Prospectus

LF Canada Life Investments Fund II

(An open-ended investment company incorporated with limited liability and registered in England and Wales under registered number IC000980)

(A non-UCITS Retail Scheme)

VCN: 4130

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

Link Fund Solutions Limited, the authorised corporate director of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. Link Fund Solutions Limited accepts responsibility accordingly.

This document constitutes the Prospectus for LF Canada Life Investments Fund II which has been prepared in accordance with the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND).

This Prospectus is dated, and is valid as at, 19 April 2021.

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

Contents

Important Information

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

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

The Shares have not been and will not be registered in the United States of America under any applicable legislation. They may not be offered or sold in the United States of America, any state of the United States of America or in its territories and possessions or offered or sold to US persons. The Company and the ACD have not been and will not be registered in the United States of America under any applicable legislation.

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.

The provisions of the Instrument of Incorporation are binding on each of the Shareholders and a copy of the Instrument of Incorporation is available on request from Link Fund Solutions Limited.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Link Fund Solutions Limited.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

This Prospectus is based on information, law and practice at the date hereof. The Company and ACD cannot be bound by an out of date prospectus when a new version has been issued and investors should check with Link Fund Solutions Limited that this is the most recently published prospectus.

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

1. Definitions

"ACD" Link Fund Solutions Limited, the authorised corporate director of the Company.

"ACD Agreement" An agreement between the Company and the ACD.

"AIFM" The legal person appointed on behalf of the Company and which (through this appointment) is responsible for managing the Company in accordance with the AIFM Directive and The Alternative Investment Fund Managers Regulations 2013, which at the date of this Prospectus is the ACD.

"AIFM Directive" Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and Council of 8 June 2011 as amended from time to time.

"Approved Bank" (in relation to a bank account opened by the Company):

(a) if the account is opened at a branch in the United Kingdom:

(i) the Bank of England; or

(ii) the central bank of a member state of the OECD; or

(iii) a bank; or

(iv) a building society; or

(v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or

(b) if the account is opened elsewhere:

(i) a bank in (a); or

(ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or

(iii) a bank which is regulated in the Isle of Man or the Channel Islands; or

(c) a bank supervised by the South African Reserve Bank.

"Associate" any other person whose business or domestic relationship with the ACD or the ACD's associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.

"Auditor" Ernst & Young LLP, or such other entity as is appointed to act as auditor to the Company from time to time.

"AUT" Authorised Unit Trust.

"Business Day" a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of a Sub-fund's portfolio of securities or a significant portion thereof, the ACD may decide that any business day shall not be construed as such.

"China A-Shares" the shares of the mainland China-incorporated companies which are accepted for listing and admitted to trading on the stock exchanges of mainland China from time to time.

"ChinaClear" the China Securities Depository and Clearing Corporation Limited.

"ChiNext Board" the CHiNext market operated by SZSE.

"Class" or "Classes" in relation to Shares, means (according to the context) all of the Shares related to a single Sub-fund or a particular class or classes of Share related to a single Sub-fund.

"COLL" refers to the appropriate chapter or rule in the COLL Sourcebook.

"the COLL Sourcebook" the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time.

"Company" LF Canada Life Investments Fund II.

"Conversion" the exchange of Shares in one Class for Shares of another Class in the same Sub-fund and the act of so exchanging and "Convert" shall be construed accordingly.

"Dealing Day" Monday to Friday where these days are Business Days.

"Depositary" The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Depositary.

"Director" or "Directors" the directors of the Company from time to time (including the ACD).

"EEA State" a member state of the European Union and any other state which is within the European Economic Area.

"Efficient Portfolio Management" or "EPM" for the purposes of this prospectus, techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

(a) they are economically appropriate in that they are realised in a cost effective way;

(b) they are entered into for one or more of the following specific aims:

(i) reduction of risk;

(ii) reduction of cost;

(iii) 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 and the risk diversification rules laid down in COLL as more fully described in Appendix III.

"Eligible Institution" one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook.

"the FCA" the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time.

"HKSCC" the Hong Kong Securities Clearing Company Limited.

"HKex" the Hong Kong Exchanges and Clearing Limited.

"the FCA Handbook" the FCA Handbook of Rules and Guidance, as amended from time to time.

"the Financial Services Register" the public record, as required by section 347 of the Financial Services and Markets Act 2000 (The public record) of every:

(a) authorised person;

(b) AUT;

(c) ICVC;

(d) ACS;

(e) recognised scheme;

(f) recognised investment exchange;

(g) individual to whom a prohibition order relates;

(h) approved person; and

(i) person within such other class (if any) as the FCA may determine; except as provided by any transitional provisions.

"Fund Accountant" The Bank of New York Mellon (International) Limited, or such other entity as is appointed to provide fund accounting services.

"FUND" refers to the appropriate chapter or rule in the FUND Sourcebook.

"the FUND Sourcebook" the Investment Funds Sourcebook issued by the FCA as amended from time to time.

"Home State"

(1) (in relation to a credit institution) the EEA State in which the credit institution has been authorised in accordance with the Banking Consolidation Directive.

(2) (in relation to an investment firm):

(a) where the investment firm is a natural person, the EEA State in which its head office is situated;

(b) where the investment firm is a legal person, the EEA State in which its registered office is situated or, if under its national law it has no registered office, the EEA State in which its head office is situated.

(3) (in relation to an insurer with an EEA right) the EEA State in which the registered office of the insurer is situated.

(4) (in relation to a market) the EEA State in which the registered office of the body which provides trading facilities is situated or, if under its national law it has no registered office, the EEA State in which that body's head office is situated.

(5) (in relation to a Treaty firm) the EEA State in which its head office is situated, in accordance with paragraph 1 of Schedule 4 to the Financial Services and Markets Act 2000 (Treaty rights).

"ICVC" Investment Company with Variable Capital.

"Main Board" the Main Board of the Shenzhen Stock Exchange.

"Instrument of Incorporation" the instrument of incorporation of the Company as amended from time to time.

"IOSCO" the International Organisation of Securities Commissions.

"Net Asset Value" or "NAV" the value of the Scheme Property of the Company or of any Sub-fund (as the context may require) less the liabilities of the Company (or of the Sub-fund concerned) as calculated in accordance with the Instrument of Incorporation.

"Non-UCITS retail scheme" or "NURS" a scheme which is not constituted in accordance with the UCITS Directive (a European Directive relating to undertaking for collective investment in transferable securities which has been adopted in the UK) but is available to retail investors.

"NURS Key Investor Information document" the Company publishes a NURS Key Investor Information document (a "**NURS KII**") for each Share Class of each Sub-fund which contains the information to help investors understand the nature and the risks of investing in the Sub-fund. A NURS KII must be provided to investors prior to subscribing for Shares so they can make an informed decision about whether to invest.

"OEIC Regulations" the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time.

"OTC" Over-the-counter derivative: a derivative transaction which is not traded on an investment exchange.

"Portfolio Manager" Canada Life Asset Management Limited, the portfolio manager to the ACD in respect of the Company.

"PRC/China" the People's Republic of China.

"Register" the register of Shareholders of the Company.

"Registrar" Link Fund Administrators Limited, or such other entity as is appointed to act as Registrar to the Company from time to time.

"Regulated Activities Order" the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).

"Regulations" the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook and the FUND Sourcebook).

"RMB/Renminbi" the lawful currency of the PRC.

"Scheme Property" the Scheme Property of the Company or a Sub-fund (as appropriate) required under the COLL Sourcebook and the FUND Sourcebook to be given for safekeeping to the Depositary.

"SEHK" the Stock Exchange of Hong Kong.

"Share" or "Shares" a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share).

"Shareholder" a holder of registered Shares in the Company.

"SME Board" the Small and Medium Enterprise Board of the Shenzhen Stock Exchange.

"SSE Securities" the China A-Shares listed in the Shanghai Stock Exchange.

"Stock Connect" the Shanghai-Hong Kong Stock Connect Programme and the Shenzhen-Hong Kong Stock Connect Programme.

"Sub-fund" or "Sub-funds" a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund.

"Switch" the exchange of Shares of one Class in a Sub-fund for Shares in a Class of a different Sub-fund and the act of so exchanging and "Switching" shall be construed accordingly.

"SZSE Securities" the China A-Shares listed in the Shenzhen Stock Exchange.

"The International Tax Compliance Regulations" The International Tax Compliance Regulations – means SI 878/2015 implementing obligations arising under the following agreements and arrangements: European Union Council Directive 2011/16/EU (sometimes known as "the DAC"); the Multilateral Competent Authority Agreement on the Automatic exchange of Financial Account Information signed by the government of the UK on 29th October 2014 in relation to agreements with various jurisdictions to improve international tax compliance based on the standard for automatic exchange of financial account information developed by the Organisation for Economic Co-Operation and Development (sometimes known as "the CRS"); and the agreement reached between the government of the UK and the government of the USA to improve tax compliance (sometimes known as "the FATCA Agreement").

"US" or "United States" the United States of America (including the States and the District of Colombia) and any of its territories, possessions and other areas subject to its jurisdiction.

"US Persons" a person who falls within the definition of "US Person" as defined in rule 902 of regulation S of the United States Securities Act 1933 and shall include additionally any person that is not a "Non-United States Person" within the meaning of United States Commodity Futures Trading Commission Regulation 4.7.

"Valuation Point" the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company 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 or redeemed. The current Valuation Point is set out in Appendix I for each Sub-fund. The regular valuation point may be changed on reasonable notice being given to Shareholders.

"VAT" Value Added Tax.

2. Details of the Company

2.1 General Information

2.1.1 LF Canada Life Investments Fund II (the Company) is an investment company with variable capital incorporated in England and Wales under registered number IC000980 and authorised by the FCA with effect from 21 November 2013. Please note that approval by the FCA in this context does not in any way indicate or suggest endorsement or approval of the Company as an investment. The FCA's Product Reference Number ("PRN") for the Company is 601444. The product reference number of each Sub-fund is set out in Appendix I. The Company has an unlimited duration.

2.1.2 Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after they have paid the price on purchase of the Shares.

2.1.3 The ACD is also the manager of certain AUTs and open-ended investment companies details of which are set out in Appendix IV.

2.2 Head Office

The head office of the Company is at 6th Floor, 65 Gresham Street, London EC2V 7NQ.

2.3 Address for Service

2.3.1 The head office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

2.4 Base Currency

2.4.1 The base currency of the Company and each Sub-fund is pounds sterling.

2.5 Share Capital

Maximum £100,000,000,000

Minimum £1

Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Sub-funds.

Shares in the Company may be marketed in other EEA States and in countries outside the European Economic Area, subject to the Regulations, and any regulatory constraints in those countries, if the ACD so decides.

Each of the Sub-funds of the Company is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of a Sub-fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion refuse to accept applications for, or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to a Sub-fund(s). For these purposes, the ACD may consider an investor's trading history in the Sub-fund(s) or other Link Fund Solutions Limited funds and accounts under common ownership or control.

2.6 The Structure of the Company

2.6.1 The Sub-funds

The Company is structured as an umbrella company, in that different Sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Sub-fund or Class, a revised prospectus will be prepared setting out the relevant details of each Sub-fund or Class.

The Company is a non-UCITS retail scheme for the purposes of the Regulations.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-fund. Details of the Sub-funds, including their investment objectives and policies, are set out in Appendix I.

Each Sub-fund will generally invest in "approved securities", which are transferable securities which are admitted to, or dealt in on, an eligible market as defined for the purposes of the COLL Sourcebook. The eligible securities markets (in addition to those established in EEA member states) and eligible derivatives markets for the Sub-funds are as set out in Appendix II. A detailed statement of the general investment and borrowing restrictions in respect of each type of Sub-fund is set out in Appendix III.

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

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

Please also see paragraph 5.6 below "Liabilities of the Company and the Sub-funds".

2.6.1.1 Classes of Share within the Sub-funds

Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination Shares to each larger denomination Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

Shares have no par value and, within each 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.

The details of the Shares presently available for each Sub-fund, including details of their criteria for subscription and fee structure, are set out in Appendix I. Further Classes of Share may be established from time to time by the ACD with the agreement of the Depositary and in accordance with the Instrument of Incorporation and the Regulations. On the introduction of any new Sub-fund or Class, either a revised prospectus or a supplemental prospectus will be prepared, setting out the details of each Sub-fund or Class.

The currency in which each new Class of Shares will be denominated will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Shares.

The net proceeds from subscriptions to a Sub-fund will be invested in the specific pool of assets constituting that Sub-fund. The Company will maintain for each current Sub-fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-fund.

To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-funds in a manner which is fair to all Shareholders of the Company.

A Regular Savings Plan is available on certain Classes of Share on certain Sub-funds. Details of current Classes of Shares and Sub-funds which are available are set out in Appendix I.

The Instrument of Incorporation allows income and accumulation Shares to be issued.

Holders of income Shares are entitled to be paid the distributable income attributed to such Shares on any relevant interim and annual allocation dates.

Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Sub-fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

Where a Sub-fund has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Sub-fund will be adjusted accordingly.

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-fund for Shares of another Class within the same Sub-fund or for Shares of the same or another Class within a different Sub-fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 3.4 “Switching and Conversion”.

3. Buying, Redeeming and Switching Shares

The dealing office of the ACD is normally open from 8.30 a.m. to 5.30 p.m. (London time) on each Business Day to receive postal requests for the purchase, sale and switching of Shares. The ACD may vary these times at its discretion. Requests to deal in Shares may also be made by telephone on each Business Day (at the ACD’s discretion) between 8.30 a.m. and 5.30 p.m. (London time) directly to the office of the ACD (telephone: 0345 606 6180 or such other number as published from time to time). The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

In addition, the ACD may from time to time make arrangements to allow Shares to be bought or sold on-line or through other communication media. The ACD will accept instructions to effect a transfer or renunciation of title to Shares on the basis of an authority communicated by electronic means and sent by the investor or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

(a) prior agreement between the ACD and the person making the communication as to:

(i) the electronic media by which such communications may be delivered; and

(ii) how such communications will be identified as conveying the necessary authority; and

(b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the investor.

Telephone calls will be recorded. The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

In its dealings in Shares of the Sub-funds the ACD is dealing as principal. The ACD deals in Shares as principal in order to facilitate the efficient management of the Company. Any profits made where the ACD's capital is not at risk will be returned to the Company. The ACD is not accountable to Shareholders for any profit it makes from dealing in Shares as principal where its own capital is at risk.

3.1 Money Laundering

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to enter into any transaction to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing or is unable to provide the information requested (i) in the event that the investor or the investor's duly authorised agent instructs a sale of those shares the ACD may refuse to pay the proceeds of sale until satisfactory proof of identity has been provided or (ii) the ACD may sell the Shares purchased and at the ACD's sole discretion return the proceeds to the account from which the subscription was made or withhold the proceeds of sale until satisfactory evidence of identity has been provided. These proceeds may be less than the original investment.

3.2 Buying Shares

3.2.1 Procedure

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. For details of dealing charges see paragraph 3.5 below. Application forms may be obtained from the ACD.

The initial purchase (including setting up a Regular Savings Plan) must, at the discretion of the ACD, be accompanied by an application form.

Any subsequent application to purchase shares must confirm that the investor has received, read and understood the Key Investor Information Document for the share class of the Sub-fund to be invested in. (Note: this does not apply to subsequent purchases to a Regular Savings Plan, unless re-commencing regular savings).

Due to the nature of the Sub-funds and the policy of each Sub-fund to invest in other collective investment schemes it is necessary to impose a cut-off for instructions to purchase Shares. Valid applications to purchase Shares received before the Valuation Point on a Business Day will be executed at the Share price, based on the Net Asset Value per Share, at the Valuation Point on that Business Day except where dealing in the Sub-fund has been suspended as set out in paragraph 3.10.

Valid applications to purchase shares received after the Valuation Point on a Business Day will be executed at the Share Price based on the Net Asset Value per Share, at the Valuation Point on the following Business Day except where dealing in the Sub-fund has been suspended as set out in paragraph 3.10.

The ACD at its discretion, has the right to request, and be in receipt of cleared funds before processing an application or other instruction to purchase Shares.

Settlement is due by no later than the third Business Day following the Valuation Point. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. Investors will not receive title to Shares until cleared funds have been received from the investor and received by the Sub-Fund.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is overdue (being more than four Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. The ACD is not obliged to issue Shares unless it has received cleared funds from an investor.

The ACD reserves the right to charge interest at 4% above the prevailing Bank of England base rate, on the value of any settlement received later than the third Business Day following the Valuation Point. No interest will be paid on funds held prior to investment. Shares that have not been paid for cannot be redeemed.

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made are, except in the case where cancellation rights apply, irrevocable. An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application.

Settlement should be made by electronic bank transfer to the bank account detailed on the application form. Alternatively, for amounts less than £50,000 a cheque, which should accompany the application form, can be sent for the full amount, made payable to “Link Fund Solutions Limited”, to: LFS, PO Box 389, Unit 1, Roundhouse Road, Darlington DL1 9UF.

However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the investor, 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 investor.

Any subscription monies remaining after a whole number of Shares have been issued will not be returned to the investor. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one thousandth of a larger denomination Share.

Investors 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 investor (except for those investors who subscribe through the Regular Savings Plan) 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 cancel their first subscription only; if a regular saver decides to cancel their contract within 14 days after the date on which they receive the cancellation notice then they will receive back the full amount of their initial subscription. The ACD may extend cancellation rights to other investors but is under no obligation to do so.

3.2.2 Documents the Buyer will Receive

A confirmation giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Registration of Shares can only be completed by the ACD upon receipt of any required registration details. These details may be supplied in writing to the ACD or by returning to the ACD the properly completed registration form and copy of the confirmation.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Tax vouchers in respect of periodic distributions on Shares will show the number of Shares held by the recipient.

3.2.3 Regular Savings Plan

The ACD may make available certain Classes of Shares of any Sub-fund through the Regular Savings Plan (details of current Classes of Shares and Sub-funds which are available are shown in Appendix I). Further information on how to invest through the Regular Savings Plan is available from the ACD.

3.2.4 Minimum Subscriptions and Holdings

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Share in a Sub-fund are set out in Appendix I.

The ACD may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption, Switch or transfer, a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has the discretion to effect a redemption of that Shareholder's entire holding in that Class of Share. The ACD may use this discretion at any time. Failure not to do so immediately after such redemption, Switch or transfer does not remove this right.

3.3 Redeeming Shares

3.3.1 Procedure

Every Shareholder is entitled on any Dealing Day to redeem their Shares, which shall be purchased by the ACD dealing as principal.

Due to the nature of the Sub-funds and the policy of each Sub-fund to invest in other collective investment schemes it is necessary to impose a cut-off for instructions to redeem Shares. Valid applications to redeem Shares received before the Valuation Point on a Business Day will be executed at the Share price, based on the Net Asset Value per Share, at the Valuation Point on that Business Day except where dealing in the Sub-fund has been suspended as set out in paragraph 3.10. Valid applications to redeem shares received after the Valuation Point on a Business Day will be executed at the Share Price based on the Net Asset Value per Share, at the Valuation Point on the following Business Day except where dealing in the Sub-fund has been suspended as set out in paragraph 3.10.

A redemption instruction in respect of Shares in writing or by telephone or any other communication media made available is a legally binding contract. However, an instruction to the ACD to redeem Shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if documentation or anti-money laundering information which the ACD considers is sufficient for the ACD to meet and discharge its obligations under the regulatory system has not been received by the ACD.

For details of dealing charges see paragraph 3.5 below.

3.3.2 Documents a Redeeming Shareholder will Receive

A confirmation giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will normally be made by cheque to the first named Shareholder (at their risk), or, at the ACD's discretion, via electronic means in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within three Business Days of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other documentation and appropriate evidence of title, any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

No interest will be paid on redemption proceeds held whilst the ACD awaits receipt of all relevant documentation necessary to complete a redemption. Shares that have not been paid for cannot be redeemed.

The ACD shall not be liable for any costs or losses whatsoever in the event that documentation provided is not sufficient to enable the ACD to discharge all applicable obligations under the regulatory system including, but not limited to, The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

3.3.3 Minimum Redemption

The ACD reserves the right to refuse a redemption request if the remaining value of the Shares of any Sub-fund held is less than the minimum holding stated in respect of the appropriate Class in the Sub-fund in question (see Appendix I).

3.4 Switching and Conversion

Subject to any restrictions on the eligibility of investors in relation to a particular Share Class, a Shareholder in a Sub-fund may at any time Convert or Switch all or some of their Shares ("Original Shares") for Shares in a different Class or Sub-fund ("New Shares").

A Conversion is an exchange of Shares in one Class for Shares of another Class in the same Sub-fund.

A Switch is an exchange of Shares of one Class for Shares in a Class of another Sub-fund.

Conversions and Switches will be effected by the ACD recording the change of Class (and, in the case of Switches the change of Sub-fund) on the Register of the Company at the next Valuation Point following receipt of instructions by the ACD.

The number of New Shares issued to a Shareholder following a Conversion or a Switch will be determined by reference to the price of the Original Shares relative to the price of the New Shares at the relevant Valuation Point.

If a Shareholder wishes to Convert or Switch Shares they should contact the ACD for further information. Instructions may be given by telephone but Shareholders are required to provide written instructions to the ACD (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) before the Switch or Conversion is effected.

The ACD may at its discretion make a charge on the Switching of Shares (but does not currently do so). Any such charge on Switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Shares originally held and any initial charge on the Shares into which the Shareholder has Switched. For details of the charges on Switching currently payable, please see the "Charges on Switching and Conversion" paragraph below. There is no charge payable on a Conversion.

If a partial Conversion or Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, exchange the whole of the Shareholder's holding of Original Shares to New Shares (and make a charge for this) or refuse to effect any Conversion or Switch of the Original Shares.

Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Conversion or a Switch. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Sub-funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Requests to Switch or Convert received after a Valuation Point will be held over until the next day which is a Dealing Day for the relevant Sub-fund or Sub-funds.

The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on Switching together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

On completion of a Switch or a Conversion, subsequent instructions to sell or buy further Shares may be limited, restricted or denied where the ACD's identity evidence requirements have not been complied with. In such circumstance, the ACD shall not be liable for any costs or losses whatsoever.

Please note that under UK tax law a Switch of Shares is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to taxation, be a realisation of the Original Shares for UK tax purposes. It may give rise to a liability to tax, depending upon the Shareholder's circumstances. Conversions will not generally be treated as a disposal for capital gains tax purposes.

A Shareholder who Switches Shares in one Sub-fund for Shares in any other Sub-fund or who Converts between Classes of Shares will not be given a right by law to withdraw from or cancel the transaction.

3.5 Dealing Charges

The price per Share at which Shares are bought, redeemed or switched is the Net Asset Value per Share. Any initial charge or redemption charge, (or dilution levy on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

3.5.1 Initial Charge

The ACD may impose a charge on the purchase of Shares in each Class. The current initial charge is calculated as a percentage of the amount invested by a potential Shareholder in respect of each Sub-fund is set out in Appendix I. The ACD may waive or discount the initial charge at its discretion.

The initial charge (which is deducted from subscription monies) is payable by the Shareholder to the ACD.

The current initial charge of a Class may only be increased in accordance with the Regulations.

From the initial charge received, or out of its other resources, the ACD may pay a commission to relevant intermediaries.

3.5.2 Redemption Charge

The ACD may make a charge on the redemption of Shares in each Class. At present, no redemption charge is levied.

The ACD may only introduce a redemption charge in accordance with the Regulations. Also, if such a charge was introduced, it would not apply to Shares issued before the date of the introduction (i.e., those not previously subject to a redemption charge).

3.5.3 Charges on Switching and Conversions

The ACD is permitted to impose a charge where a Shareholder Switches or Converts their Shares.

The charge on Switching and Conversions is payable by the Shareholder to the ACD. The charge will be no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares as specified in Appendix I.

The ACD's current policy is to allow Switches free of any initial charge.

There is currently no charge for Conversions of Shares in one Class of a Sub-fund for Shares in another Class of the same Sub-fund.

3.5.4 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 a 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 charge 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 a 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 a dilution levy will be charged 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 in this context 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 and where applicable on its experience of managing the Company the ACD is unlikely to impose a dilution levy unless it considers that the dealing costs relating to a Shareholder transaction are significant and will have a material impact on the relevant Sub-fund.

If a dilution levy is required then, based on future projections, the estimated rate of such a levy would be up to 0.75% under normal market conditions. 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.

3.6 Transfers of Shares Requiring Registration

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. However, the ACD in its discretion, may also accept electronic transfers in a format specified by the ACD. Completed instruments of transfer, together with such documentary evidence of proof of identity as may have been requested by the ACD, must be returned to the ACD in order for the transfer to be registered. The ACD shall not be liable for any costs or losses that may be incurred as a result of any failure to or delay in providing satisfactory evidence of identity to the ACD.

3.7 Restrictions and Compulsory Transfer and Redemption

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, 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); or

(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 Company is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Company, 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);

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 the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer the affected Shares to a person 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 they are holding or own affected Shares shall immediately, unless they have already received a notice as set out above, either transfer all the affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all the affected Shares.

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

Upon giving reasonable notice to Shareholders in accordance with the Regulations, the ACD may compulsorily convert Shares where to do so is considered by the ACD to be in the best interests of Shareholders.

3.8 Issue of Shares in Exchange for In Specie Assets

The ACD may arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue Shares in any Sub-fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Sub-fund.

3.9 In Specie Redemptions

If a Shareholder requests the redemption of Shares the ACD may, where it considers that deal to be substantial in relation to the total size of a Sub-fund or in some way detrimental to the Sub-fund, arrange for Scheme Property having the appropriate value to be transferred to the Shareholder (an 'in specie transfer'), in place of payment for the Shares in cash. Before the redemption is effected, the ACD must give written notice to the Shareholder of the intention to make an in specie transfer. The ACD will select the Scheme Property to be transferred in consultation with the Depositary.

The ACD and Depositary must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders.

If a Shareholder redeems Shares in specie in return for an appropriate value of assets out of the Company, there will be no Stamp Duty Reserve Tax ('SDRT') on UK equities provided the Shareholder receives a proportionate part of each holding. Otherwise the Shareholder will be liable to SDRT at 0.5% on the value of any UK equities transferred.

3.10 Suspension of Dealings in the Company

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 where due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Sub-fund or Sub-funds.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where the Company is offered for sale.

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspensions.

When such suspension takes place, the ACD will publish on its website or through other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

The ACD may agree during the suspension to deal in Shares in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Shares.

3.11 Liquidity Risk Management

3.11.1 The Sub-funds are managed so that the liquidity profile of the Sub-fund is aligned with the requirement to each Sub-fund to meet redemption requests from Shareholders on each Dealing Day. In normal circumstances, redemption requests will be processed as set out in paragraph 3.3. However, in exceptional circumstances, if there is insufficient liquidity in a Sub-fund to meet redemption requests, the ACD may ultimately need to temporarily suspend dealing in that Sub-fund (see "Suspension of dealings in the Company" at 3.10).

3.11.2 The ACD has other tools to deal with temporary liquidity constraints in relation to a Sub-fund. A Sub-fund may (i) borrow cash to meet redemptions within the limits in Appendix III; or (ii) apply the in specie redemption provisions at paragraph 3.9.

3.11.3 To manage and monitor liquidity risk, the ACD maintains liquidity risk management policies and procedures. The liquidity risk management policies and procedures include the management, implementation and maintaining of appropriate liquidity limits for each Sub-fund and periodic stress testing of the liquidity risk of each Sub-fund under both normal and exceptional liquidity conditions to ensure that anticipated redemption requests can be met.

3.11.4 If our policy for managing liquidity should change, this will be set out in the annual report.

4. Valuation of the Company

4.1 General

The price of a Share is calculated at a Valuation Point by reference to the Net Asset Value of the Sub-fund to which it relates. The Valuation Point of each Sub-fund is set out at Part I of Appendix I.

The ACD may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so. The ACD shall inform the Depositary of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a Valuation Point for the purposes of dealings. Where permitted and subject to the Regulations, the ACD may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares, of each Class of each Sub-fund and the amount of any dilution levy applicable in respect of any purchase or redemption of Shares.

"Late Trading" is defined as the acceptance of a subscription, redemption or Switch order received after a Sub-fund's applicable Valuation Point for that Dealing Day. Late Trading is not permitted. A request for dealing in Shares must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day. Late Trading will not include a situation in which the ACD is satisfied that orders which are received after the Valuation Point have been made by investors before then (e.g. where the transmission of an order has been delayed for technical reasons).

4.2 Calculation of the Net Asset Value

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

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

4.2.1 Scheme Property which is not cash (or other assets dealt with in paragraph 4.2.1.4 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

4.2.1.1 Units or shares in a collective investment scheme:

(a) if a single price for buying and redeeming units or shares is quoted, at that price; or

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

(c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.1.2 Any other transferable security:

(a) if a single price for buying and redeeming the security is quoted, at that price; or

(b) if separate buying and redemption prices are quoted, at the average of the two prices; or

(c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.1.3 Scheme Property other than that described in paragraphs 4.2.1.1 and 4.2.1.2 above, at a value which, in the opinion of the ACD, is fair and reasonable;

4.2.1.4 Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.

4.2.2 Scheme Property which is a contingent liability transaction shall be treated as follows:

4.2.2.1 if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;

4.2.2.2 if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;

4.2.2.3 if it is any other form of contingent liability transaction, include it at the net value of margin on closing out (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.

4.2.3 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.

4.2.4 Subject to paragraphs 4.2.5 and 4.2.6 below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

4.2.5 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 4.2.4.

4.2.6 All agreements are to be included under paragraph 4.2.4 which are, or ought reasonably to have been, known to the person valuing the Scheme Property.

4.2.7 Deduct 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, VAT and any foreign taxes or duties.

4.2.8 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.

4.2.9 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.

4.2.10 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

4.2.11 Add any other credits or amounts due to be paid into the Scheme Property.

4.2.12 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

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

4.3 Price per Share in each Sub-fund and each Class

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. Any initial charge or redemption charge, (or dilution levy on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

Each allocation of income made in respect of any Sub-fund at a time when more than one Class is in issue in respect of that Sub-fund shall be done by reference to the relevant Shareholder's proportionate interest in the income Scheme Property of the Sub-fund in question calculated in accordance with the Instrument of Incorporation.

4.4 Fair Value Pricing

4.4.1 Where the ACD has reasonable grounds to believe that:

4.4.1.1 no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or

4.4.1.2 the most recent price available does not reflect the ACD's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point;

4.4.1.3 it can value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

4.4.2 The circumstances which may give rise to a fair value price being used include:

4.4.2.1 no recent trade in the security concerned; or

4.4.2.2 suspension of dealings in the security concerned; or

4.4.2.3 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

4.4.3 In determining whether to use such a fair value price, the ACD will include in its consideration but need not be limited to:

4.4.3.1 the type of authorised fund concerned;

4.4.3.2 the securities involved;

4.4.3.3 whether the underlying collective investment schemes may already have applied fair value pricing;

4.4.3.4 the basis and reliability of the alternative price used; and

4.4.3.5 the ACD's policy on the valuation of Scheme Property as disclosed in this Prospectus.

4.5 Pricing Basis

The ACD deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD. Shares in the Company are single priced.

Prices of Shares in the Sub-funds are expressed in pounds sterling.

4.6 Publication of Prices

The prices of all Shares are published on every dealing day on the website of the ACD: www.linkfundsolutions.co.uk and by calling 0345 606 6180 during the ACD's normal business hours. As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can deal. The ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

5. Risk Factors

Potential investors should consider the following risk factors before investing in the Company.

5.1 General

The investments of the Sub-funds are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and Shareholders may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of the Sub-fund will actually be achieved and no warranty or representation is given to this effect. The level of any yield for a Sub-fund may be subject to fluctuations and is not guaranteed.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on Sub-funds heavily invested in that asset class or region. There will be a variation in performance between Sub-funds with similar objectives due to the different assets selected.

5.2 Effect of Initial Charge or Redemption Charge

Where an initial charge or redemption charge is imposed, a Shareholder who realises their Shares may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable, Shareholders should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares.

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

5.3 Dilution

A Sub-fund may suffer a reduction in the value of its Scheme Property due to dealing costs incurred when buying and selling investments. To offset this dilution effect the ACD may require the payment of a dilution levy in addition to the price of Shares when bought or as a deduction when sold.

5.4 Charges to Capital

Where charges are taken from a Sub-fund's capital, this will increase the amount of income available for distribution; however, this will erode capital and may constrain capital growth.

This risk is particularly applicable to LF Canlife Portfolio III Fund and LF Canlife Portfolio IV Fund.

5.5 Suspension of Dealings in Shares

Shareholders are reminded that in certain circumstances their right to redeem Shares (including redemption by way of switching) may be suspended. Please see paragraph 3.10 for full details.

5.6 Liabilities of the Company and the Sub-funds

As explained in paragraph 2.6.1 where, under the OEIC Regulations, each Sub-fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Sub-fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Sub-funds, the concept of segregated liability has not been tested in many jurisdictions. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Sub-fund will always be completely insulated from the liabilities of another Sub-fund of the Company in every circumstance.

5.7 Derivatives

The Portfolio Manager may employ derivatives for the purposes of Efficient Portfolio Management ("EPM") (including hedging) with the aim of reducing the risk profile of the Sub-funds, reducing costs or generating additional capital or income. Further details about EPM can be found at paragraph 10, Appendix III.

To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to a Sub-fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated.

For more information in relation to investment in derivatives, please see paragraph 9 in Appendix III.

5.8 Warrants

Whilst warrants may be utilised for the management of investment risk they can also be volatile. A warrant allows, within a subscribed period, the right to apply for shares, debentures, loan stock or government securities from the issuer of the underlying security. A small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. Therefore the larger the fund holding in warrants the larger the risk of volatility.

5.9 Custody

There may be a risk of a loss where the assets of a Sub-fund are held by the custodian or sub-custodian that could result from the insolvency, negligence or fraudulent action of the custodian or sub-custodian.

5.10 Tax

Tax laws currently in place may change in the future which could affect the value of a Shareholder's investments. See the section headed 'Taxation' for further details about taxation of the Sub-funds.

Currently, the Sub-funds rely extensively on tax treaties between the United Kingdom and other countries to reduce domestic rates of withholding tax being applied on income arising where a Sub-fund holds underlying assets in those countries. A risk exists that these treaties may change or that tax authorities may change their position on the application of a relevant tax treaty. As a consequence, any such change (i.e. the imposition of, or increase in, withholding tax in that foreign jurisdiction) may result in higher rates of tax being applied to income from underlying investments and this may have a negative effect on the returns to the Sub-fund and Shareholders.

In addition, under some treaties the rate of withholding tax applied to a Sub-fund may be affected by the tax profiles of Shareholders in the Sub-fund (or by the tax profiles of Shareholders in other Sub-funds of the Company). This is because such treaties may require a majority of Shareholders in the Sub-fund (or the other Sub-funds of the Company) to be resident in either the UK or another specified jurisdiction as a condition of relief. Failing to satisfy this test may also result in increased withholding tax and therefore a negative effect on the returns to the Sub-fund and Shareholders.

5.11 Counterparty and Settlement

A Sub-fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default.

5.12 Counterparty Risk in Over-the-Counter Markets

The ACD on behalf of a Sub-fund may enter into transactions in over-the-counter markets, which will expose the Sub-fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the ACD on behalf of a Sub-fund may enter into agreements or use other derivative techniques, each of which expose the Sub-fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the ACD, on behalf of the Sub-fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, Shareholders may be unable to cover any losses incurred.

5.13 Currency Risk

Sub-funds investing in overseas securities are exposed to, and may hold, currencies other than the operational currency of the Sub-fund (GBP). As a result, exchange rate movements may cause the GBP value of investments to decrease or increase.

5.14 Liquidity

Depending on the types of assets a Sub-fund invests in there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

5.15 Credit and Fixed Income Securities

Fixed income securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital. The value of a fixed income security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the level of income (yield) receivable, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds.

As a general rule, fixed interest securities with an above average yield tend to be less liquid than securities issued by issuers with a higher credit rating. Investment in fixed interest securities with a higher yield also generally brings an increased risk of default on repayment by the issuer which could affect the income and capital of a Sub-fund. Furthermore, the solvency of issuers of such fixed interest securities may not be guaranteed in respect of either the principal amount or the interest payments and the possibility of such issuers becoming insolvent cannot be excluded. The value of a fixed interest security may fall in the event of the default or a downgrading of the credit rating of the issuer.

"Investment Grade" holdings are generally considered to be a rating of BBB- (or equivalent) and above by leading credit rating agencies (such as S&P, Moodys or Fitch). "Sub-investment Grade" is generally considered to be a rating below BBB- (or equivalent) by the leading rating agencies.

Holdings that have not been rated by the leading credit rating agencies will adopt the risk rating of the "parent company" as an indicator of their credit risk or an unrated holding will be assessed using fundamental data to analyse the likelihood of the company defaulting. An issuer with a rating of at least BBB- (or equivalent) is generally considered as having adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances may lead to a weakened capacity of the issuer to meet its commitments.

Where a Sub-fund invests in fixed income securities, the portfolio composition may change over time, this means the yield on the fund is not fixed and may go up or down.

5.16 Smaller Companies

Investment in smaller companies can be higher risk than investment in well established large capitalisation companies. Sub-funds investing significantly in smaller companies can be subject to more volatility due to the limited marketability of the underlying asset.

5.17 Unlisted Investments

Unlisted investments are generally not publicly traded. As there may be no open market for a particular security it may be difficult to see and cause liquidity issues.

The lack of an open market may also restrict the establishment of a fair value for an unlisted investment when compared to an equivalent listed investment.

5.18 Inflation and Interest Rates

The real value of any returns that a Shareholder may receive from a Sub-fund could be affected by interest rates and inflation over time.

5.19 Higher Volatility and Concentrated Portfolios

A Sub-fund may hold a limited number of investments. Should one or more of those investments decline or be adversely affected, it may have a greater effect on the Sub-fund's value than if a larger number of investments were held. This may lead to a high turnover of stocks in the Sub-fund.

A Sub-fund may invest in one particular type of asset, industry, or geographical preference (e.g. the technology or oil sectors). Such concentration can give rise to higher risk than a Sub-fund which has spread its investments more broadly.

5.20 Emerging Markets

Emerging markets tend to be more volatile than more established markets and therefore your money is at greater risk. Risk factors such as local political and economic conditions should also be considered.

The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments within a Sub-fund. A counterparty may not pay or deliver on time or as expected.

Lack of liquidity or efficiency in certain stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Portfolio Manager may experience more difficulty in purchasing or selling securities than it would in a more developed market.

Given the possible lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.

The currencies of certain emerging countries prevent the undertaking of currency hedging techniques.

Some emerging markets may restrict the access of foreign investors to securities. As a result, certain securities may not always be available to the Sub-fund(s) because the maximum permitted number of an investment by foreign Shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval.

Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to Shareholders and, accordingly, investment possibilities may be difficult to properly assess.

5.21 Risks Associated with Investing in PRC Market

Investing in equities of companies with substantial assets in or revenues derived from the People's Republic of China ("PRC") involves special considerations and certain risks not typically associated with more developed markets or economies. The risks inherent in the PRC can generally be expected to result in increased volatility in the shares of companies in the PRC and portfolios which invest in them when compared to their counterparts in developed markets. Investment companies investing in the PRC generally can be expected to display greater share price and Net Asset Value volatility than those investing in developed markets.

Sub-funds that invest in PRC are subject to the following risks:

Legal risk

The legal system of the PRC is based on the PRC Constitution and is made up of written laws, regulations, circulars and directives which may not afford the Company the same level of certainty in relation to matters such as contracts and disputes as may be available in more developed markets. Accordingly, the returns to the Sub-funds may be materially and adversely affected.

Changes in government policies and the regulatory environment

Certain investments of the Sub-funds may be subject to PRC laws and regulations and policies implemented by the PRC government from time to time. PRC government policies may have a material impact on the industries in which the Sub-funds invest. If any company in which the Sub-funds invest should become subject to any form of negative governmental control, there could be a material adverse effect on the value of the Sub-funds' investments.

Economic considerations

The economy of the PRC differs from the economies of most developed countries in many respects, including the amount of governmental involvement, the level of development, the growth rate, the controls on foreign exchange and allocation of resources. The economy of the PRC has experienced significant and consistent growth in the past 20 years but growth has been uneven both geographically and among various sectors of the economy. Economic growth has been accompanied by a period of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth.

Devaluation or appreciation in the value of the Renminbi, restrictions on convertibility of the Renminbi and exchange control restrictions in the PRC

The Renminbi is currently not freely convertible and is subject to exchange controls and restrictions.

The external value of the Renminbi is subject to changes in policies of the PRC government and to international economic and political developments. There is therefore a risk that fluctuations in the Renminbi exchange rate may be experienced exposing non-Renminbi based investors to foreign exchange risk. There is no guarantee that the value of Renminbi against the investors' base currencies will not depreciate. Any large movement in the value of the Renminbi could have an adverse effect on the Sub-funds' portfolio of Chinese investments and the value of investments investing in the Sub-funds.

Although offshore Renminbi (CNH) and onshore Renminbi (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

High market volatility and potential settlement difficulties in the equity market in the PRC may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-funds.

Tax uncertainty

Tax laws and regulations in the PRC are under constant development and often subject to change as a result of changing government policy. Such changes may occur without sufficient warning. There is a risk that changes in tax policy and regulations may adversely affect the Sub-funds' return on investments.

Increased brokerage commissions and transaction charges

Brokerage commissions and other transaction costs and custody fees are generally higher in the PRC than they are in Western securities markets.

The above risks associated with investing in the PRC market are particularly applicable to LF Canlife Diversified Monthly Income Fund.

5.22 Stock Connect Risk in relation to LF Diversified Monthly Income Fund

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

LF Canlife Diversified Monthly Income Fund, which can, in accordance with its investment policy invest in China A-Shares, may do so through Stock Connect and will be subject to any applicable regulatory limits as set out by the securities regulators in Hong Kong and the PRC.

Stock Connect is a securities trading and clearing linked programme developed by SEHK, HKEx, Shanghai Stock Exchange or Shenzhen Stock Exchange, and ChinaClear with an aim to achieve mutual stock market access between mainland China and Hong Kong. Stock Connect allows foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchanges listed China A-Shares through their Hong Kong based brokers.

In addition to the risks regarding “Risks associated with investing in the PRC market” and other risks applicable to LF Canlife Diversified Monthly Income Fund, the following additional risks apply in relation to Stock Connect:

General risk

The relevant rules and regulations on Stock Connect are untested and subject to change which may have potential retrospective effect. There is no certainty as to how they will be applied which could adversely affect LF Canlife Diversified Monthly Income Fund. Stock Connect requires use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in Hong Kong and Shanghai/Shenzhen markets through Stock Connect could be disrupted. Where a suspension in trading through the programme is effected, LF Canlife Diversified Monthly Income Fund’s ability to invest in China A-Shares or access the PRC market through the programme will be adversely affected. In such event, LF Canlife Diversified Monthly Income Fund’s ability to achieve their investment objective could be negatively affected.

Legal/beneficial ownership

Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local Central Securities Depositaries, HKSCC (a wholly owned subsidiary of HKex) and ChinaClear.

The China A Shares invested in via Stock Connect will be held by the Depositary in accounts in the Hong Kong Central Clearing and Settlement System (CCASS) maintained by the HKSCC as central securities depositary in Hong Kong. HKSCC in turn holds the China A Shares, as the nominee holder, through an omnibus securities account in its name registered with China Securities Depository and Clearing Corporation Limited (“CSDCC”). The precise nature and rights of the LF Canlife Diversified Monthly Income Fund as the beneficial owners of the China A Shares through HKSCC as nominee is not well defined under PRC law. The legislative framework in the PRC is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities.

There is lack of a clear definition of, and distinction between, “legal ownership” and “beneficial ownership” under PRC law and there have been few cases involving a nominee account structure in the PRC courts. Therefore, the exact nature and methods of enforcement of the rights and interests of the LF Canlife Diversified Monthly Income Fund under PRC law is uncertain. In addition, HKSCC, as nominee holder, does not guarantee the title to Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. In the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, it is not clear if the China A Shares will be regarded as held for the beneficial ownership of the LF Canlife Diversified Monthly Income Fund or as part of the general assets of HKSCC available for general distribution to its creditors. The courts may consider that any nominee or custodian as registered holder of Stock Connect securities would have full ownership thereof, and that those Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently LF Canlife Diversified Monthly Income Fund and the Depositary cannot ensure that LF Canlife Diversified Monthly Income Fund's ownership of these securities or title thereto is assured.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and LF Canlife Diversified Monthly Income Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that LF Canlife Diversified Monthly Income Fund suffers losses resulting from the performance or insolvency of HKSCC.

In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, LF Canlife Diversified Monthly Income Fund may not fully recover its losses or its Stock Connect securities and the process of recovery could also be delayed.

Operational risk

The "connectivity" in Stock Connect requires routing of orders across the border. SEHK has set up an order routing system ("China Stock Connects System") to capture, consolidate and route the cross-border orders input by exchange participants. Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the SEHK and the Shanghai Stock Exchange differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the programme could be disrupted. LF Canlife Diversified Monthly Income Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected.

Quota limitations

Trading under Stock Connect will be subject to daily limitations which apply to the Investment Manager which may restrict LF Canlife Diversified Monthly Income Fund's ability to invest in China A-Shares through Stock Connect. In particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-border securities regardless of the quota balance).

Foreign shareholding restrictions

China Securities Regulatory Commission stipulates that, when holding China A-Shares through Stock Connect, Hong Kong and overseas investors are subject to the following shareholding restrictions:

- shares held by a single foreign investor (such as LF Canlife Diversified Monthly Income Fund) investing in a listed company must not exceed 10% of the total issued shares of such listed company; and
- total shares held by all foreign investors (i.e. Hong Kong and overseas investors) in a listed company must not exceed 30% of the total issued shares of such listed company.

When the aggregate foreign shareholding of an individual China A-Share reaches 26%, Shanghai Stock Exchange or Shenzhen Stock Exchange, as the case may be, will publish a notice on its website (http://www.sse.com.cn/disclosure/diclosure/qfii for Shanghai Stock Exchange and http://www.szse.cn/main/disclosure/news/qfii/ for Shenzhen Stock Exchange). If the aggregate foreign shareholding exceeds the 30% threshold, the foreign investors concerned will be requested to sell the shares on a last-in-first-out basis within five trading days.

Differences in trading days

Stock Connect will only operate on days when both the PRC and Hong Kong stock markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the PRC stock market but the Hong Kong and overseas investors (such as LF Canlife Diversified Monthly Income Fund) cannot carry out any China A-Shares trading. Due to this, LF Canlife Diversified Monthly Income Fund may be subject to risks of price fluctuations in China A-Shares on a day that the PRC stock markets are open for trading but the Hong Kong stock market is closed.

Regulatory risk

Stock Connect will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. The current regulations are untested and there is no certainty as to how they will be applied. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Stock Connect.

There can be no assurance that Stock Connect will not be abolished. LF Canlife Diversified Monthly Income Fund, which may invest in the PRC markets through Stock Connect, may be adversely affected as a result of such changes.

Suspension risk

Each of the Shanghai Stock Exchange, Shenzhen Stock Exchange and SEHK reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension of trading into the PRC through Stock Connect is effected, the LF Canlife Diversified Monthly Income Fund's ability to access the PRC market will be adversely affected.

Restrictions on selling imposed by front-end monitoring

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account otherwise Shanghai Stock Exchange or Shenzhen Stock Exchange will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

If the LF Canlife Diversified Monthly Income Fund intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the LF Canlife Diversified Monthly Income Fund may not be able to dispose of its holdings of China A Shares in a timely manner.

Recalling of eligible stocks

When a stock is recalled from the scope of eligible stocks for trading via Stock Connect, the stock can only be sold, not bought. This may affect the investment portfolio or strategies of LF Canlife Diversified Monthly Income Fund, for example, when LF Canlife Diversified Monthly Income Fund wishes to purchase a stock which is recalled from the scope of eligible stocks.

No Protection by Investor Compensation Fund

Investment in China A Shares via the Stock Connect is conducted through brokers and is subject to the risk of default by such brokers in their obligations. Investments of LF Canlife Diversified Monthly Income Fund are not covered by the Hong Kong's investor compensation fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of China A Shares invested in via the Stock Connect do not involve products listed or traded on the SEHK, they will not be covered by the investor compensation fund. Therefore the LF Canlife Diversified Monthly Income Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A Shares through the Stock Connect.

Risks associated with the SME Board and/or ChiNext Board

LF Canlife Diversified Monthly Income Fund may invest in the SME Board and/or the ChiNext Board of the SZSE via the Shenzhen-Hong Kong Stock Connect and the following risks apply:

- **Higher fluctuation on stock prices**

  Listed companies on the SME Board and/or ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board.

- **Over-valuation risk**

  Stocks listed on SME Board and/or ChiNext Board may be overvalued and such valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

- **Differences in regulation**

  The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board.

• Delisting risk

It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on LF Canlife Diversified Monthly Income Fund if the companies that it invests in are delisted. Investments in the SME Board and/or ChiNext Board may result in significant losses for LF Canlife Diversified Monthly Income Fund and its investors.

5.23 Structured Products

The Sub-funds may invest in structured products in accordance with COLL. For the purposes of the FCA's rules, structured products may be regarded as either transferable securities, collective investment schemes or derivatives depending on the product in question. The common feature of these products is that they are designed to combine the potential upside of market performance with limited downside. Structured products typically are investments which are linked to the performance of one or more underlying instruments or assets such as market prices, rates, indices, securities, currencies and commodities and other financial instruments that may introduce significant risk that may affect the performance of the Sub-funds.

However, in addition to providing exposure to the asset classes described in the investment objective, the intention is that the use of structured products in the context of the Sub-funds should assist with keeping the volatility levels of the Sub-funds relatively low.

5.24 Investment in Regulated Collective Investment Schemes

A Sub-fund may invest in other regulated collective investment schemes. As an investor in another collective investment scheme, a Sub-fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Sub-fund bears directly with its own operations.

5.25 Unregulated Collective Investment Schemes

The Company may make investments in unregulated collective investment schemes. These may invest in highly illiquid securities which may be difficult to value. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. An investor should be aware that liquidity constraints and the extent to which the Company's securities are valued by independent sources are factors which could have an impact on the Company's valuation.

5.26 Non-UCITS Retail Schemes

Such funds can have wider investment and borrowing powers than UCITS schemes with higher investment limits in various areas. They may also be able to invest to a greater extent in areas such as property and unregulated collective investment schemes, and have the potential to borrow on a permanent basis (for the Sub-funds, this is only on an indirect basis). Such additional powers can increase potential reward, but may also increase risk.

5.27 Investment in Property Schemes

A Sub-fund may invest in Real Estate Investment Trusts (REITs) and other funds which have exposure to property. The value of capital and income will fluctuate as property values and rental incomes rise and fall. These schemes may also invest in other property related securities. Whilst returns from these investments have the potential for attractive returns over the longer term, the short-term volatility of these returns can also be high.

5.28 Commodities

Investors should bear in mind that commodity prices react, among other things, to economic factors such as changing supply and demand relationships, weather conditions and other natural events, the agricultural, trade, fiscal, monetary and other policies of governments and other unforeseeable events all of which may affect your investment.

5.29 Local, Regional and Global Events

Local, regional and global events, such as natural or environmental disasters, including earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena; widespread disease, including pandemics and epidemics; and war, acts of terrorism, political and social unrest have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Sub-funds' investments. Given the increasing interdependence among global economies and markets, adverse conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could prevent the Sub-funds from executing advantageous investment decisions in a timely manner and could negatively impact the Sub-funds' ability to achieve its investment objective. Any such event(s) could have a significant adverse impact on the value and risk profile of the Sub-funds.

5.30 Stock Lending

As outlined further in paragraphs 30 and 31 of Appendix III, from time to time the LF Canlife Diversified Monthly Income Fund may temporarily lend securities it owns to a counterparty in return for a stock lending fee and the receipt of collateral. This will be administered on behalf of the ACD by a stock lending agent.

Stock lending – investment risk

There is the risk that the counterparty may not return the securities in accordance with the contractually agreed terms. This could prevent the execution of an investment strategy where the lent securities are a component.

Stock lending – collateral risk

There is a risk that the characteristics (liquidity, valuation, issuer credit quality, correlation and diversification) of the collateral held by the LF Canlife Diversified Monthly Income Fund have been incorrectly or incompletely assessed which could lead to the Sub-fund suffering losses when collateral is not sufficient to cover the exposure to the counterparty.

Stock lending – credit risk

To the extent that crystallisation of any financial risk is not covered by the collateral held, there is a risk that any residual amounts leave a counterparty in debt to the LF Canlife Diversified Monthly Income Fund. There is therefore a risk that the counterparty may default and the LF Canlife Diversified Monthly Income Fund will sustain losses.

Stock lending – revenue

There is a risk that the securities loaned to the counterparty by the LF Canlife Diversified Monthly Income Fund are incorrectly valued and that the incorrect fee has been applied to the loaned stock and this could lead to the associated stock lending revenue being incorrectly calculated.

Stock lending – operational risk

There is the risk that the stock lending agent may not comply with its obligations, notwithstanding the existence of contractual agreements. In addition, the operational infrastructure used in the management of the stock lending activities carries the inherent risk of potential loss due to, amongst other things processes, systems or staff failings as well as external events.

6. Management and Administration

6.1 Regulatory Status

The ACD, the Depositary and the Portfolio Manager are authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN.

6.2 Authorised Corporate Director and AIFM

6.2.1 General

The ACD and AIFM is Link Fund Solutions Limited which is a private company limited by shares incorporated in England and Wales on 21 November 1973.

The directors of the ACD are:

C Addenbrooke
N Boyling
B Hammond
K Midl
A Reid
A Stuart
E Tracey

Messrs Reid and Stuart and Ms Tracey are Non-executive Directors of the ACD. The Non-executive Directors are also engaged in other business activities outside of Link Fund Solutions. Where any such activities give rise to potential conflict with the business of the ACD these are appropriately disclosed. Any material conflicts are managed appropriately and reviewed regularly.

No other director is engaged in any significant business activity not connected with the business of the ACD or other subsidiaries of Link Administration Holdings Limited.

Registered Office: 6th Floor, 65 Gresham Street, London EC2V 7NQ

Principal Place of Business: 6th Floor, 65 Gresham Street, London EC2V 7NQ

Share Capital: It has a share capital of £1,247,636 issued and paid up

Ultimate Holding Company: Link Administration Holdings Limited, a company incorporated in Australia and listed on the Australian Securities Exchange.

The ACD is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook and the FUND Sourcebook. The ACD may delegate its management and administration functions, but not responsibility, to third parties, including Associates subject to the rules in the COLL Sourcebook and the FUND Sourcebook.

It has therefore delegated to the Portfolio Manager the function of portfolio management and advisory services in relation to the assets of the Sub-funds (as further explained in paragraph 6.4 below). The ACD has also delegated to the Registrar certain functions relating to the Register (as further explained in paragraph 6.5 below). It has also delegated The Bank of New York Mellon (International) Limited to provide fund accounting services to the Company (as explained in paragraph 6.6).

The ACD is required to have a Remuneration Code ("the Code") relating to the way in which it remunerates its staff. The Code is designed to ensure that firms have risk-focused remuneration policies which are consistent with and promote effective risk management and do not expose the ACD or the funds it operates to excessive risk.

Full details of the Code are available on the website of the ACD: www.linkfundsolutions.co.uk. This sets out a description of how remuneration and benefits are calculated and the identities of persons responsible for awarding the remuneration and benefits. A paper copy of that website information will be made available free of charge on request from the ACD.

6.2.2 Terms of Appointment

The appointment of the ACD has been made under an agreement 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.

The ACD Agreement may be terminated by the Company on not less than twelve months written notice or earlier upon the happening of certain specified events. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in paragraph 7.2 "Charges payable to the ACD" below.

The ACD 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 Company has no directors other than the ACD. The ACD is the manager of certain AUTs and open-ended investment companies details of which are set out in Appendix IV.

6.3 The Depositary

6.3.1 General

The Depositary of the Company is The Bank of New York Mellon (International) Limited (registered no. 03236121).

The ACD has appointed the Depositary to act as depositary for the purposes of the Company being a Non-UCITS Scheme.

The Depositary is a private limited company incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States.

The Depositary's registered and head office is at One Canada Square, London E14 5AL. The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

6.3.2 Duties of the Depositary

The Depositary is responsible for the safekeeping of the Scheme Property, monitoring the cash flows of the Company, and must ensure that certain processes carried out by the ACD are performed in accordance with the Regulations, the Instrument of Incorporation and the Prospectus.

6.3.3 Delegation of safekeeping functions

The Depositary acts as global custodian and is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of Scheme Property.

The Depositary has delegated safekeeping of the Scheme Property to The Bank of New York Mellon SA/NV and The Bank of New York Mellon (the "Global Sub-Custodian"). In turn, the Global Sub-Custodian has sub-delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("Sub-Custodians").

6.3.4 Terms of Appointment

The ACD is required to enter into a written contract with the Depositary to evidence its appointment as depositary of the Company. The Depositary is appointed as depositary of the Company under an agreement entered into between the ACD, the Company and BNY Mellon Trust & Depositary (UK) Limited and as novated in favour of the Depositary with effect from 15 December 2017, pursuant to which the ACD and the Depositary agree to carry out various functions in order to comply with, and facilitate compliance with, the requirements of the Regulations.

6.4 The Portfolio Manager

6.4.1 General

The ACD has appointed the Portfolio Manager, Canada Life Asset Management Limited, under an agreement (the "Investment Management Agreement") to provide investment management services to the ACD.

The Portfolio Manager's registered office is at Canada Life Place, High Street, Potters Bar, Hertfordshire EN6 5BA. The Portfolio Manager's business office is at 1-6 Lombard Street, London EC3V 9JU.

The principal activity of the Portfolio Manager is the provision of investment management services.

6.4.2 Terms of Appointment

The terms of the Investment Management Agreement between the ACD and the Portfolio Manager include the provision of investment management within the investment objectives of the Sub-funds, the purchase and sale of investments and on the exercise of voting rights relating to such investments. The Portfolio Manager has authority to make decisions on behalf of the ACD on a discretionary basis in respect of day to day investment management of the Scheme Property including authority to place purchase orders and sale orders with regulated dealers.

The Investment Management Agreement may be terminated by either party on not less than twelve months' written notice or earlier upon the happening of certain specified events.

The Portfolio Manager will receive a fee paid by the ACD out of its remuneration received each month from the Sub-funds as explained in paragraph 7.4.

The Portfolio Manager will not be considered as a broker fund adviser under the FCA Handbook in relation to the Company.

6.4.3 Appointment of Sub-Investment Manager

The Portfolio Manager is permitted under the terms of the Investment Management Agreement and subject to the Regulations to delegate functions to third parties in relation to the provision of investment management services to the ACD.

6.5 The Registrar

6.5.1 General

On behalf of the Company the ACD has also appointed Link Fund Administrators Limited to act as registrar and to provide administration services to the Company.

The registered office of the Registrar is 6th Floor, 65 Gresham Street, London EC2V 7NQ.

The Register is kept and maintained at Central Square, 29 Wellington Street, Leeds LS1 4DL.

6.5.2 Register of Shareholders

The Register will be maintained by the Registrar at the address of its office as noted above, and may be inspected at that address or the principal place of business of the ACD during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

The plan register, where applicable (being a record of persons who subscribe for Shares through Individual Savings Accounts (ISAs)), may be inspected at the office of the Registrar by any Shareholder or any Shareholder's duly authorised agent.

6.6 The Fund Accountant

The ACD has appointed The Bank of New York Mellon (International) Limited to provide fund accounting services to the Company.

The Fund Accountant is a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States.

The registered and head office of the Fund Accountant is at One Canada Square, London E14 5AL. The Fund Accountant is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

6.7 Stock Lending Agent

The ACD has appointed Bank of New York Mellon, London Branch as the stock lending agent in relation to stock lending transactions entered into by the LF Canlife Diversified Monthly Income Fund. See paragraph 5.28 above and paragraph 30 and 31 of Appendix III for further details.

6.8 The Auditors

The auditors of the Company are Ernst & Young LLP, whose address is Atria One, 144 Morrison Street, Edinburgh EH3 8EX and they are responsible for auditing the annual accounts of the Company and expressing an opinion on certain matters relating to the Company in the annual report including whether its accounts have been prepared in accordance with applicable accounting standards, the Regulations and the Instrument of Incorporation.

6.9 Conflicts of Interest

ACD

The ACD, the Portfolio Manager and other companies within the ACD's and/or the Portfolio Manager's group may, from time to time, act as investment manager or advisers to other funds or sub-funds which follow similar investment objectives to those of the Sub-funds. It is therefore possible that the ACD and/or the Portfolio Manager may in the course of their business have potential conflicts of interest with the Company or a particular Sub-fund or that a conflict exists between the Company and other funds managed by the ACD. The ACD and the Portfolio Manager maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to prevent such conflicts from adversely affecting the interests of the Company.

The ACD and the Portfolio Manager will take all appropriate steps to identify and prevent or manage such conflicts and each of the ACD and the Portfolio Manager will have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD and the Portfolio Manager will ensure that the Company and other collective investment schemes it manages are fairly treated.

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(s) cannot be avoided disclose these to Shareholders in the report and accounts or otherwise an appropriate format.

Details of the ACD's conflicts of interest policy are available on the ACD's website at www.linkfundsolutions.co.uk.

Depositary

For the purposes of this section, the following definitions shall apply:

"Link" means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.

"Group Link" means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

The ACD may delegate certain administrative functions to an entity within the same corporate group as the Depositary. If the ACD does so, the Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising and shall take all reasonable steps to avoid such conflicts of interests.

At present the ACD delegates certain administrative functions to The Bank of New York Mellon (International) Limited. A Group Link exists where the ACD has delegated certain administrative functions, including but not limited to Fund Accounting, to The Bank of New York Mellon (International) Limited or another entity within the same corporate group as the Depositary.

Where such Group Link exists, the Depositary and the ACD will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its Shareholders.

The Depositary may delegate the safekeeping of the Scheme Property to an entity in the same corporate group as the Depositary and a Group Link exists where the Depositary has delegated, or where any Global Sub-Custodian has sub-delegated, the safekeeping of the Scheme Property to an entity within the same corporate group.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its Shareholders.

Where a Link exists, for example where one party can exercise significant influence over the management of the other, between the Depositary and any Shareholders in the Company, the Depositary shall take all reasonable steps to avoid conflicts of interests arising, and ensure that it complies with the applicable regulations for a Non-UCITS Retail Scheme.

The Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes.

7. Fees and Expenses

7.1 Ongoing

All costs, charges, fees or expenses, other than the charges made in connection with the subscription and redemption of Shares (see paragraph 3.5) payable by a Shareholder or out of Scheme Property are set out in this section.

The Company or each Sub-fund (as the case may be) may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

7.1.1 any costs incurred in authorising the Company, any Sub-funds to the Company and any share class to any Sub-funds to the Company at and after initial establishment. Such costs will be apportioned to the appropriate Sub-fund or share class on a monthly basis to the end of the first accounting year;

7.1.2 broker's commission, fiscal charges (including any other transfer tax) and other disbursements which are necessary to be incurred in effecting transactions for the Sub-fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

7.1.3 fees and expenses in respect of establishing and maintaining the Register of Shareholders, including any sub-registers kept for the purpose of the administration of ISAs, are payable quarterly out of the Scheme Property of the Sub-funds;

7.1.4 any costs incurred in or about the listing of Shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;

7.1.5 any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or any other form of media;

7.1.6 any costs incurred in producing, collating, fulfilment, printing, postage and dispatching tax vouchers and any payments made by the Company;

7.1.7 any costs incurred in preparing, translating, producing (including fulfilment, printing and postage), distributing and modifying, any instrument of incorporation any prospectus, any NURS KII (apart from the cost of distributing the NURS KII), or reports, accounts, statements, contract notes and other like documentation or any other relevant document required under the Regulations;

7.1.8 any costs incurred as a result of periodic updates of or changes to any prospectus, NURS KII or instrument of incorporation;

7.1.9 any fees, expenses or disbursements of any legal or other professional adviser of the Company;

7.1.10 any costs incurred in taking out and maintaining an insurance policy in relation to the Company and its Directors;

7.1.11 any costs incurred in respect of meetings of Shareholders convened for any purpose;

7.1.12 any payment permitted by clause 6.7.15R of the COLL Sourcebook;

7.1.13 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;

7.1.14 taxation and duties payable in respect of the Scheme Property of the Sub-funds or the issue or redemption of Shares;

7.1.15 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;

7.1.16 the fees of the FCA, in accordance with the FCA's Fee Manual, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;

7.1.17 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;

7.1.18 the total amount of any cost relating to the authorisation and incorporation of the Company and of its initial offer or issue of Shares;

7.1.19 any expense incurred in conducting risk management Value at Risk (VaR) monitoring and reporting;

7.1.20 any payments otherwise due by virtue of a change to the Regulations;

7.1.21 any value added or similar tax relating to any charge or expense set out herein; and

7.1.22 any other fee, cost, charge or expense permitted to be deducted from Scheme Property under the Regulations.

Each Sub-fund formed after this Prospectus may bear its own direct establishment costs.

The ACD is also entitled to be paid by the Company out of the Scheme Property any expenses incurred by the ACD or its delegates of the kinds described above.

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given Sub-fund is set out in Appendix I. 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 would result in capital erosion and constrain growth.

7.2 Charges Payable to the ACD

7.2.1 Annual Management Charge

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the Scheme Property of each Sub-fund as set out in Appendix I.

The annual management charge will accrue on a daily basis in arrears by reference to the Net Asset Value of the Sub-funds on the immediately preceding Valuation Point and taking into account any subsequent changes to the Sub-fund capital due to the creation or cancellation of Shares. The amount due for each month is payable on the last Dealing Day of each month. The current annual management charges for the Sub-funds (expressed as a percentage per annum of the Net Asset Value of the Sub-funds) are set out in Appendix I.

The ACD may increase the rate of such charge by giving 60 days' notice to Shareholders and amending this Prospectus. The ACD is responsible for the payment of the fees of the Portfolio Manager.

7.2.2 Expenses

The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above.

VAT is payable on the charges or expenses mentioned above, where appropriate.

If a Class's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Class.

The current annual fee payable to the ACD for a Class may only be increased or a new type of remuneration introduced in accordance with the Regulations.

7.3 Registration Fees

The Registrar shall receive a fee out of the Scheme Property for providing registration services for each Sub-fund. Such fee is payable monthly and is accrued daily in arrears by reference to the Net Asset Value of the Sub-fund on the immediately preceding Dealing Day. The registration fee is an amount equal to 0.03% of the net asset value of each of the Sub-funds subject to a minimum of £1,500 and a maximum of £100,000 per annum.

In addition, for any instruction to purchase or redeem Shares a transaction fee of up to £17.37 will be levied and payable by the relevant Sub-fund. The amount of any transaction fee will depend on the method of investment or redemption (for example electronic or postal) and will reflect the underlying costs of the chosen method. The fee will apply to new instructions and regular saver arrangements but will not apply to ongoing arrangements such as re-investment of income.

The level of charges for transaction fees levied by the Registrar will be benchmarked to the Retail Prices Index ("RPI") and will be amended on 1 January annually to reflect any rise in the RPI for the previous calendar year. In the event that the RPI has not increased in the previous calendar year, then the transaction fee will remain the same. Increases in the transaction fees will not be notified to Shareholders.

7.4 Depositary's Fee and Expenses

The Depositary is entitled to receive out of the Scheme Property of each Sub-fund by way of remuneration a periodic charge, which will be calculated and accrue daily and be paid monthly as soon as practicable after the end of each month, and certain additional charges and expenses. The rate of the Depositary's periodic charge in respect of each Sub-fund will be such rate or rates as agreed from time to time between the ACD and the Depositary in accordance with the COLL Sourcebook. The current rate of the Depositary's periodic charge in respect of each Sub-fund is:

Value of Sub-fund	Fee
£0 – £100 million	0.03%
£100 million – £150 million	0.0175%
£150 million – £1 billion	0.01%
£1 billion – £2 billion	0.005%
£2 billion and above	0.0025%

of the value of the Scheme Property of the Sub-fund, subject to a minimum fee of £5,000 per annum. In addition VAT on the amount of the periodic charge will be paid out of Scheme Property of the Sub-fund.

In the event of the termination of a Sub-fund, the Depositary shall continue to be entitled to a periodic charge in respect of that Sub-fund for the period up to and including the day on which the final distribution in the termination of the Sub-fund shall be made or, in the case of a termination following the passing of an extraordinary resolution approving a scheme of arrangement, up to and including the final day on which the Depositary is responsible for the safekeeping of the Scheme Property of the Sub-fund. Such periodic charge will be calculated, be subject to the same terms and accrue and be paid as described above, except that for the purpose of calculating the periodic charge in respect of any day falling after the day on which the termination of the Sub-fund commences, the value of the Scheme Property of the Sub-fund shall be its Net Asset Value determined at the beginning of each such day.

The Depositary Agreement between the Company and the Depositary provides that in addition to a periodic charge the Depositary may also be paid by way of remuneration custody fees where it acts as custodian and other transaction and bank charges. At present the Depositary acts as global custodian and delegates the function of custody of the Scheme Property to The Bank of New York Mellon SA/NV and The Bank of New York Mellon.

The remuneration for acting as custodian is calculated at such rate and/or amount as the ACD and the Depositary may agree from time to time.

The current remuneration ranges from between 0.002% per annum to 0.675% per annum of the value of the Scheme Property, plus VAT (if any) calculated at an ad valorem rate determined by the territory or country in which the assets of the Sub-funds are held. The current range of transaction charges is between £4 and £67.50 per transaction plus VAT (if any). Charges for principal investment markets are:

	Transaction charge per trade	Custody charge % per annum
UK	£4	0.002
United States	£4	0.002
Germany	£9	0.008
Japan	£9	0.005

Custody and transaction charges will be payable monthly 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. Such expenses include, but are not restricted to:

(i) delivery of stock to the Depositary or custodian;

(ii) custody of assets;

(iii) collection of income and capital;

(iv) submission of tax returns;

(v) handling tax claims;

(vi) preparation of the Depositary's annual report;

(vii) arranging insurance;

(viii) calling Shareholder meetings and otherwise communicating with Shareholders;

(ix) dealing with distribution warrants;

(x) taking professional advice;

(xi) conducting legal proceedings;

(xii) such other duties as the Depositary is permitted or required by law to perform;

(xiii) all charges and expenses incurred in relation to stock lending.

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

Expenses not directly attributable to a particular Sub-fund will be allocated between Sub-funds. In each case such expenses and disbursements will also be payable if incurred by any person (including the ACD or an Associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Depositary.

7.5 Portfolio Manager's Fee

The Portfolio Manager's fees and expenses (plus VAT thereon) for providing investment management services will be paid by the ACD out of its remuneration under the ACD Agreement.

Further details of the ACD Agreement are summarised in paragraph 6.2.2 "Terms of Appointment" above.

7.6 Research Costs

It is not intended that the ACD receives any third party research on behalf of the Company or a Sub-fund. Any third party research received by the Portfolio Manager, for or on behalf of, the Company or a Sub-fund will be paid for by the Portfolio Manager.

7.7 Risk Profiling Consultant's Fee

The Portfolio Manager has appointed Dynamic Planner as a consultant to provide asset allocation and risk profiling services in respect of each Sub-fund (with the exception of the LF Canlife Managed 0% – 35% Fund). These services are provided to the Portfolio Manager on a quarterly basis. The risk profiling consultant's fee will be paid by the Portfolio Manager on behalf of each of the Sub-funds.

7.8 Allocation of Fees and Expenses between Sub-funds

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Sub-fund in respect of which they were incurred. This includes any charges and expenses incurred in relation to the Register of Shareholders, except that these will be allocated and charged to each class of Shares on a basis agreed between the ACD and the Depositary.

Where an expense is not considered to be attributable to any one Sub-fund, the expense will normally be allocated to all Sub-funds pro rata to the value of the Net Asset Value of the Sub-funds, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

For those Sub-funds which pay charges from income, where income is insufficient to pay charges the residual amount is taken from capital, this would result in capital erosion and constrain growth of the Sub-funds.

8. Instrument of Incorporation

The Instrument of Incorporation is available for inspection at the ACD's offices at 6th Floor, 65 Gresham Street, London EC2V 7NQ.

9. Shareholder Meetings and Voting Rights

9.1 Class, Company and Sub-fund Meetings

The Company has dispensed with the holding of annual general meetings.

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Sub-funds as they apply to general meetings of the Company. References to Shares shall be to the Shares of the Class or Sub-fund concerned and the Shareholders and value and prices of such Shares.

9.2 Requisitions of Meetings

The ACD may requisition a general meeting at any time.

Shareholders may also requisition a 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 must convene a general meeting no later than eight weeks after receipt of such requisition.

9.3 Notice and Quorum

Shareholders will receive at least 14 days' notice of a general 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 one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

9.4 Voting Rights

At a general meeting, 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 shall be such proportion of the voting rights attached to all the Shares in issue (in the Company or the Sub-fund or the Class as the case may be) as the price of the Shares bears to the aggregate price(s) of all the Shares in issue (of the Company or the Sub-fund or the Class as appropriate), at a reasonable date before the notice of meeting is sent out (such date to be decided by the ACD).

A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.

In the case of joint Shareholders, the vote of the most senior Shareholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose seniority must be determined by the order in which the names stand in the Register.

Except where the COLL Sourcebook or the Instrument of Incorporation require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook 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 COLL Sourcebook) 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.

Where all the Shares in a Sub-fund are registered to, or held by, the ACD or its Associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

"Shareholders" in this context means Shareholders entered on the register at a time to be determined by the ACD and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

9.5 Variation of Class or Sub-fund Rights

The rights attached to a Class or Sub-fund may not be varied without the sanction of an extraordinary resolution passed at a meeting of Shareholders of that Class or Sub-fund.

10. Taxation

10.1 General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, which are subject to change. It summarises the tax position of the Sub-funds and of investors who are United Kingdom resident individuals and hold Shares as investments. The regime for taxation of income and capital gains received by individual investors depends on the tax law applicable to their personal circumstances and may be subject to change in the future. Prospective investors who are in any doubt about their tax position, or who may be subject to corporation tax in the United Kingdom or to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

10.2 The Sub-funds

Each Sub-fund will be treated as a separate open-ended investment company for United Kingdom tax purposes.

The Sub-funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of their investments (including interest-paying securities and derivatives) held within them. However, any gains realised on disposing of holdings in non-reporting offshore funds are charged to tax as income and not capital.

Any dividend received by the Sub-funds (whether directly or through another United Kingdom authorised investment fund) will generally be exempt from corporation tax. Each Sub-fund will be subject to corporation tax on most other types of income but after deducting allowable management expenses and where relevant, interest distributions. Where the Sub-funds suffer foreign withholding tax on exempt income, this will generally be an irrecoverable tax expense.

The Sub-funds will make dividend distributions except where more than 60% of a Sub-fund's Scheme Property has been invested throughout the distribution period in qualifying assets (broadly, interest paying assets), in which case it may make interest distributions.

10.3 Shareholders

10.3.1 Income

Where the Sub-fund pays a dividend distribution (which will be automatically retained in the Sub-fund in the case of accumulation Shares). No Tax credit is attached to the dividend distribution.

Individuals liable to income tax at basic, higher or additional rate may have a further liability to tax depending on the availability of other allowances and reliefs including the annual Dividend Allowance.

10.3.2 Interest

Where a Sub-fund pays an interest distribution (which will be automatically retained in the Sub-fund in the case of accumulation Shares) this is paid without the deduction of income tax. Individuals liable to income tax at basic, higher or additional rate may have a further liability to tax depending on the availability of other allowances and reliefs including the annual Personal Savings Allowance.

10.3.3 Income Equalisation

The first income allocation received by a Shareholder after buying Shares may include an amount of income equalisation, which will be shown on the issued tax voucher. This is effectively a repayment of the income equalisation paid by the Shareholder as part of the purchase price. It is a return of capital, and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes.

10.3.4 Tax Vouchers

A tax voucher will be issued in line with the income distribution dates set out in Appendix I. This voucher should be retained for tax purposes as evidence for HM Revenue & Customs.

The ACD reserves the right to charge an administration fee of £10 if a duplicate copy is required. To obtain a duplicate copy you will need to submit your request in writing, along with payment, to Link Fund Solutions Limited, Distributions Team, at the address of the Registrar.

10.3.5 Capital Gains

Shareholders may be liable to capital gains tax on gains arising from the redemption, transfer or other disposal of Shares. The rate of tax, and available reliefs, will be as applicable from time to time.

An exchange of Shares in one Sub-fund of the Company for Shares in another Sub-fund will generally be treated as a disposal for this purpose, but exchanges of Shares between classes within a Sub-fund are generally not.

10.3.6 The International Tax Compliance Regulations

The Company is required to comply with The International Tax Compliance Regulations. The regulations transpose into UK law rules and obligations derived from European Union law and inter-governmental agreements entered into by the UK which are aimed at increasing transparency and reducing tax evasion.

To be compliant with these regulations the Company must collect information about each Shareholder's tax residence and in certain circumstances provide information about Shareholders' Shareholdings to HM Revenue & Customs (HMRC). HMRC may in turn share this information with overseas tax authorities.

Therefore, where a Shareholder fails to provide the information required by the Company to comply with its obligations to HMRC this may result in the ACD taking appropriate action against the Shareholder, including invoking the compulsory transfer and redemption provisions set out in paragraph 3.7.

The ACD intends to procure compliance with the regulations but cannot give an assurance that this will be achieved.

The underlying laws and agreements are a complex area of tax law and investors should consult their professional advisers on the implications these regulations may have for them.

11. Winding Up of the Company or a Sub-fund

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

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

The Company shall be wound up or a Sub-fund must be terminated under the COLL Sourcebook:

11.1 if an extraordinary resolution to that effect is passed by Shareholders; or

11.2 when the period (if any) fixed for the duration of the Company or a particular Sub-fund by the Instrument of Incorporation expires, or any event arises 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 the Share capital of the Company or (in relation to any Sub-fund) the Net Asset Value of the Sub-fund is below £5 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-fund); or

11.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Sub-fund.

On the occurrence of any of the above:

11.4 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-fund;

11.5 the Company will cease to issue and cancel Shares in the Company or the relevant Sub-fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-fund;

11.6 no transfer of a Share shall be registered and no other change to the Register shall be made without the sanction of the ACD;

11.7 where the Company is being wound up or a Sub-fund terminated, the Company or the Sub-fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or the termination of the Sub-fund; and

11.8 the corporate status and powers of the Company and subject to 11.4 to 11.7 above, the powers of the Depositary shall continue 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 the winding up or the termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Sub-fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Sub-fund, give written notice of the commencement to Shareholders. When the

ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Sub-fund.

As soon as reasonably practicable after completion of the winding up of the Company or the particular Sub-fund, the Depositary shall notify the FCA that the winding up or termination has been completed.

On completion of a winding up of the Company or the termination of a Sub-fund, the Company will be dissolved or the Sub-fund terminated and any money (including unclaimed distributions) still standing to the account of the Company or the Sub-fund, will be paid into court by the ACD within one month of the dissolution or the termination.

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 auditor’s report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) on it within four months of the completion of the winding up or termination.

12. General Information

12.1 Accounting Periods

The annual accounting period of the Company ends each year on 15 October (the accounting reference date) with the interim accounting period ending on 15 April.

The ACD may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date. Details of the Sub-funds for which this policy is currently considered are set out in Appendix I.

12.2 Notice to Shareholders

All notices or other documents sent by the ACD to a Shareholder will be sent by normal post to the last address notified in writing to the Company by the Shareholder.

12.3 Income Allocations

The Sub-funds may have monthly, quarterly, interim and final income allocations (see Appendix I). For each of the Sub-funds (except LF Canlife Diversified Monthly Income Fund) income is allocated in respect of the income available at each accounting date.

For the LF Canlife Diversified Monthly Income Fund the aim is to distribute a consistent amount of income each month (although the ACD cannot guarantee this will be achieved or that a distribution will be made in any month). In determining the amount of income to distribute, the ACD will endeavour to ensure there is adequate income to maintain a consistent level of monthly income. All income distributions are subject to there being income available for distribution. Income payments are made on (or before) the 15th day of the second month following the income allocation date, e.g. income allocated for distribution at the end of December will be paid on (or before) the 15 February. All income available for distribution at the final accounting date will be distributed; no income will be carried forward to the next accounting period.

In relation to income Shares, distributions of income for each Sub-fund in which income Shares are issued are paid by cheque or telegraphic transfer directly into a Shareholder's bank account on or before the relevant income distribution dates in each year as set out in Appendix I.

For Sub-funds in which accumulation Shares are issued, income will become part of the capital property of the Sub-fund and will be reflected in the price of each such accumulation Share as at the end of the relevant accounting period.

If a distribution made in relation to any income Shares remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund (or, if that no longer exists, to the Company).

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

12.4 Annual Reports

Annual reports of the Company will be published within four months of the end of each annual accounting period and half-yearly reports will be published within two months of the end of each half-yearly interim accounting period.

Copies of the most recent annual and half-yearly reports of the Company can be obtained free of charge from the ACD or are available on www.linkfundsolutions.co.uk.

12.5 Documents of the Company

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACD at 6th Floor, 65 Gresham Street, London EC2V 7NQ:

12.5.1 the Prospectus;

12.5.2 the most recent annual and half yearly reports of the Company;

12.5.3 the Instrument of Incorporation (and any amending documents); and

12.5.4 the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents (apart from the most recent versions of the Prospectus and annual and half yearly reports of the Company which are available free of charge to anyone who requests).

12.6 Material Contracts

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

12.6.1 the ACD Agreement between the Company and the ACD; and

12.6.2 the Depositary Agreement between the Company, the Depositary and the ACD.

Details of the above contracts are given under section 6 “Management and Administration”.

12.7 Provision of Investment Advice

All information concerning the Company and about investing in Shares is available from the ACD at 6th Floor, 65 Gresham Street, London EC2V 7NQ. The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and Shareholders should ensure that they have the most up to date version.

12.8 Telephone Recordings

Please note that the ACD and the Portfolio Manager will take all reasonable steps to record telephone conversations, and keep a copy of electronic communications, that relate to instructions to deal in the Company or the management of the assets of the Company. The ACD may also record calls for security, training and monitoring purposes, to confirm Shareholders’ instructions and for any other regulatory reason. Recordings will be retained for a period of at least five years from the date of such recording or, where requested by a competent authority, for a period of seven years.

12.9 Complaints

Complaints may be brought in writing to Link Fund Solutions Limited, PO Box 389, Unit 1, Roundhouse Road, Darlington DL1 9UF or by email to investorservices@linkgroup.co.uk or by telephone to 0345 922 0044.

All complaints will be handled in accordance with the ACD’s internal complaint handling procedures. A copy of the ACD’s Guide to making a complaint is available on request.

Information about the Financial Ombudsman can be found on its website at www.financial-ombudsman.org.uk.

In the event of the ACD being unable to meet its liabilities to Shareholders, details about rights to compensation can be found at www.fscs.org.uk.

12.10 Risk Management

The ACD will provide upon the request of a Shareholder further information relating to:

12.10.1 the quantitative limits applying in the risk management of the Company;

12.10.2 the methods used in relation to 12.10.1; and

12.10.3 any recent development of the risk and yields of the main categories of investment.

12.11 Indemnity

The Instrument of Incorporation contains provisions indemnifying the Directors, other officers and the Company’s auditors or the Depositary against liability in certain circumstances otherwise than in respect of their negligence, default, breach of duty or breach of trust, and indemnifying the Depositary against liability in certain circumstances otherwise than in respect of its failure to exercise due care and diligence in the discharge of its functions in respect of the Company.

12.12 Best Execution

The ACD expects the Portfolio Manager to act in the best interest of each Sub-fund when executing decisions to deal on behalf of the relevant Sub-fund and requires the Portfolio Manager to maintain an order execution policy, in accordance with the Regulations, to ensure that all sufficient steps are taken to obtain the best possible result for the relevant Sub-fund.

12.13 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:

12.13.1 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;

12.13.2 the current risk profile of each Sub-fund, and information on the risk management systems used by the ACD to manage those risks;

12.13.3 the total amount of leverage employed by each Sub-fund calculated in accordance with the gross and commitment methods; and

12.13.4 any material changes to the information above.

It is intended that Shareholders will be notified promptly 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.

12.14 Changes to the Company

Where any changes are proposed to be made to the Company or a Sub-fund the ACD will assess, with input from the Depositary, whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. Changes to a Sub-fund's investment objective and investment policy will usually be significant or fundamental, unless those changes are only for clarification purposes and do not result in any change in how the Company is managed. Certain changes to the Company or a Sub-fund may require approval by the FCA in advance.

If the change is regarded as fundamental, Shareholder approval will be required. If a change requires Shareholder approval, this will mean that Shareholders will need to approve the change at a meeting. The procedure for Shareholder meetings is described above at Section 9.

If the change is regarded as significant, not less than 60 days' prior written notice will be given to Shareholders. If the change is regarded as notifiable, Shareholders will receive suitable pre or post event notice of the change.

12.15 Professional Liability Risks

The ACD covers potential professional liability risks arising from its activities as the Company's AIFM through additional own funds.

12.16 Fair Treatment of Investors

Procedures, arrangements and policies have been put in place by the ACD, with appropriate oversight and input from the Depositary, to ensure compliance with the principles of fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

12.16.1 acting in the best interest of the Sub-funds and of the investors;

12.16.2 executing the investment decisions taken for the account of the Sub-funds in accordance with the objectives, the investment policy and the risk profile of the Sub-funds;

12.16.3 ensuring that the interests of any group of investors are not placed above the interests of any other group of investors;

12.16.4 ensuring that fair, correct and transparent pricing models and valuation systems are used for the Sub-funds are managed;

12.16.5 preventing undue costs being charged to the Sub-funds and investors;

12.16.6 taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors; and

12.16.7 recognising and dealing with complaints fairly.

12.17 Preferential Treatment

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 Sub-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 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.

12.18 Shareholders' Rights

12.18.1 Shareholders are entitled to participate in the Company on the basis set out in this prospectus (as amended from time to time). Sections 12.9 ("Complaints"), 9 ("Shareholder Meetings and Voting Rights"), 12.4 ("Annual Reports") and 12.5 ("Documents relating to the Company") of this prospectus set out important rights about Shareholders' participation in the Company.

12.18.2 Shareholders may have no direct rights against the service providers to the Company set out in Section 6.

12.18.3 The ACD must ensure that this Prospectus does not contain any untrue or misleading statement or omit any matter required to be disclosed in the Prospectus by the FUND Sourcebook or the COLL Sourcebook. To the extent that a Shareholder incurs loss as a consequence of an untrue or misleading statement or omission, the ACD may be liable to compensate that Shareholder subject to the ACD having failed to exercise reasonable care to determine that the statement was true and not misleading or that the omission was appropriate, in accordance with the FCA Handbook.

12.18.4 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.

12.18.5 Shareholders who are concerned about their rights in respect of the Company (or any Sub-fund) should seek legal advice.

12.19 Governing Law and Jurisdiction

The ACD treats a Shareholder's participation in the Company as governed by the law of England and Wales. The English courts shall have exclusive jurisdiction to settle any disputes or claims which may arise out of, or in connection with, a Shareholder's participation in the Company.

12.20 Value Assessment

In accordance with current Financial Conduct Authority rules, we are required to carry out an annual assessment on whether the Company provides value to investors. The assessment of value looks at a number of criteria relating to; investment performance, costs and quality of service and will determine whether each Sub-fund offers value to investors compared with the market or whether corrective action is required.

A report detailing the findings of the value assessment will be published on the ACD's website at www.linkfundsolutions.co.uk.

Appendix I

There are eight Sub-funds in the Company. Five of the Sub-funds form the LF Canlife Portfolio Fund range, each of which has been assigned a number (indicated at the end of each Sub-fund name) which reflects its risk band. Lower numbers indicate a less risky Sub-fund, whilst the higher numbers reflect Sub-funds with greater risk. The increasing risk corresponds to the increased equity exposure of each Sub-fund.

Sub-fund Details

Name:	LF Canlife Diversified Monthly Income Fund
Product Reference Number:	845090
Type of Sub-fund:	Non-UCITS retail scheme
Investment Objective:	To provide income monthly with the prospect for long term (at least 5 years) capital growth.
Investment Policy:	To invest globally in the following asset classes: equities, debt securities (government, corporate bonds, convertibles and preference shares), cash, near cash, money market instruments, immovable property, infrastructure and commodities. The Sub-fund may gain exposure to the asset classes listed directly and indirectly by investing in other transferable securities, Real Estate Investment Trusts, Exchange Traded Funds and collective investment schemes (open and closed ended), which may include collective investment schemes managed or advised by the ACD, the Portfolio Manager or their associates. Exposure to immovable property, infrastructure and commodities will be indirect. The Sub-fund may not have exposure to all asset classes at all times. The Sub-fund's exposure to the following asset classes will be within the ranges stated:

Asset Class	Min %	Max %
Property	0	20
Equities	25	55
Government and Corporate Bonds	30	70

	The Sub-fund has no particular geographic focus. The Portfolio Manager may employ derivatives for the purpose of efficient portfolio management.
Investment Strategy:	The Portfolio Manager undertakes asset allocation with a particular focus on both valuation and yield. A review is undertaken at least quarterly which determines target weights for the asset classes (for example, whether government or corporate bonds are preferred and which regions are preferred).

	At an individual security level the Portfolio Manager will consider investment in securities which in their opinion have a robust business model, a strong balance sheet and market share and the ability to provide stable and/or growing level of distribution.
Comparator Benchmark:	IA Mixed Investment 20%-60% Shares sector
Information Regarding Benchmark:	The Sub-fund's performance may be compared against the IA Mixed Investment 20%-60% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The comparator benchmark has been selected as we consider it assists investors in evaluating the Sub-fund's performance against the performance of other funds invested in similar assets. The Sub-fund is not constrained by the requirements of the sector.
Final Accounting Date:	15 October
Interim Accounting Date:	15 April
Income XD Dates:	The 16th of each month
Income Distribution Dates:	The 15th of each month, payable two months in arrears.
Share Classes and Type of Shares:	Class A Accumulation* Class C Income Class C Accumulation Class G Accumulation Class G Income

	Class A	Class C	Class G
Initial Charge:	N/A		
Redemption Charge:	Nil		
Switching Charge:	Nil		
Annual Management Charge:	1.25%	0.50%	0.375%

Investment Minima:**

	Class A	Class C	Class G
Lump Sum:	£1,000,000	£100,000	£50,000,000
Holding:	£1,000,000	£25,000	£5,000,000
Top-up:	£100		
Regular Savings Plan:	Not currently available		

Allocation of Charges:	Income	Capital
AMC:	No	100%
Ongoing Operating Costs:	No	100%
Dealing and Registration:	No	100%
Depositary:	No	100%
Custody:	No	100%
Portfolio Transactions (broker's Commission):	No	100%
Past Performance:	Past performance information is set out in Appendix V. This Sub-fund has only recently launched and no performance figures are currently available.	
Valuation Point:	12.00 noon (London time)	

* Class not currently available.
** The ACD may waive the minimum levels at its discretion.

The maximum level of leverage for this Sub-fund expressed as a ratio of the Sub-fund's total exposure to its Net Asset Value
(a) under the Gross Method is 3.1:1; and
(b) under the Commitment Method is 1.1:1.

Sub-fund Details

Name:	LF Canlife Managed 0% – 35% Fund
Product Reference Number:	770609
Type of Sub-fund:	Non-UCITS retail scheme
Investment Objective:	To achieve capital growth and income over the long term (at least five years), after all costs and charges have been taken. Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.
Investment Policy:	To invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property. The Sub-fund will only have exposure to sterling denominated assets, but can invest, directly or indirectly, in securities issued by non-UK domiciled entities. The Sub-fund's exposure to equities can be between 0% and 35% of the value of the portfolio, but it will typically hold between 20% and 30%. The Sub-fund's exposure to the following asset classes will be within the ranges:

Asset Class	Min %	Max %
UK Property	10	20
Investment grade Government Bonds/ Corporate Bonds/Cash	50	70

The Sub-fund can invest across different industry sectors without limitation.

The Sub-fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended) including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Sub-fund may also invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments.

	The Sub-fund may not have exposure to all asset classes at all times. The Portfolio Manager may invest in derivatives for efficient portfolio management purposes. The ranges referenced above will not apply under extraordinary market conditions, in which circumstances the Sub-fund may invest in asset classes in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, or any events which give rise to high downside risk. During such periods, the Sub-fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government and public securities and/or short-term money market instruments, or have substantial holding in cash and cash equivalents.
Investment Strategy:	The Portfolio Manager undertakes a strategic asset allocation review at least annually. This determines, for a range of asset classes, minimum and maximum allocation bands for each asset class. A tactical review is undertaken at least quarterly which assesses each asset class at a more granular level (for example, for bonds whether government or corporate bonds are preferred). The Portfolio Manager will use the outcomes of these reviews in determining which asset classes to invest in and the weightings of those asset classes that will be held by the Sub-fund.
Comparator Benchmark:	IA Mixed Investment 0-35% Shares sector
Information Regarding Benchmark:	The Sub-fund's performance may be compared against the IA Mixed Investment 0-35% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The comparator benchmark has been selected as we consider it assists investors in evaluating the Sub-fund's performance against the performance of other funds invested in similar assets. The Sub-fund is not constrained by the requirements of the sector.
Final Accounting Date:	15 October
Interim Accounting Date:	15 April
Income XD Dates:	16 October 16 April
Income Distribution Dates:	Annual: 15 December Interim: 15 June

Share Classes and Type of Shares:	Class A Accumulation Class C Income Class C Accumulation Class G Accumulation

	Class A	Class C	Class G
Initial Charge:	N/A		
Redemption Charge:	Nil		
Switching Charge:	Nil		
Annual Management Charge:	1.25%	0.45%	0.375%

Investment Minima:*			
	Class A	Class C	Class G
Lump Sum:	£1,000,000	£100,000	£50,000,000
Holding:	£1,000,000	£25,000	£5,000,000
Top-up:	£100		
Regular Savings Plan:	Not currently available		

Allocation of Charges:	Income	Capital
AMC:	100%	No
Ongoing Operating Costs:	100%	No
Dealing and Registration:	100%	No
Depositary:	100%	No
Custody:	100%	No
Portfolio Transactions (broker's Commission):	No	100%
Past Performance:	Past performance information is set out in Appendix V.	
Valuation Point:	12.00 noon (London time)	

* The ACD may waive the minimum levels at its discretion.

The maximum level of leverage for this Sub-fund expressed as a ratio of the Sub-fund's total exposure to its Net Asset Value

(a) under the Gross Method is 3.1:1; and

(b) under the Commitment Method is 1.1:1.

Sub-fund Details

Name:	LF Canlife Managed 20% – 60% Fund
Product Reference Number:	837353
Type of Sub-fund:	Non-UCITS retail scheme
Investment Objective:	To achieve capital growth over the long term (at least five years), after all costs and charges have been taken. Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.
Investment Policy:	To invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property. The Sub-fund's exposure to equities can be between 20% and 60% of the value of the portfolio, but it will typically hold between 35% and 55%. The Sub-fund's exposure to the following asset classes will be within the ranges:

Asset Class	Min %	Max %
UK Property	10	20
Investment grade Government Bonds/ Corporate Bonds/Cash	30	50

The Sub-fund can invest across different geographic areas and industry sectors without limitation.

The Sub-fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended) including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates.

The Sub-fund may invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments.

The Sub-fund may not have exposure to all asset classes at all times.

The Portfolio Manager may invest in derivatives for efficient portfolio management purposes.

	The ranges referenced above will not apply under extraordinary market conditions, in which circumstances the Sub-fund may invest in asset classes in order to mitigate its exposure to market risk. Examples of extraordinary market conditions include economic, political unrest or instability, world events leading to market instability, or any events which give rise to high downside risk. During such periods, the Sub-fund may temporarily invest up to 100% of its total assets in cash, deposits, treasury bills, government and public securities and/or short-term money market instruments, or have substantial holding in cash and cash equivalents.
Investment Strategy:	The Portfolio Manager undertakes a strategic asset allocation review at least annually. This determines, for a range of asset classes, minimum and maximum allocation bands for each asset class. A tactical review is undertaken at least quarterly which assesses each asset class at a more granular level (for example, for bonds whether government or corporate bonds are preferred). The Portfolio Manager will use the outcomes of these reviews in determining which asset classes to invest in and the weightings of those asset classes that will be held by the Sub-fund.
Comparator Benchmark:	IA Mixed Investment 20-60% Shares sector
Information Regarding Benchmark:	The Sub-fund's performance may be compared against the IA Mixed Investment 20-60% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The comparator benchmark has been selected as we consider it assists investors in evaluating the Sub-fund's performance against the performance of other funds invested in similar assets. The Sub-fund is not constrained by the requirements of the sector.
Final Accounting Date:	15 October
Interim Accounting Date:	15 April
Income XD Dates:	16 October 16 January 16 April 16 July
Income Distribution Dates:	Annual: 15 December Interim: 15 March Interim: 15 June Interim: 15 September

Share Classes and Type of Shares:	Class A Accumulation* Class C Income Class C Accumulation Class G Accumulation Class G Income*

	Class A	Class C	Class G
Initial Charge:	N/A		
Redemption Charge:	Nil		
Switching Charge:	Nil		
Annual Management Charge:	1.425%	0.45%	0.375%

Investment Minima:**			
	Class A	Class C	Class G
Lump Sum:	£1,000,000	£100,000	£50,000,000
Holding:	£1,000,000	£25,000	£5,000,000
Top-up:	£100		
Regular Savings Plan:	Not currently available		

Allocation of Charges:	Income	Capital
AMC:	100%	No
Ongoing Operating Costs:	100%	No
Dealing and Registration:	100%	No
Depositary:	100%	No
Custody:	100%	No
Portfolio Transactions (broker's Commission):	No	100%

Past Performance:	Past performance information is set out in Appendix V. This Sub-fund has only recently launched and no performance figures are currently available.
Valuation Point:	12.00 noon (London time)

* Class not currently available.
** The ACD may waive the minimum levels at its discretion.

The maximum level of leverage for this Sub-fund expressed as a ratio of the Sub-fund's total exposure to its Net Asset Value
(a) under the Gross Method is 3.1:1; and
(b) under the Commitment Method is 1.1:1.

Sub-fund Details

Name:	LF Canlife Portfolio III Fund
Product Reference Number:	644973
Type of Sub-fund:	Non-UCITS retail scheme
Investment Objective:	To achieve capital growth and income over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain in risk band 3 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis. Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.
Investment Policy:	To invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property. The Sub-fund's exposure to equities can be up to 45% of the value of its portfolio. The Sub-fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended, including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. The Sub-fund may also invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments. The Sub-fund can invest across different geographic areas or industry sectors without limitation. The Sub-fund may not have exposure to all asset classes at all times. The Portfolio Manager may use derivatives for the purpose of efficient portfolio management.

Investment Strategy:	The Sub-fund's risk band is managed by varying the assets it invests in. The asset allocation is determined by reference to investment research carried out by an external agency and based on the long term historic return and volatility of each asset type. Whilst the Portfolio Manager aims to keep the volatility of the Sub-fund within the parameters to stay within risk band 3 over a rolling three-year period, it is not guaranteed and the actual volatility may be outside risk band 3 if the Portfolio Manager believes it is expedient to do so in order to mitigate potential loses. At times observing the asset allocation restrictions to remain within risk band 3 may limit capital growth and/or income. The asset allocation is provided by an independent third party risk rating provider. Further details of the asset allocation process, volatility parameters and measurement process can be obtained at www.dynamicplanner.com.
Comparator Benchmark:	IA Mixed Investment 0-35% Shares sector
Information Regarding Benchmark:	The Sub-fund's performance may be compared against the IA Mixed Investment 0-35% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The comparator benchmark has been selected as we consider it assists investors in evaluating the Sub-fund's performance against the performance of other funds invested in similar assets. The Sub-fund is not constrained by the requirements of the sector.
Final Accounting Date:	15 October
Interim Accounting Date:	15 April
Income XD Dates:	16 October 16 April
Income Distribution Dates:	Annual: 15 December Interim: 15 June

Share Classes and Type of Shares[1]:	Class A Accumulation Class B Accumulation Class C Income Class C Accumulation Class G Accumulation

	Class A	Class B	Class C	Class G
Initial Charge:	N/A			
Redemption Charge:	Nil			
Switching Charge:	Nil			
Annual Management Charge:	1.425%	0.65%	0.45%	0.375%

Investment Minima:*				
	Class A	Class B	Class C	Class G
Lump Sum:	£1,000,000	£500	£100,000	£50,000,000
Holding:	£1,000,000	£500	£25,000	£5,000,000
Top-up:	£100	£100	£100	£100
Regular Savings Plan:	Not currently available	£35 per month	Not currently available	Not currently available

Allocation of Charges:	Income	Capital
AMC:	No	100%
Ongoing Operating Costs:	No	100%
Dealing and Registration:	No	100%
Depositary:	No	100%
Custody:	No	100%
Portfolio Transactions (broker's Commission):	No	100%
Past Performance:	Past performance information is set out in Appendix V.	
Valuation Point:	12.00 noon (London time)	

* The ACD may waive the minimum levels at its discretion.

The maximum level of leverage for this Sub-fund expressed as a ratio of the Sub-fund's total exposure to its Net Asset Value

(a) under the Gross Method is 3.1:1; and

(b) under the Commitment Method is 1.1:1.

Sub-fund Details

Name:	LF Canlife Portfolio IV Fund
Product Reference Number:	644974
Type of Sub-fund:	Non-UCITS retail scheme
Investment Objective:	To achieve capital growth and income over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain in risk band 4 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis. Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.
Investment Policy:	To invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property. The Sub-fund's exposure to equities can be up to 60% of the value of its portfolio. The Sub-fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended, including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. The Sub-fund may invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments. The Sub-fund can invest across different geographic areas or industry sectors without limitation. The Sub-fund may not have exposure to all asset classes at all times. The Portfolio Manager may use derivatives for the purpose of efficient portfolio management.

Investment Strategy:	The Sub-fund's risk band is managed by varying the assets it invests in. The asset allocation is determined by reference to investment research carried out by an external agency and based on the long term historic return and volatility of each asset type. Whilst the Portfolio Manager aims to keep the volatility of the Sub-fund within the parameters to stay within risk band 4 over a rolling three-year period, it is not guaranteed and the actual volatility may be outside risk band 4 if the Portfolio Manager believes it is expedient to do so in order to mitigate potential loses. At times observing the asset allocation restrictions to remain within risk band 4 may limit capital growth and/or income. The asset allocation is provided by an independent third party risk rating provider. Further details of the asset allocation process, volatility parameters and measurement process can be obtained at www.dynamicplanner.com.
Comparator Benchmark:	IA Mixed Investment 20-60% Shares sector
Information Regarding Benchmark:	The Sub-fund's performance may be compared against the IA Mixed Investment 20-60%. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The comparator benchmark has been selected as we consider it assists investors in evaluating the Sub-fund's performance against the performance of other funds invested in similar assets. The Sub-fund is not constrained by the requirements of the sector.
Final Accounting Date:	15 October
Interim Accounting Date:	15 April
Income XD Dates:	16 October 16 April
Income Distribution Dates:	Annual: 15 December Interim: 15 June

Share Classes and Type of Shares[1]:	Class A Accumulation Class B Income Class B Accumulation Class C Income Class C Accumulation Class G Accumulation

	Class A	Class B	Class C	Class G
Initial Charge:	N/A			
Redemption Charge:	Nil			
Switching Charge:	Nil			
Annual Management Charge:	1.425%	0.65%	0.45%	0.375%

Investment Minima:*				
	Class A	Class B	Class C	Class G
Lump Sum:	£1,000,000	£500	£100,000	£50,000,000
Holding:	£1,000,000	£500	£25,000	£5,000,000
Top-up:	£100			
Regular Savings Plan:	Not currently available	£35 per month	Not currently available	Not currently available

Allocation of Charges:	Income	Capital
AMC:	No	100%
Ongoing Operating Costs:	No	100%
Dealing and Registration:	No	100%
Depositary:	No	100%
Custody:	No	100%
Portfolio Transactions (broker's Commission):	No	100%
Past Performance:	Past performance information is set out in Appendix V.	
Valuation Point:	12.00 noon (London time)	

* The ACD may waive the minimum levels at its discretion.

The maximum level of leverage for this Sub-fund expressed as a ratio of the Sub-fund's total exposure to its Net Asset Value

(a) under the Gross Method is 3.1:1; and

(b) under the Commitment Method is 1.1:1.

Sub-fund Details

Name:	LF Canlife Portfolio V Fund
Product Reference Number:	644975
Type of Sub-fund:	Non-UCITS retail scheme
Investment Objective:	To achieve capital growth over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain in risk band 5 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis. Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.
Investment Policy:	To invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property. The Sub-fund's exposure to equities may be up to 75% of the value of its portfolio. The Sub-fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended) including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. The Sub-fund may invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments. The Sub-fund can invest across different geographic areas or industry sectors without limitation. The Sub-fund may not have exposure to all asset classes at all times. The Portfolio Manager may use derivatives for the purpose of efficient portfolio management.

Investment Strategy:	The Sub-fund's risk band is managed by varying the assets it invests in. The asset allocation is determined by reference to investment research carried out by an external agency and based on the long term historic return and volatility of each asset type. Whilst the Portfolio Manager aims to keep the volatility of the Sub-fund within the parameters to stay within risk band 5 over a rolling three-year period, it is not guaranteed and the actual volatility may be outside risk band 5 if the Portfolio Manager believes it is expedient to do so in order to mitigate potential loses. At times observing the asset allocation restrictions to remain within risk band 5 may limit capital growth and/or income. The asset allocation is provided by an independent third party risk rating provider. Further details of the asset allocation process, volatility parameters and measurement process can be obtained at www.dynamicplanner.com.
Comparator Benchmark:	IA Mixed Investment 40-85% Shares sector
Information Regarding Benchmark:	The Sub-fund's performance may be compared against the IA Mixed Investment 40-85% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The comparator benchmark has been selected as we consider it assists investors in evaluating the Sub-fund's performance against the performance of other funds invested in similar assets. The Sub-fund is not constrained by the requirements of the sector.
Final Accounting Date:	15 October
Interim Accounting Date:	15 April
Income XD Dates:	16 October 16 April
Income Distribution Dates:	Annual: 15 December Interim: 15 June

Share Classes and Type of Shares[1]:	Class A Accumulation Class B Accumulation Class C Accumulation Class G Accumulation

	Class A	Class B	Class C	Class G
Initial Charge:	N/A			
Redemption Charge:	Nil			
Switching Charge:	Nil			
Annual Management Charge:	1.425%	0.65%	0.45%	0.375%

Investment Minima:*				
	Class A	Class B	Class C	Class G
Lump Sum:	£1,000,000	£500	£100,000	£50,000,000
Holding:	£1,000,000	£500	£25,000	£5,000,000
Top-up:	£100			
Regular Savings Plan:	Not currently available	£35 per month	Not currently available	Not currently available

Allocation of Charges:	Income	Capital
AMC:	100%	No
Ongoing Operating Costs:	100%	No
Dealing and Registration:	100%	No
Depositary:	100%	No
Custody:	100%	No
Portfolio Transactions (broker's Commission):	No	100%
Past Performance:	Past performance information is set out in Appendix V.	
Valuation Point:	12.00 noon (London time)	

* The ACD may waive the minimum levels at its discretion.

The maximum level of leverage for this Sub-fund expressed as a ratio of the Sub-fund's total exposure to its Net Asset Value

(a) under the Gross Method is 3.1:1; and

(b) under the Commitment Method is 1.1:1.

Sub-fund Details

Name:	LF Canlife Portfolio VI Fund
Product Reference Number:	644976
Type of Sub-fund:	Non-UCITS retail scheme
Investment Objective:	To achieve capital growth over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain in risk band 6 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis. Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.
Investment Policy:	To invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property. The Sub-fund's exposure to equities can be up to 90% of the value of its portfolio. The Sub-fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended, including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. The Sub-fund may also invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments. The Sub-fund can invest across different geographic areas or industry sectors without limitation. The Sub-fund may not have exposure to all asset classes at all times. The Portfolio Manager may use derivatives for the purpose of efficient portfolio management.

Investment Strategy:	The Sub-fund's risk band is managed by varying the assets it invests in. The asset allocation is determined by reference to investment research carried out by an external agency and based on the long term historic return and volatility of each asset type. Whilst the Portfolio Manager aims to keep the volatility of the Sub-fund within the parameters to stay within risk band 6 over a rolling three-year period, it is not guaranteed and the actual volatility may be outside risk band 6 if the Portfolio Manager believes it is expedient to do so in order to mitigate potential loses. At times observing the asset allocation restrictions to remain within risk band 6 may limit capital growth and/or income. The asset allocation is provided by an independent third party risk rating provider. Further details of the asset allocation process, volatility parameters and measurement process can be obtained at www.dynamicplanner.com.
Comparator Benchmark:	IA Mixed Investment 40-85% Shares sector
Information Regarding Benchmark:	The Sub-fund's performance may be compared against the IA Mixed Investment 40-85% Shares sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The comparator benchmark has been selected as we consider it assists investors in evaluating the Sub-fund's performance against the performance of other funds invested in similar assets. The Sub-fund is not constrained by the requirements of the sector.
Final Accounting Date:	15 October
Interim Accounting Date:	15 April
Income XD Dates:	16 October 16 April
Income Distribution Dates:	Annual: 15 December Interim: 15 June

Share Classes and Type of Shares[1]:	Class A Accumulation Class B Accumulation Class C Accumulation Class G Accumulation

	Class A	Class B	Class C	Class G
Initial Charge:	N/A			
Redemption Charge:	Nil			
Switching Charge:	Nil			
Annual Management Charge:	1.425%	0.65%	0.45%	0.375%

Investment Minima:*				
	Class A	Class B	Class C	Class G
Lump Sum:	£1,000,000	£500	£100,000	£50,000,000
Holding:	£1,000,000	£500	£25,000	£5,000,000
Top-up:	£100	£100	£100	£100
Regular Savings Plan:	Not currently available	£35 per month	Not currently available	Not currently available

Allocation of Charges:	Income	Capital
AMC:	100%	No
Ongoing Operating Costs:	100%	No
Dealing and Registration:	100%	No
Depositary:	100%	No
Custody:	100%	No
Portfolio Transactions (broker's Commission):	No	100%
Past Performance:	Past performance information is set out in Appendix V.	
Valuation Point:	12.00 noon (London time)	

* The ACD may waive the minimum levels at its discretion.

The maximum level of leverage for this Sub-fund expressed as a ratio of the Sub-fund's total exposure to its Net Asset Value

(a) under the Gross Method is 3.1:1; and

(b) under the Commitment Method is 1.1:1.

Sub-fund Details

Name:	LF Canlife Portfolio VII Fund
Product Reference Number:	644977
Type of Sub-fund:	Non-UCITS retail scheme
Investment Objective:	To achieve capital growth and income over the long term (at least five years), after all costs and charges have been taken, whilst seeking to remain in risk band 7 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis. Capital invested is at risk and there is no guarantee the objective will be achieved over any time period.
Investment Policy:	To invest at least 90% indirectly, via collective investment schemes, in the following assets: equities, debt securities (including government and public securities, corporate bonds, convertibles and preference shares), cash (including deposits and money market instruments) and immovable property. The Sub-fund's exposure to equities can be up to 100% of the value of its portfolio. The Sub-fund will gain exposure to these asset classes by investing in other collective investment schemes managed by the Portfolio Manager. It may also invest in other collective investment schemes (open and closed ended), including Exchange Traded Funds), other transferable securities (including Real Estate Investment Trusts) and hedge funds. Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. The Sub-fund may also invest up to 10% directly in the asset classes stated above (except immovable property) by investing in securities issued by companies and governments. The Sub-fund can invest across different geographic areas or industry sectors without limitation. The Sub-fund may not have exposure to all asset classes at all times. The Portfolio Manager may use derivatives for the purpose of efficient portfolio management.

Investment Strategy:	The Sub-fund's risk band is managed by varying the assets it invests in. The asset allocation is determined by reference to investment research carried out by an external agency and based on the long term historic return and volatility of each asset type. Whilst the Portfolio Manager aims to keep the volatility of the Sub-fund within the parameters to stay within risk band 7 over a rolling three-year period, it is not guaranteed and the actual volatility may be outside risk band 7 if the Portfolio Manager believes it is expedient to do so in order to mitigate potential loses. At times observing the asset allocation restrictions to remain within risk band 7 may limit capital growth and/or income. The asset allocation is provided by an independent third party risk rating provider. Further details of the asset allocation process, volatility parameters and measurement process can be obtained at www.dynamicplanner.com.
Comparator Benchmark:	IA Flexible Investment sector
Information Regarding Benchmark:	The Sub-fund's performance may be compared against the IA Flexible Investment sector. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers). The comparator benchmark has been selected as we consider it assists investors in evaluating the Sub-fund's performance against the performance of other funds invested in similar assets. The Sub-fund is not constrained by the requirements of the sector.
Final Accounting Date:	15 October
Interim Accounting Date:	15 April
Income XD Dates:	16 October 16 April
Income Distribution Dates:	Annual: 15 December Interim: 15 June

Share Classes and Type of Shares[1]:	Class A Accumulation Class B Accumulation Class C Accumulation Class G Accumulation

	Class A	Class B	Class C	Class G
Initial Charge:	N/A			
Redemption Charge:	Nil			
Switching Charge:	Nil			
Annual Management Charge:	1.425%	0.65%	0.45%	0.375%

Investment Minima:*				
	Class A	Class B	Class C	Class G
Lump Sum:	£1,000,000	£500	£100,000	£50,000,000
Holding:	£1,000,000	£500	£25,000	£5,000,000
Top-up:	£100			
Regular Savings Plan:	Not currently available	£35 per month	Not currently available	Not currently available

Allocation of Charges:	Income	Capital
AMC:	100%	No
Ongoing Operating Costs:	100%	No
Dealing and Registration:	100%	No
Depositary:	100%	No
Custody:	100%	No
Portfolio Transactions (broker's Commission):	No	100%
Past Performance:	Past performance information is set out in Appendix V.	
Valuation Point:	12.00 noon (London time)	

* The ACD may waive the minimum levels at its discretion.

The maximum level of leverage for this Sub-fund expressed as a ratio of the Sub-fund's total exposure to its Net Asset Value
(a) under the Gross Method is 3.1:1; and
(b) under the Commitment Method is 1.1:1.

Appendix II

Eligible Securities Markets

ELIGIBLE SECURITIES MARKETS:

All regulated markets (as defined in the glossary to the FCA Handbook) or markets established in the UK or an EEA State which are regulated, operate regularly and are open to the public (excluding Cyprus and Slovenia).

Each Sub-fund may also deal through the securities markets indicated below:

Australia	Australian Securities Exchange
Brazil	B3
Canada	Toronto Stock Exchange
Chile	Santiago Stock Exchange
China	Shanghai Stock Exchange
	Shenzhen Stock Exchange
Hong Kong	Hong Kong Exchanges and Clearing Limited
India	Bombay Stock Exchange
	National Stock Exchange of India Ltd
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Japan	Tokyo Stock Exchange
Korea	Korea Exchange
Malaysia	Bursa Malaysia
Mexico	Mexican Stock Exchange
New Zealand	NZX Limited
Philippines	Philippine Stock Exchange
Qatar	Qatar Stock Exchange
Russia	Moscow Exchange
Singapore	Singapore Exchange
South Africa	JSE Limited
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand
United Arab Emirates	NASDAQ Dubai
	Abu Dhabi Securities Exchange
	Dubai Financial Markets
United States of America	New York Stock Exchange
	NASDAQ Stock Market
	NYSE American

ELIGIBLE DERIVATIVES MARKETS:

An Eligible Derivatives Market is any of the following markets:

Australia	Australian Securities Exchange
Canada	Montreal Exchange
Hong Kong	Hong Kong Exchanges and Clearing Limited
Japan	Tokyo Stock Exchange
Korea	Korea Exchange
Singapore	Singapore Exchange
Switzerland	SIX Swiss Exchange
United States of America	Chicago Board of Trade
	Cboe Options Exchange
	Chicago Mercantile Exchange
	NASDAQ PHLX
	New York Mercantile Exchange
	NYSE Amex Equities
	NYSE Arca Options
	New York Stock Exchange
	NASDAQ Stock Market

Place of Establishment Requirements for Funds of Funds

The following Sub-funds are considered to operate as funds of funds for the purposes of the AIFM Directive:

LF Canlife Managed 0% – 35% Fund
LF Canlife Portfolio III Fund
LF Canlife Portfolio IV Fund
LF Canlife Portfolio V Fund
LF Canlife Portfolio VI Fund
LF Canlife Portfolio VII Fund

For these Sub-funds, subject to the investment objective and investment policy of each and the rules on eligibility in paragraph 6 of Appendix III, the collective investment schemes in which they may invest may be established in any EEA State.

Appendix III

Investment and Borrowing Powers of the Company

1. General

The Scheme Property of a Sub-fund will be invested with the aim of achieving the investment objective of the relevant Sub-fund but subject to the limits set out in the Sub-fund's investment policy, this Prospectus and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") that are applicable to non-UCITS retail schemes. These limits apply to each Sub-fund as summarised below.

Normally, a Sub-fund will be fully invested save for an amount to enable redemption of Shares, efficient management of a Sub-fund in relation to its strategic objective and other purposes which may be reasonably regarded as ancillary to the investment objectives of the Sub-funds.

This amount will vary depending upon prevailing circumstances and although it would normally not exceed 10% of the total value of a Sub-fund, there may be times when the Portfolio Manager considers stock markets or assets to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased. Unless market conditions were deemed unusually risky, the increased amount and period would not be expected to exceed 30% and six months respectively.

The Company will not maintain an interest in any immovable property or movable property for the direct pursuit of the ICVC's business, but may gain indirect exposure to this asset class through investment types permitted under the investment policy and COLL.

1.1 Prudent Spread of Risk

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

The rules relating to spread of investments, including immovables, do not apply until 12 months after the later of:

(a) the date when the authorisation order in respect of the non-UCITS retail scheme takes effect; and

(b) the date the initial offer commenced;

provided that 1.1 is complied with during such period.

1.2 Cover

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

1.2.2 Where a rule in COLL 5 permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

1.2.2.1 it must be assumed that in applying any of those rules, a Sub-fund must also simultaneously satisfy any other obligation relating to cover; and

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

2. Non-UCITS Retail Schemes – General

2.1 Subject to the investment objective and policy of a Sub-fund, the Scheme Property must, except where otherwise provided in COLL 5 only consist of any or all of:

2.1.1 transferable securities;

2.1.2 money-market instruments;

2.1.3 units or shares in permitted collective investment schemes;

2.1.4 permitted derivatives and forward transactions;

2.1.5 permitted deposits;

2.1.6 permitted immovables; and

2.1.7 gold up to a limit of 10% in value of the Scheme Property of each Sub-fund.

2.2 Transferable securities and money-market instruments held within a Sub-fund must (subject to paragraph 2.2.4 of this Appendix) be:

2.2.1 admitted to or dealt in on an eligible market as described below;

2.2.2 be approved money-market instruments not admitted or dealt in on an eligible market below which satisfy the requirement of paragraph 8 (Investment in Money-Market Instruments) in this Appendix;

2.2.3 recently issued transferable securities provided that:

2.2.3.1 the terms of issue include an undertaking that application will be made to be admitted on an eligible market; and

2.2.3.2 such admission is secured within a year of issue.

2.2.4 subject to a limit of 20% in value of the Scheme Property be:

2.2.4.1 transferable securities which are not within 2.2.1 to 2.2.3; or

2.2.4.2 money-market instruments which are liquid and have a value which can be determined accurately at any time.

2.3 The requirements on spread of investments do not apply until 12 months after the later of:

2.3.1 the date when the authorisation order in respect of the non-UCITS retail scheme takes effect; and

2.3.2 the date the initial offer commenced;

provided that 1.1 (Prudent spread of risk) is complied with during such period.

2.4 Transferable securities held by the Company must also satisfy the criteria in COLL 5.2.7AR (UCITS schemes: permitted types of Scheme Property), COLL 5.2.7CR (Closed ended funds constituting transferable securities) and COLL 5.2.7ER (Transferable securities linked to other assets) for the purposes of investment by a UCITS scheme.

3. Eligible Markets Regime: Purpose

3.1 This section specifies criteria as to the nature of the markets in which property of a Non-UCITS retail scheme may be invested.

3.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as a breach beyond the control of the ACD.

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

3.3.1 a regulated market as defined in the FCA Handbook;

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

3.3.3 any market within 3.4 below.

3.4 A market not falling within paragraph 3.3 of this Appendix is eligible for the purposes of COLL 5 if:

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

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

3.4.3 the Depositary has taken reasonable care to determine that:

3.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and

3.4.3.2 all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

3.5 In paragraph 3.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

4. Spread: General

4.1 This rule on spread does not apply in respect of a transferable security or an approved money-market instrument to which COLL 5.2.12R (Spread: government and public securities) applies.

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

4.3 Not more than 10% in value of the Scheme Property of a Sub-fund is to consist of transferable securities or money-market instruments issued by any single body subject to COLL 5.6.23R (Schemes replicating an index).

4.4 The limit of 10% in paragraph 4.3 above is raised to 25% in value of the Scheme Property of a Sub-fund in respect of covered bonds.

4.5 In applying paragraph 4.3, certificates representing certain securities are to be treated as equivalent to the underlying security.

4.6 COLL 5 provides that not more than 35% in value of the Scheme Property of a Sub-fund is to consist of the units or shares of any one collective investment scheme.

4.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property of a Sub-fund.

4.8 For the purpose of calculating the limit in paragraph 4.7, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:

4.8.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;

4.8.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;

4.8.3 it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and

4.8.4 can be fully enforced by a Sub-fund at any time.

4.9 For the purposes of calculating the limits in paragraph 4.7, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:

4.9.1 comply with the conditions set out in Part 7 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to the Banking Consolidation Directive; and

4.9.2 are based on legally binding agreements.

4.10 In applying this paragraph (Spread: general), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:

4.10.1 it is backed by an appropriate performance guarantee; and

4.10.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

5. Spread: Government and Public Securities

5.1 The following section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued by:

5.1.1 an EEA State;

5.1.2 a local authority of an EEA State;

5.1.3 a non-EEA State; or

5.1.4 a public international body to which one or more EEA States belong.

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

5.3 A Sub-fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

5.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of a Sub-fund;

5.3.2 no more than 30% in value of the Scheme Property of a Sub-fund consists of such securities of any one issue;

5.3.3 the Scheme Property of a Sub-fund includes such securities issued by that or another issuer, of at least six different issues;

5.3.4 the disclosures in COLL 3.2.6R(8) (Table: contents of the instrument constituting the fund) and COLL 4.2.5R(3)(i) (Table: contents of the prospectus) have been made.

5.4 It is not intended that any Sub-fund will invest more than 35% in value in such securities issued by any one body.

6. Investment in Collective Investment Schemes

6.1 Up to 100% of the value of the Scheme Property of a Sub-fund may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that the Second Scheme satisfies all of the requirements of paragraphs 6.1.1 to 6.1.5.

6.1.1 The Second Scheme must:

6.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

6.1.1.2 be authorised as a non-UCITS retail scheme; or

6.1.1.3 be recognised under the provisions of s.264 or s.272 of the Financial Services and Markets Act 2000; or

6.1.1.4 be constituted outside the United Kingdom and have investment and borrowing powers which are the same or more restrictive than those of a non-UCITS retail scheme; or

6.1.1.5 be a scheme not falling within paragraphs 6.1.1.1 to 6.1.1.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.

6.1.2 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.

6.1.3 The Second Scheme is prohibited from having more than 15% in value of the Scheme Property consisting of units or shares in collective investment schemes unless COLL 5.6.10AR applies.

6.1.4 The participants in the Second Scheme must be entitled to have their units or shares redeemed in accordance with the scheme at a price related to the net value of the Scheme Property to which the units or shares relate and determined in accordance with the scheme.

6.1.5 Where the Second Scheme is an umbrella, the provisions in paragraphs 6.1.2 to 6.1.4 and section 4 (Spread: general) above apply to each Sub-fund as if it were a separate scheme.

6.2 The Scheme Property attributable to a Sub-fund may include Shares in another Sub-Fund of the Company (the "Second Sub-fund") subject to the requirements of paragraph 6.3 below.

6.3 A Sub-fund may invest in or dispose of Shares of a Second Sub-fund provided that:

6.3.1 the Second Sub-fund does not hold Shares in any other Sub-fund of the Company;

6.3.2 the requirements set out at paragraphs 6.5 and 6.6 below are complied with; and

6.3.3 not more than 35% in value of the Scheme Property of the investing or disposing Sub-fund is to consist of Shares in the Second Sub-fund.

6.4 The Sub-funds may, subject to the limit set out in paragraph 6.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD or one of its Associates.

6.5 Investment may only be made in a Second Sub-fund or other collective investment schemes managed by the ACD or an Associate of the ACD if the Prospectus of the Company clearly states that the Sub-funds may enter into such investments and the rules on double charging contained in COLL 5 are complied with.

6.6 Where a Sub-fund of the Company invests in or disposes of Shares in a Second Sub-fund or units or shares in another collective investment scheme which is managed or operated by the ACD or an Associate of the ACD, the ACD must pay to that Sub-fund by the close of business on the fourth business day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

7. Investment in Nil and Partly Paid Securities

7.1 A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by a Sub-fund, at the time when payment is required, without contravening the rules in COLL 5.

8. Investment in Money-Market Instruments

8.1 A Sub-fund may invest up to 100% in money-market instruments which are within the provisions of 2.2 above or 8.2 below and subject to the limit of 20% referred to in 2.2.4 above, which are normally dealt in or on the money-market, are liquid and whose value can be accurately determined at any time.

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

8.2.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and

8.2.2 the instrument is issued or guaranteed in accordance with COLL 5.2.10BR.

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

8.3.1 the instrument is an approved money-market instrument;

8.3.2 appropriate information is available for the instrument (including Information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with COLL 5.2.10CR (Appropriate information for money-market instruments); and

8.3.3 the instrument is freely transferable.

9. Derivatives: General

The Portfolio Manager may employ derivatives for the purposes of Efficient Portfolio Management ('EPM') in accordance with the Risk Management Policy (RMP) – The RMP is available on request from the Authorised Corporate Director.

Where a Sub-fund employs derivatives for EPM or hedging purposes its global exposure will be calculated using the commitment approach on a daily basis.

The commitment approach measures the exposure generated by a derivative and must be based on an exact conversion of the financial derivative position into the market value of an equivalent position in the underlying asset of that derivative.

The sum of the absolute value of all these equivalent positions, after allowing for netting and hedging, is then the leverage generated by a Sub-fund's derivatives positions.

This leverage level must comply with the RMP. It is not intended that the use of derivatives and forward transactions for EPM purposes will cause the risk profile of a Sub-fund to increase.

9.1 A transaction in derivatives or a forward transaction must not be effected for a Sub-fund unless the transaction is of a kind specified in paragraph 11 below (Permitted transactions (derivatives and forwards)); and the transaction is covered, as required by paragraph 19 (Cover for investment in derivatives and forward transactions) of this Appendix.

9.2 Where a Sub-fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in COLL 5 in relation to spread (COLL 5.6.7R Spread: general, COLL 5.6.8R Spread: government and public securities) set out in sections 4 and 5 above, except for index based derivatives where the rules in paragraph 9.6 below apply.

9.3 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limit in this section.

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

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

9.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

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

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

9.6 Where a Sub-fund invests in an index based derivative, provided the relevant index falls within COLL 5.6.23R (Schemes replicating an index) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.6.7R and COLL 5.6.8R set out in sections 4 and 5 (relating to spread).

9.7 The relaxation in 9.6 above is subject to the ACD taking account of COLL 5.6.3 (Prudent spread of risk) set out in section 1.1 above.

10. Efficient Portfolio Management

10.1 The Portfolio Manager may utilise the Scheme Property to enter into derivatives and forward transactions for the purposes of EPM. EPM permits techniques and instruments that relate to transferable securities and money market instruments and satisfy the following criteria:

10.2 the transaction must be, economically appropriate to EPM, in that it is realised in a cost effective way, that is:

10.2.2 the exposure on the transaction must be fully covered; and,

10.2.3 the transaction must be entered into for one of the following specific aims:

(a) the reduction of risk;

(b) the reduction of costs; or

(c) the generation of additional capital or income for a Sub-fund with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL.

10.3 A transaction which is regarded as speculative will not be permitted.

11. Permitted Transactions (Derivatives and Forwards)

11.1 A transaction in a derivative must be:

11.1.1 in an approved derivative; or

11.1.2 be one which complies with paragraph 15 (OTC transactions in derivatives).

11.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Sub-fund is dedicated:

11.2.1 transferable securities;

11.2.2 money-market instruments;

11.2.3 permitted deposits;

11.2.4 derivatives and forward transactions permitted under this section;

11.2.5 collective investment scheme units permitted under section 6 (Investment in collective investment schemes);

11.2.6 permitted immovables;

11.2.7 gold up to a limit of 10% of the Scheme Property of a Sub-fund;

11.2.8 financial indices which satisfy the criteria in COLL 5.2.20AR (Financial indices underlying derivatives) set out in section 12 below;

11.2.9 interest rates;

11.2.10 foreign exchange rates; and

11.2.11 currencies.

11.3 The exposure to the underlyings in paragraph 11.2 above must not exceed the limits in paragraphs 4 and 5 (relating to spread) above.

11.4 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A list of the current eligible derivatives markets is set out in Appendix 2. Further derivatives markets may be added following consultation with the Depositary in accordance with COLL.

11.5 A transaction in a derivative must not cause a Sub-fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.

11.6 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, money-market instruments, units in collective investment schemes, or derivatives.

11.7 Any forward transaction must be with an Eligible Institution or an Approved Bank (as defined in the Glossary to the FCA Handbook).

11.8 The ACD must ensure compliance with COLL 5.3.3AR (Cover for investment in derivative and forward transactions), 5.3.3BR and 5.3.3CR (Daily calculation of global exposure) set out in section 19 below.

12. Financial Indices Underlying Derivatives

12.1 The financial indices referred to in paragraph 11.2.8 are those which satisfy the following criteria:

12.1.1 the index is sufficiently diversified;

12.1.2 the index represents an adequate benchmark for the market to which it refers; and

12.1.3 the index is published in an appropriate manner.

12.2 A financial index is sufficiently diversified if:

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

12.2.2 where it is composed of assets in which a Sub-fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and

12.2.3 where it is composed of assets in which a Sub-fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.

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

12.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;

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

12.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

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

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

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

12.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 11.2 be regarded as a combination of those underlyings.

13. Transactions for the Purchase of Property

13.1 A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-fund may be entered into only if that Scheme Property can be held for the account of a Sub-fund, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in COLL 5.

14. Requirement to Cover Sales

14.1 No agreement by or on behalf of a Sub-fund to dispose of Scheme Property or rights may be made unless:

14.1.1 the obligation to make the disposal and any other similar obligation could immediately be honoured by a Sub-fund by delivery of Scheme Property or the assignment (or, in Scotland, assignation) of rights; and

14.1.2 the Scheme Property and rights above are owned by a Sub-fund at the time of the agreement.

14.2 This requirement does not apply to a deposit.

14.3 The requirement in 14.1.1 above could be met where:

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

14.3.2 the ACD or the Depositary has the right to settle the derivative in cash and cover exists from within the Scheme Property of a sub-fund, which falls within one of the following asset classes:

14.3.2.1 cash;

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

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

14.4 In the asset classes referred to in 14.3, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.

15. OTC Transactions in Derivatives

15.1 Any transaction in an OTC derivative under section 11 must be:

15.1.1 in a future or an option or a contract for differences;

15.1.2 with an approved counterparty; A counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank (as defined in the Glossary to the FCA Handbook); or a person whose permission (including any requirements or limitations), as published in the Financial Services Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

15.1.3 on approved terms; the terms of the transaction in derivatives are approved only if, the ACD:

15.1.3.1 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

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

15.1.4 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:

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

15.1.4.2 if the value referred to in paragraph 15.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

15.1.5 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:

15.1.5.1 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

15.1.5.2 a department within the ACD which is independent from the department in charge of managing the Scheme Property of a Sub-fund and which is adequately equipped for such a purpose.

15.2 For the purposes of paragraph 15.1.3, “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.

16. Risk Management

16.1 The ACD uses a risk management process, enabling it 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 a Sub-fund.

17. Investments in Deposits

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

18. Derivative Exposure

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

18.2 Cover ensures that a Sub-fund is not exposed to the risk of loss of Scheme Property, including money, to an extent greater than the net value of its Scheme Property. Therefore, a Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which a Sub-fund is committed. Detailed requirements for cover of a Sub-fund are set out below.

18.3 A future is to be regarded as an obligation to which a Sub-fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for; a written option as an obligation to which a Sub-fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).

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

19. Cover for Investment in Derivatives and Forward Transactions

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

19.2 Cover ensures that a Sub-fund is not exposed to the risk of loss of Scheme Property, including money, to an extent greater than the net value of its Scheme Property. Therefore, a Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which a Sub-fund is committed. Detailed requirements for cover of a Sub-fund are set out below.

19.3 A future is to be regarded as an obligation to which a Sub-fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for; a written option as an obligation to which a Sub-fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).

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

19.5 The ACD must ensure that the global exposure of a Sub-fund relating to derivatives and forward transactions held in the Sub-Fund does not exceed the net value of the Scheme Property.

19.6 The ACD must calculate its global exposure on at least a daily basis.

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

20. Borrowing

20.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under section 19, except where 20.2 applies.

20.2 Where, for the purposes of this section the Company borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being on deposit with the lender (or their agent or nominee), then this section applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

21. Cash and Near Cash

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

21.1.1 the pursuit of a Sub-fund's investment objectives; or

21.1.2 the redemption of shares; or

21.1.3 efficient management of a Sub-fund in accordance with its investment objectives; or

21.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of a Sub-fund.

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

22. General

22.1 It is envisaged that a Sub-fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in order to enable the redemption of shares, efficient management of a Sub-fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.

22.2 Where the Company invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to the Company by the close of business on the third business day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

22.3 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Sub-fund but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.

23. Underwriting

23.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in COLL 5, be entered into for the account of a Sub-fund.

24. General Power to Borrow

24.1 A Sub-fund may, subject to COLL 5, borrow money from an Eligible Institution or an Approved Bank for the use of the Sub-fund on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Company to comply with any restriction in the Instrument of Incorporation.

24.2 The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of each Sub-fund.

24.3 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).

25. Restrictions on Lending of Money

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

25.2 Acquiring a debenture is not lending for the purposes of paragraph 25.1 nor is the placing of money on deposit or in a current account.

26. Restrictions on Lending of Property other than Money

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

26.2 Transactions permitted by paragraph 29 (Stock lending) are not to be regarded as lending for the purposes of paragraph 26.1.

26.3 The Scheme Property of the Sub-funds must not be mortgaged.

26.4 Where transactions in derivatives or forward transactions are used for the account of a Sub-fund in accordance with COLL 5, nothing in this paragraph prevents the Sub-fund or the Depositary at the request of the Sub-fund: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

27. General Power to Accept or Underwrite Placings

27.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Sub-fund.

27.2 This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

27.3 The exposure of a Sub-fund to agreements and understandings as set out above, must on any business day be covered under section 19 above (Cover for investment in derivatives and forward transactions) and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL 5.

28. Guarantees and Indemnities

28.1 The Company or the Depositary for the account of the Company or a Sub-fund must not provide any guarantee or indemnity in respect of the obligation of any person.

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

28.3 Paragraphs 28.1 and 28.2 do not apply in respect of a Sub-fund to any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5, and:

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

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

28.3.3 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the Scheme Property of that scheme becomes the first property of a Sub-fund and the holders of units in that scheme become the first Shareholders in a Sub-fund.

29. Leverage

29.1 This section explains in what circumstances and how the ACD may use leverage in respect of a Sub-fund where the investment policy of that Sub-fund permits its use of leverage, the different leverage calculation methods and maximum level of leverage permitted.

29.2 Leverage when used in this prospectus means the following sources of leverage can be used when managing a Sub-fund:

29.2.1 cash borrowing, subject to the restrictions set out in paragraph 20 (“Borrowing”) of this Annex;

29.2.2 financial derivative instruments and reinvestment of cash collateral in the context of securities lending, subject in each case to paragraphs 9 ("Derivatives – general"), 11 ("Permitted transactions (derivatives and forwards)"), 13 ("Transactions for the purchase of property"), 14 ("Requirement to cover sales"), 15 ("OTC transactions in derivatives"), 19 ("Cover for investments in derivatives and forward transactions") and 20 ("Borrowing") of this Annex.

29.3 The ACD is required to calculate and monitor the level of leverage of a Sub-fund, expressed as a ratio between the exposure of the Sub-fund and its Net Asset Value (Exposure/NAV), under both the gross method and the commitment method (so for a Sub-fund with no borrowing or derivative usage the leverage ratio would be 1:1).

29.4 Under the gross method, the exposure of a Sub-fund is calculated as follows:

29.4.1 include the sum of all assets purchased, plus the absolute value of all liabilities;

29.4.2 exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Sub-fund, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;

29.4.3 derivative instruments are converted into the equivalent position in their underlying assets;

29.4.4 exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;

29.4.5 include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and

29.4.6 include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

29.5 Under the commitment method, the exposure of a Sub-fund is calculated as follows:

29.5.1 include the sum of all assets purchased, plus the absolute value of all liabilities;

29.5.2 derivative instruments are converted into the equivalent position in their underlying assets;

29.5.3 apply netting and hedging arrangements;

29.5.4 calculate the exposure created through the reinvestment of borrowings where such reinvestment increases the exposure of the Sub-fund;

29.5.5 include other arrangements that increase the exposure of the Sub-fund.

29.6 The maximum level of leverage which the Company may employ, calculated in accordance with the gross and commitment methods, is stated in Appendix 1.

29.7 In addition, the total amount of leverage employed by a Sub-fund will be disclosed in the Sub-fund's annual report.

30 Stock Lending

30.1 The entry into stock lending transactions or repo contracts for the account of a Sub-fund is permitted for the generation of additional income for the benefit of that Sub-fund, and hence for its Shareholders.

30.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover them against the risk that the future transfer back of the securities may not be satisfactorily completed.

30.3 The stock lending permitted by this section may be exercised by a Sub-fund when it reasonably appears to a Sub-fund to be appropriate to do so with a view to generating additional income with an acceptable degree of risk.

30.4 A Sub-fund or the Depositary at the request of a Sub-fund may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of a Sub-fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice, the counterparty meets the criteria set out in COLL 5.4.4, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.

30.5 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

30.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under COLL 5, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of a Sub-fund.

30.7 There is no limit on the value of the Scheme Property of a Sub-fund which may be the subject of stock lending transactions or repo contracts save as set out in paragraph 31.5.

31 Stock Lending Programme for the LF Canlife Diversified Monthly Income Fund

31.1 As an extension of Efficient Portfolio Management techniques explained in paragraph 10 above, the LF Canlife Diversified Monthly Income Fund may enter into certain stock lending contracts.

31.2 Any stock lending arrangements entered into must be of the kind described in section 263 B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263 C), but only if the counterparty is:

31.2.1 an authorised person; or

31.2.2 a person authorised by a home state regulator; or

31.2.3 a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or

31.2.4 a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; and the Board of Governors of the Federal Reserve System.

31.3 Counterparties for stock lending transactions are selected taking into account criteria which include: credit rating; industry presence; quality and stability of earnings; capital adequacy; financial stability; credit quality of affiliated group of companies (if applicable); availability of any special arrangements such as guarantees or comfort letters; and quality and completeness of financial reporting. All such counterparties are regulated entities. These counterparties are currently located in the United Kingdom, European Union and North America but counterparties may be selected from outside of these regions.

31.4 The LF Canlife Diversified Monthly Income Fund may only enter into stock lending agreements with counterparties which have a minimum long term credit rating, at the time of entering into the relevant stock lending transaction, of at least, A- / A3 / A- (S&P, Moody's and Fitch, respectively) from at least one of the aforementioned ratings agencies. Where a borrower's credit rating is downgraded below the minimum long term credit rating reasonable endeavours will be made to recall any existing securities on loan whilst taking account of interests of shareholders.

31.5 Under the current stock lending contract the maximum proportion of the assets under management of the LF Canlife Diversified Monthly Income Fund that can be subject to stock lending transactions is 25%.

31.6 The expected proportion of the assets under management of the LF Canlife Diversified Monthly Income Fund that will be subject to stock lending transactions is up to 25%.

31.7 The Depositary must ensure that in the context of stock lending transactions by the LF Canlife Diversified Monthly Income Fund, the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary.

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

31.9 Collateral must be:

31.9.1 transferred to the Depositary or its agent;

31.9.2 at least equal in value, at the time of the transfer to the Depositary, to the value of the securities transferred by the Depositary plus a premium;

31.9.3 received under a title transfer agreement; and

31.9.4 compliant with the requirements of the ESMA Guidelines 2012/832 (which require that all collateral used must comply with a number of factors including liquidity, valuation, issuer credit quality, correlation and diversification).

31.10 When considering collateral the manager does not view maturity as a key determinant of suitability and risk. Instead it adopts a variety of portfolio diversification controls to establish a suitably robust pool of collateral which is not concentrated by issuer, issue or sector. Haircuts are applied to all collateral in order to provide excess cover should collateral values decline and all collateral is marked to market on a daily basis.

31.11 Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate discounts which will be determined by the ACD for each asset class based on its haircut policy. The policy takes into account, notably, the credit quality of the issuer of the collateral, price volatility and the result of liquidity stress tests carried out by the ACD under normal and exceptional liquidity conditions.

31.12 Collateral received will be held by the Depositary (or a sub-custodian thereof) on behalf of the LF Canlife Diversified Monthly Income Fund.

31.13 Non-cash collateral received should not be sold, re-invested or pledged.

31.14 All revenues arising from stock lending arrangements will be returned to the LF Canlife Diversified Monthly Income Fund, net of the fees payable to the stock lending agent. Currently, the direct and indirect operational costs of entering into stock lending amount to 20% of the revenue deriving from such transactions, meaning 80% of the revenue resulting from such transactions is paid to the LF Canlife Diversified Monthly Income Fund.

Appendix IV

List of Other Authorised Collective Investment Schemes Operated by the ACD

The ACD acts as Authorised Corporate Director of the following Open-ended Investment Companies:

Asperior Investment Funds
LF Arch Cru Investment Funds
LF Arch Cru Diversified Funds
Celestial Investment Funds
LF Aegon Investments ICVC I
LF Aegon Investments ICVC II
LF ASI Investment Fund
LF Asset Value Investors Global Fund
LF Bentley Investment Funds
LF Blue Whale Investment Funds
LF Boyer Global Fund
LF Canada Life Investments Fund
LF Canada Life Investments Fund II
LF Cautela Fund
LF Eclectica Funds
LF Gresham House Equity Funds
LF Gresham House UK Micro Cap Fund
LF Havelock London Investment Funds
LF Handelsbanken Multi Asset Funds
LF IM Investment Funds
LF Investment Fund
LF KH Invicta Fund
LF Lightman Investment Funds
LF Lindsell Train UK Equity Fund
LF Lindsell Trian North American Equity Fund
LF Macquarie Investment Funds
LF Majedie Asset Management Investment Fund
LF Montanaro Funds
LF Morant Wright Japan Fund
LF Morant Wright Nippon Yield Fund
LF Odey Funds
LF Odey Investment Funds
LF Odey Investments
LF Prudential Investment Funds (1)
LF Resilient Investment Funds
LF Robin Fund
LF Ruffer Investment Funds
LF Waverton Investment Funds
Packel Global Fund
P E Managed Fund
Purisima Investment Funds
The Abbotsford Fund
The Arbor Fund
The Broden Fund
The Circus Fund
The Davids Fund
The LF Waverton Managed Investment Fund
The Monoux Fund
The Mulberry Fund
The Navajo Fund
The New Floco Fund
The New Grande Motte Fund
The New Jaguar Fund
The New Viaduct Fund
The OHP Fund
Trojan Investment Funds
Windrush Fund

The ACD acts as Manager of the following Authorised Unit Trusts:

LF Adam Worldwide Fund
LF Canada Life Investments Unit Trust
LF Catalyst Trust
LF Greenmount Fund
LF KH Feelgood Trust
LF KH Ramogan Trust
LF Majedie Institutional Trust
LF New Villture Fund
LF Personal Pension Trust
LF Prudential Pacific Markets Trust
LF Stakeholder Pension Scheme
LF Stewart Ivory Investment Markets Fund
LF Waverton Charity Fund
The LF Prudential Qualified Investor Scheme Umbrella Unit Trust
The Drygate Trust
The Holly Fund
The Mermaid Trust
The Newgate Trust

The ACD acts as Manager of the following Authorised Contractual Schemes:

LF ACCESS Pool Authorised Contractual Scheme
LF Canada Life Authorised Contractual Scheme
LF Robeco ACS Umbrella Fund
LF Wales Pension Partnership Asset Pooling ACS Umbrella

Appendix V

Past Performance and Investor Profile

NOTE: PLEASE SEE APPENDIX I FOR THE SUB-FUND'S OBJECTIVES AND BELOW FOR AN EXPLANATION OF INVESTOR PROFILE.

Please note that all performance information is at 31 December 2020. For more up to date performance information, please contact the ACD.

INVESTOR PROFILE

The Company and each of the Sub-funds are marketable to all eligible investors provided they can meet the minimum subscription levels. The Sub-funds may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. They may be suitable for investors wishing to achieve defined investment objectives. Such investors must have experience with, or understand, products where the capital is at risk. Investors must be able to accept some risk to their capital, thus the Sub-funds may be suitable for investors who are looking to set aside the capital for at least 5 years. If you are uncertain whether these products are suitable for you, please contact a financial adviser.

The Company may be suitable for those investors wanting to achieve capital growth over the medium to longer term by investing in a Sub-fund that allows investment in a wide range of asset classes, regions, currencies and investment types.

LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND

Typically, investors should:

- ✓ wish to receive income monthly with the prospect for long term (at least 5 years) capital growth from investment in a range of asset classes;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Past performance is no indication of future performance.

LF Canlife Diversified Monthly Income Fund

Year	%
2020	2.7

Percentage annual performance, C accumulation shares, (total return), based on ACD data and performance of the Sub-fund.

LF CANLIFE MANAGED 0% – 35% FUND

Typically, investors should:

- ✓ wish to achieve capital growth and income over the long term (at least five years) mainly from investment via collective investment schemes in a range of asset classes and investment types, but invests between 0% and 35% in equities;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Past performance is no indication of future performance.

LF Canlife Managed 0% – 35%

Year	%
2018	-2.9
2019	8.1
2020	-1.2

Percentage annual performance, C accumulation shares, (total return), based on ACD data and performance of the Sub-fund.

LF CANLIFE MANAGED 20% – 60% FUND

Typically, investors should:

- ✓ wish to achieve capital growth over the long term (at least five years) mainly from investment via collective investment schemes in a range of asset classes and investment types, but invests between 20% and 60% in equities;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Past performance is no indication of future performance.

LF Canlife Managed 20% – 60% Fund

Year	%
2020	3.3

Percentage annual performance, C accumulation shares, (total return), based on ACD data and performance of the Sub-fund.

LF CANLIFE PORTFOLIO FUNDS

Each of the LF Canlife Portfolio Fund Sub-funds aim to achieve the investment objective within stated volatility parameters. The Sub-funds are each designed to be used with a risk profiling tool which advisers can use to match investors attitude to risk with a volatility range.

LF CANLIFE PORTFOLIO III FUND

Typically, investors should:

- ✓ wish to achieve capital growth and income over the long term (at least five years) mainly from investment via collective investment schemes in a range of asset classes and investment types, whilst seeking to remain in risk band 3 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Past performance is no indication of future performance.

LF Canlife Portfolio III Fund

Year	%
2014	8.4
2015	0.9
2016	10.4
2017	4.3
2018	-2.3
2019	8.1
2020	4.9

Percentage annual performance, C accumulation shares, (total return), based on ACD data and performance of the Sub-fund.

LF CANLIFE PORTFOLIO IV FUND

Typically, investors should:

- ✓ wish to achieve capital growth and income over the long term (at least five years) mainly from investment via collective investment schemes in a range of asset classes and investment types, whilst seeking to remain in risk band 4 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Past performance is no indication of future performance.

LF Canlife Portfolio IV Fund

Year	%
2014	7.4
2015	3.0
2016	10.6
2017	6.3
2018	-3.9
2019	10.6
2020	5.5

Percentage annual performance, C accumulation shares, (total return), based on ACD data and performance of the Sub-fund.

LF CANLIFE PORTFOLIO V FUND

Typically, investors should:

- ✓ wish to achieve capital growth over the long term (at least five years) mainly from investment via collective investment schemes in a range of asset classes and investment types, whilst seeking to remain in risk band 5 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Past performance is no indication of future performance.

LF Canlife Portfolio V Fund

Year	%
2014	7.2
2015	2.7
2016	11.8
2017	8.8
2018	-5.2
2019	13.1
2020	6.4

Percentage annual performance, C accumulation shares, (total return), based on ACD data and performance of the Sub-fund.

LF CANLIFE PORTFOLIO VI FUND

Typically, investors should:

- ✓ wish to achieve capital growth over the long term (at least five years) mainly from investment via collective investment schemes in a range of asset classes and investment types, whilst seeking to remain in risk band 6 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Past performance is no indication of future performance.

LF Canlife Portfolio VI Fund

Year	%
2014	6.7
2015	1.4
2016	13.2
2017	11.6
2018	-6.7
2019	14.9
2020	6.3

Percentage annual performance, C accumulation shares, (total return), based on ACD data and performance of the Sub-fund.

LF CANLIFE PORTFOLIO VII FUND

Typically, investors should:

- ✓ wish to achieve capital growth and income over the long term (at least five years) mainly from investment via collective investment schemes in a range of asset classes and investment types, whilst seeking to remain in risk band 7 (on a scale of 1-10, where 1 is the lowest risk and 10 is the highest) on a rolling three year basis;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term and understand that the value of their investment may be subject to large changes in value, both up and down.

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Past performance is no indication of future performance.

LF Canlife Portfolio VII Fund

Year	%
2014	4.9
2015	0.1
2016	13.8
2017	14.5
2018	-8.8
2019	16.9
2020	4.8

Percentage annual performance, C accumulation shares, (total return), based on ACD data and performance of the Sub-fund.

Appendix VI

Directory

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