diversified range of asset classes, underlying currencies, geographic spread and may hold funds managed by a variety of fund management groups.</p> <p>It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management.</p> <p>The Company permits the use of derivatives for investment purposes (in addition for Efficient Portfolio Management) by the Fund. However, this policy is not currently applied and may not be applied without giving</p>

	<p>the required 60 days' notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.</p> <p>¹Because of the investment restrictions applicable to the Fund, in terms of the requirement to remain within the pre-determined risk level, the investment performance of the Fund may be constrained.</p>
No benchmark explanation:	The Fund is managed with the aim to maintain within its risk band rather than to deliver a target return. There is no constraining benchmark or suitable comparator available. Investors can assess the Fund's performance by comparison of its total return over the medium to longer term to the Fund's Investment Objective.
Launch date:	22 October 2010
Type of fund:	Non-UCITS Retail Scheme
FCA PRN:	635682
Share Classes available:	<p>Shares issued by the Company for this Fund are Income Shares and Growth Shares. Holders of net Growth Shares do not receive payment of income. Any income arising in respect of a Growth Share is automatically accumulated and added to the assets of the Fund and is reflected in the price of each Growth Share.</p> <p>The minimum initial lump sum investment for A Shares is £10,000; the minimum additional lump sum investment is £1,000. A minimum investment of £2,500 must be maintained. Class A Shares are, at present, the only share class in issue.</p> <p>There is no maximum investment level.</p> <p>Class A Shares are available for issue at the price calculated by reference to the next Valuation Point (12 Noon) after the order is received by the ACD. (See Section 12 of the Prospectus.)</p> <p>The base currency is Pounds Sterling.</p>
Accounting period ends:	31 May
Interim accounting period ends:	30 November
Income allocated:	31 July, 31 January

Allocation of Charges and Expenses:	Income
The Annual Management Charge and other fund expenses:	<p>The Annual Management Charge payable to the ACD and other Fund expenses are described in Sections 31 to 34 of the Prospectus.</p> <p>The periodic charges of the Depositary and custody fees are described in Section 34 of the Prospectus.</p> <p>Other periodic charges of the ACD are described in Section 32 of the Prospectus.</p> <p>Further charges and fees are payable to the ACD and are set out in Section 18 of this Prospectus.</p>
Initial charge:	A preliminary charge for buying Shares may be payable to the ACD. There is, at present, no preliminary charge.
Switching charge:	0% (see Section 18 for further details)
Redemption charge:	0% (see Section 18 for further details)
The profile of a typical investor:	<p>The Fund is aimed at investors who seek a low volatility exposure to a broadly diversified investment portfolio whose underlying investments are spread between asset classes including UK and international equities, fixed income and real-estate. Though with a majority of fixed income assets.</p> <p>There is a trade off between risk and return and this Fund is suitable for investors whose appetite to risk is at the lower risk end of the trade off. Nevertheless, there is no guarantee that a positive investment return will be experienced and investors should be willing to accept some risk to the value of their investment.</p> <p>Investors and potential investors should note that neither the description of the typical investor profile as set out above nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of shares in any of the Funds. Neither the Company, nor the ACD makes any statement or representation in relation to the suitability, appropriateness or otherwise any transaction in shares in any of the Funds.</p>

HC Verbatim Multi-Index Portfolio 4 Fund

Investment Objective:	<p>The Fund will use a broadly cautious managed investment strategy with the aim of achieving capital growth over the medium to longer term.</p>
Investment Policy:	<p>The Fund's portfolio will gain exposure to the underlying assets via a diversified range of passive open ended funds, exchange traded funds and real-estate investment trusts. The underlying asset mix of the Fund is up to 60% fixed interest and the Fund will also have exposure to UK and global equities, property and other investments. It has little exposure to small companies and emerging markets equities.</p> <p>The underlying asset mix of the Fund will follow an asset allocation model, provided by an external risk rating agency, such that, on a risk scale between 1 and 10, where 1 is defined as likely to be "lowest risk" and 10 is defined as likely to be "highest risk", the Fund's risk level is expected to be at level 4¹ meaning lowest medium risk.</p> <p>The allocation of the Fund's assets between eligible asset classes will be managed by the Investment Adviser to achieve the investment objective of the Fund, whilst remaining at its pre-determined risk level.</p> <p>The Fund is able to invest in transferable securities (including exchange traded notes), bonds, collective investment schemes, warrants, money market instruments, cash, deposits (including certificates of deposit) and derivative instruments.</p> <p>Through its investments, the portfolio will be exposed to a diversified range of asset classes, underlying currencies, geographic spread and may hold funds managed by a variety of fund management groups.</p> <p>It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management.</p> <p>The Company permits the use of derivatives for investment purposes (in addition for Efficient Portfolio Management) by the Fund. However, this policy is not currently applied and may not be applied without giving the required 60 days' notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.</p>

	¹ Because of the investment restrictions applicable to the Fund, in terms of the requirement to remain within the pre-determined risk level, the investment performance of the Fund may be constrained.
No benchmark explanation:	The Fund is managed with the aim to maintain within its risk band rather than to deliver a target return. There is no constraining benchmark or suitable comparator available. Investors can assess the Fund's performance by comparison of its total return over the medium to longer term to the Fund's Investment Objective.
Launch date:	22 October 2010
Type of fund:	Non-UCITS Retail Scheme
FCA PRN:	635683
Share Classes available:	<p>Shares issued by the Company for this Fund are Growth Shares. Holders of net Growth Shares do not receive payment of income. Any income arising in respect of a Growth Share is automatically accumulated and added to the assets of the Fund and is reflected in the price of each Growth Share.</p> <p>The minimum initial lump sum investment for A Shares is £10,000; the minimum additional lump sum investment is £1,000. A minimum investment of £2,500 must be maintained. Class A Shares are, at present, the only share class in issue.</p> <p>There is no maximum investment level.</p> <p>Class A Shares are available for issue at the price calculated by reference to the next Valuation Point (12 Noon) after the order is received by the ACD. (See Section 12 of the Prospectus.)</p> <p>The base currency is Pounds Sterling.</p>
Accounting period ends:	31 May
Interim accounting period ends:	30 November
Income allocated:	31 July, 31 January
Allocation of Charges and Expenses:	Income
The Annual Management Charge and other fund expenses:	<p>The Annual Management Charge payable to the ACD and other Fund expenses are described in Sections 31 to 34 of the Prospectus.</p> <p>The periodic charges of the Depositary and custody fees are described in Section 34 of the Prospectus.</p>

	<p>Other periodic charges of the ACD are described in Section 32 of the Prospectus.</p> <p>Further charges and fees are payable to the ACD and are set out in Section 18 of this Prospectus.</p>
Initial charge:	A preliminary charge for buying Shares may be payable to the ACD. There is, at present, no initial charge.
Switching charge:	0% (see Section 18 for more detail)
Redemption charge:	0% (see Section 18 for more detail)
The profile of a typical investor:	<p>The Fund is aimed at investors who seek a relatively low level of exposure to volatility with a view to maximising their investment returns, for the level of risk taken, over the longer term. This exposure will be to a broadly diversified investment portfolio whose underlying investments are spread between asset classes including UK and international equities, fixed income and real-estate.</p> <p>There is a trade off between risk and return and this Fund is suitable for investors whose appetite to risk is such that they are willing to take a relatively low level of risk in pursuit of their investment return objectives. These investors will not be at the very lowest risk levels and will be aware that they need to take some risk to achieve real returns in the long run. Nevertheless, there is no guarantee that a positive investment return will be experienced and investors should be willing to accept some risk to the value of their investment.</p> <p>Investors and potential investors should note that neither the description of the typical investor profile as set out above nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of shares in any of the Funds. Neither the Company, the nor the ACD makes any statement or representation in relation to the suitability, appropriateness or otherwise any transaction in shares in any of the Funds.</p>

HC Verbatim Multi-Index Portfolio 5 Fund

Investment Objective:	The Fund will use a broadly cautious balanced strategy with the aim of achieving capital growth over the medium to longer term.
Investment Policy:	<p>The Fund's portfolio will gain exposure to the underlying assets via a diversified range of passive open ended funds, exchange traded funds and real-estate investment trusts. The underlying asset mix will generally be made up of equities of which greater exposure will be given to UK and developed Western markets with additional limited exposure given to Japanese, Asia Pacific and emerging markets. There will also be limited exposure to fixed interest securities (up to 40%) and other investments such as investment trusts may also be included in the portfolio.</p> <p>The underlying asset mix of the Fund will follow an asset allocation model, provided by an external risk rating agency, such that, on a risk scale between 1 and 10, where 1 is defined as likely to be "lowest risk" and 10 is defined as likely to be "highest risk", the Fund's risk level is expected to be at level 5¹ meaning low medium risk.</p> <p>The allocation of the Fund's assets between eligible asset classes will be managed by the Investment Adviser to achieve the investment objective of the Fund, whilst remaining at its pre-determined risk level.</p> <p>The Fund is able to invest in transferable securities (including exchange traded notes), bonds, collective investment schemes, warrants, money market instruments, cash, deposits (including certificates of deposit) and derivative instruments.</p> <p>Through its investments, the portfolio will be exposed to a diversified range of asset classes, underlying currencies, geographic spread and may hold funds managed by a variety of fund management groups.</p> <p>It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management.</p> <p>The Company permits the use of derivatives for investment purposes (in addition for Efficient Portfolio Management) by the Fund. However, this policy is not currently applied and may not be applied without giving the required 60 days' notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would significantly raise the risk profile but this cannot be guaranteed and the risk</p>

	<p>profile may increase as a result of a change in the investment policy for derivatives.</p> <p>¹Because of the investment restrictions applicable to the Fund, in terms of the requirement to remain within the pre-determined risk level, the investment performance of the Fund may be constrained.</p>
No benchmark explanation:	The Fund is managed with the aim to maintain within its risk band rather than to deliver a target return. There is no constraining benchmark or suitable comparator available. Investors can assess the Fund's performance by comparison of its total return over the medium to longer term to the Fund's Investment Objective.
Launch date:	22 October 2010
Type of fund:	Non-UCITS Retail Scheme
FCA PRN:	635684
Share Classes available:	<p>Shares issued by the Company for this Fund are Growth Shares. Holders of net Growth Shares do not receive payment of income. Any income arising in respect of a Growth share is automatically accumulated and added to the assets of the Fund and is reflected in the price of each Growth Share.</p> <p>The minimum initial lump sum investment for A Shares is £10,000; the minimum additional lump sum investment is £1,000. A minimum investment of £2,500 must be maintained. Class A Shares are, at present, the only share class in issue.</p> <p>There is no maximum investment level.</p> <p>Class A Shares are available for issue at the price calculated by reference to the next Valuation Point (12 Noon) after the order is received by the ACD. (See Section 12 of the Prospectus.)</p> <p>The base currency is Pounds Sterling.</p>
Accounting period ends:	31 May
Interim accounting period ends:	30 November
Income allocated:	31 July, 31 January
Allocation of Charges and Expenses:	Income
The Annual Management Charge and other fund expenses:	The Annual Management Charge payable to the ACD and other Fund expenses are described in Sections 31 to 34 of the Prospectus.

	<p>The periodic charges of the Depositary and custody fees are described in Section 34 of the Prospectus.</p> <p>Other periodic charges of the ACD are described in Section 32 of the Prospectus.</p> <p>Further charges and fees are payable to the ACD and are set out in Section 18 of this Prospectus.</p>
Initial charge:	A preliminary charge for buying Shares may be payable to the ACD. There is, at present, no initial charge.
Switching charge:	0% (see Section 18 for more detail)
Redemption charge:	0% (see Section 18 for more detail)
The profile of a typical investor:	<p>The Fund is aimed at investors who seek a relatively higher investment return over the longer term but are happy to expose themselves to moderate levels of volatility. The exposure will be gained by investment into a broadly diversified investment portfolio whose underlying investments are spread between asset classes including UK and international equities, fixed income and real-estate.</p> <p>There is a trade off between risk and return and this Fund is suitable for investors whose appetite to risk is moderate. Nevertheless, there is no guarantee that a positive investment return will be experienced and investors should be willing to accept some risk to the value of their investment.</p> <p>Investors and potential investors should note that neither the description of the typical investor profile as set out above nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of shares in any of the Funds. Neither the Company, the nor the ACD makes any statement or representation in relation to the suitability, appropriateness or otherwise any transaction in shares in any of the Funds.</p>

HC Verbatim Multi-Index Portfolio 6 Fund

Investment Objective:	The Fund will use a broadly balanced investment strategy with the aim of achieving capital growth over the medium to longer term.
Investment Policy:	<p>The Fund's portfolio will gain exposure to the underlying assets via a diversified range of passive open ended funds, exchange traded funds and real-estate investment trusts. The underlying asset mix will primarily be made up of equities of which greater exposure will be given to UK and developed Western markets with additional limited exposure given to Japanese, Asia Pacific and emerging markets. There will also be limited exposure to fixed interest securities (up to 30%) and other investments such as investment trusts may also be included in the portfolio.</p> <p>The underlying asset mix of the Fund will follow an asset allocation model, provided by an external risk rating agency, such that, on a risk scale between 1 and 10, where 1 is defined as likely to be "lowest risk" and 10 is defined as likely to be "highest risk", the Fund's risk level is expected to be at level 6¹ meaning high medium risk.</p> <p>The allocation of the Fund's assets between eligible asset classes will be managed by the Investment Adviser to achieve the investment objective of the Fund, whilst remaining at its pre-determined risk level.</p> <p>The Fund is able to invest in transferable securities (including exchange traded notes), bonds, collective investment schemes, warrants, money market instruments, cash, deposits (including certificates of deposit) and derivative instruments.</p> <p>Through its investments, the portfolio will be exposed to a diversified range of asset classes, underlying currencies, geographic spread and may hold funds managed by a variety of fund management groups.</p> <p>It is the ACD's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management.</p> <p>The Company permits the use of derivatives for investment purposes (in addition for Efficient Portfolio Management) by the Fund. However, this policy is not currently applied and may not be applied without giving the required 60 days' notice to Shareholders. If derivatives are used for the purpose of meeting the investment objective of the Fund it is not intended that the use of derivatives would significantly raise the risk</p>

	<p>profile but this cannot be guaranteed and the risk profile may increase as a result of a change in the investment policy for derivatives.</p> <p>¹Because of the investment restrictions applicable to the Fund, in terms of the requirement to remain within the pre-determined risk level, the investment performance of the Fund may be constrained.</p>
No benchmark explanation:	The Fund is managed with the aim to maintain within its risk band rather than to deliver a target return. There is no constraining benchmark or suitable comparator available. Investors can assess the Fund's performance by comparison of its total return over the medium to longer term to the Fund's Investment Objective.
Launch date:	22 October 2010
Type of fund:	Non-UCITS Retail Scheme
FCA PRN:	635685
Share Classes available:	<p>Shares issued by the Company for this Fund are Growth Shares. Holders of net Growth Shares do not receive payment of income. Any income arising in respect of a Growth Share is automatically accumulated and added to the assets of the Fund and is reflected in the price of each Growth Share.</p> <p>The minimum initial lump sum investment for A Shares is £10,000; the minimum additional lump sum investment is £1,000. A minimum investment of £2,500 must be maintained. Class A Shares are, at present, the only share class in issue.</p> <p>There is no maximum investment level.</p> <p>Class A Shares are available for issue at the price calculated by reference to the next Valuation Point (12 Noon) after the order is received by the ACD. (See Section 12 of the Prospectus.)</p> <p>The base currency is Pounds Sterling.</p>
Accounting period ends:	31 May
Interim accounting period ends:	30 November
Income allocated:	31 July, 31 January
Allocation of Charges and Expenses:	Income
The Annual Management Charge	The Annual Management Charge payable to the ACD and other Fund expenses are described in Sections 31 to 34 of the Prospectus.

<p>and other fund expenses:</p>	<p>The periodic charges of the Depositary and custody fees are described in Section 34 of the Prospectus.</p> <p>Other periodic charges of the ACD are described in Section 32 of the Prospectus.</p> <p>Further charges and fees are payable to the ACD and are set out in Section 18 of this Prospectus.</p>
<p>Initial charge:</p>	<p>A preliminary charge for buying Shares may be payable to the ACD. There is, at present, no preliminary charge.</p>
<p>Switching charge:</p>	<p>0% (see Section 18 for more detail)</p>
<p>Redemption charge:</p>	<p>0% (see Section 18 for more detail)</p>
<p>The profile of a typical investor:</p>	<p>The Fund is aimed at investors who seek a relatively high volatility exposure to a broadly diversified investment portfolio whose underlying investments are spread between asset classes including UK and international equities (including small companies and emerging markets), fixed income and real-estate. Their goal should be a superior long-term investment return for the potentially higher level of investment risk inherent in this Fund.</p> <p>There is a trade off between risk and return and this Fund is suitable for investors whose appetite to risk is at the upper risk end of the trade off. Nevertheless, there is no guarantee that a positive investment return will be experienced and investors should be willing to accept some risk to the value of their investment.</p> <p>The composition of the portfolio of this Fund means that the asset value of this Sub-Fund may be highly volatile at times.</p> <p>Investors and potential investors should note that neither the description of the typical investor profile as set out above nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of shares in any of the Funds. Neither the Company, the nor the ACD makes any statement or representation in relation to the suitability, appropriateness or otherwise any transaction in shares in any of the Funds.</p>
<p>Additional note:</p>	<p>Investors should consider the disclosures under the section 'Typical investor profile' above relating to the risks of high volatility.</p>

APPENDIX 5

Funds under management

This Appendix contains a list of authorised investment companies with variable capital or authorised unit trusts also managed by Host Capital Limited:

Authorised investment companies with variable capital

HC FCM Salamanca Global Property Fund 1

Host Capital Sequel Investment Funds ICVC II

Host Capital Investment Funds ICVC III

Host Capital UK Student Accommodation Fund

HC Kleinwort Hambros Income Funds Umbrella

HC Kleinwort Hambros Multi Asset Funds Umbrella

HC Kleinwort Hambros Growth Fund

HC Charteris UCITS ICVC

HC Charteris ICVC

HC Verbatim Funds

Host Capital Investment Funds ICVC V

Authorised Unit Trusts

Host Capital UK Student Accommodation Feeder Trust

APPENDIX 6

HC Verbatim Multi-Index Sub Funds Historical performance figures

The table below shows the total return of each share class over 12 monthly periods and in total, since each share class inception. This performance information assumes reinvestment of any distributed income and is net of tax and charges but does not include the effect of any preliminary charge that may be paid on the purchase of an investment.

Share Class	Total Return in %						Inception Date	Inception to 31/03/2019
	Year to 31/03/2015	Year to 31/03/2016	Year to 31/03/2017	Year to 31/03/2018	Year to 31/03/2019			
HC Verbatim Multi-Index Portfolio 3 A	9.92	-0.65	11.24	0.64	3.67	22/10/2010	45.30	
HC Verbatim Multi-Index Portfolio 4 A	11.75	-1.72	16.16	0.31	4.80	22/10/2010	54.46	
HC Verbatim Multi-Index Portfolio 5 A	11.85	-2.36	19.88	0.59	4.97	22/10/2010	65.73	
HC Verbatim Multi-Index Portfolio 6 A	12.38	-3.71	24.39	1.02	4.73	22/10/2010	60.73	

(Source: Morningstar, 31.03.2019)

Important: Past performance is not an indication of future performance.