

EF FACET DISCRETIONARY PORTFOLIOS

Prospectus

Prepared in accordance with the Collective Investment Schemes Sourcebook
Dated and valid as at 19th February 2022

Authorised Corporate Director

WAY Fund Managers Limited

Cedar House

3 Cedar Park

Cobham Road

Wimborne

Dorset BH21 7SB

(authorised and regulated by the Financial Conduct Authority)

Investment Adviser

FACET Investment Management Limited

2 Charlwood Court

Merlin Centre

County Oak Way

Crawley

West Sussex RH11 7XA

(authorised and regulated by the Financial Conduct Authority)

Registered and Head Office of the Company

c/o WAY Fund Managers Limited

Cedar House

3 Cedar Park

Cobham Road

Wimborne

Dorset BH21 7SB

Depository

Northern Trust Investor Services Limited

50 Bank Street

Canary Wharf

London E14 5NT

(authorised and regulated by the Financial Conduct Authority)

Auditor

PKF Littlejohn LLP

15 Westferry Circus

Canary Wharf

London

E14 4HD

Administrator

Apex Fund & Corporate Services (UK) Limited

6th Floor

140 London Wall

London EC2Y 5DN

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1 INTERPRETATION

In this Prospectus the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Prospectus but not defined herein shall have the same meanings as in the Act or Regulations (as defined below) unless the contrary is stated. The definitions are as follows:

"ACD"	the Authorised Corporate Director holding office from time to time pursuant to FCA Regulations being WAY Fund Managers Limited at the date of this Prospectus;
"Act"	the Financial Services and Markets Act 2000 (as amended, restarted re-enacted or replaced from time to time);
"Administrator"	means Apex Fund & Corporate Services (UK) Limited or such other person appointed from time to time to be the administrator to the Company;
"AIFM Directive"	the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2004/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010;
"Business Day"	means any day on which the London Stock Exchange is open for business for the normal duration of its trading hours, excluding any day in respect of which the ACD has notified the Depositary that is not open for normal business or as otherwise agreed between the ACD and the Depositary;
"Collective Investment Schemes Sourcebook" or "COLL"	the Collective Investment Schemes Sourcebook issued by the FCA pursuant to the Act (as amended, replaced or restated from time to time);
"Company"	EF FACET Discretionary Portfolios;
"Conversion"	The conversion of shares in one class in a Fund to shares of another Class in the same Fund and " Convert " shall be construed accordingly;
"Depositary"	the person appointed from time to time by the Company or otherwise as depositary pursuant to the Regulations, being Northern Trust Investor Services Limited as at the date of this Prospectus;
"FATCA"	the provisions, enacted in the USA, commonly known as the Foreign Account Tax Compliance Act (as amended, consolidated or supplemented from time to time) including any applicable regulations issued pursuant to it;
"FCA"	Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN and any predecessor or successor entity from time to time;
"Funds"	a sub-fund of the Company (being part of the property of the Company which is pooled separately) and to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with

	the investment objective and policy applicable to such Fund, and "Fund" shall mean one of the sub-funds from time to time of the Company;
"FUND Sourcebook"	the Investment Fund Sourcebook issued by the FCA as amended or replaced from time to time;
"Instrument"	means the instrument of incorporation constituting the Company, as amended from time to time;
"Investment Adviser"	means FACET Investment Management Limited appointed by the ACD as investment adviser to the Company;
"ISA"	an individual savings account under the Individual Savings Account Regulations 1998 (as amended);
"Leverage"	means any method by which the exposure of a Fund is increased, whether through borrowing of cash or transferrable securities or leverage embedded in derivative positions or by any other means;
"Net Asset Value" or "NAV"	the value of the scheme property of the Company or of any Fund (as the context may require) less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the Instrument;
"Non-UCITS Retail Scheme"	means a type of collective investment scheme such as the Company which is authorised by the FCA and therefore meets the standards set by the FCA to enable the scheme to be marketed to the public within the UK, but which does not comply with the conditions necessary for it to benefit from certain passporting rights under the UCITS Directive;
"OEIC Regulations"	Open-Ended Investment Companies Regulations 2001 (as amended from time to time);
"Office Hours"	from 9am to 5pm on any Business Day;
"PRN"	FCA Product Reference Number;
"Professional Liability Risks"	shall have the meaning given to it in IPRU(INV) 11.3.12 EU of the FCA Handbook
"recognised scheme"	means a collective investment scheme recognised for the purposes of sections 264, 270 or 272 of the Act;
"Register"	the register of Shareholders of the Company;
"Regulations"	the OEIC Regulations , and the FCA Handbook (including the COLL Sourcebook and FUND Sourcebook, as relevant);
"Specified US Person"	a Shareholder who falls within the definition of "Specified U.S. Person" for the purposes of FATCA;
"Sterling"	pounds sterling of the United Kingdom;
"Switch"	the exchange where permissible of Shares of one Class or Fund for Shares of another Class or Fund and "Switching" shall be construed accordingly;

"UCITS Directive" the European Parliament and Council Directive of 13th July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC) (as amended from time to time);

"VAT" means UK value added tax.

THIS PROSPECTUS IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT THE ACD OR YOUR FINANCIAL ADVISER.

THIS PROSPECTUS IS BASED ON INFORMATION, UK LAWS AND PRACTICE AS AT THE "VALID AT DATE" WHICH APPEARS ON THE FRONT COVER AND BELOW. THE COMPANY AND THE ACD CANNOT BE BOUND BY AN OUT OF DATE PROSPECTUS WHEN IT HAS ISSUED A NEW PROSPECTUS. INVESTORS SHOULD CHECK WITH THE ACD THAT THIS IS THE LATEST VERSION OF THE PROSPECTUS AND THAT THERE HAVE BEEN NO REVISIONS OR UPDATES BEFORE DECIDING TO PURCHASE SHARES IN THE COMPANY. PLEASE NOTE THAT NOTIFIABLE CHANGES WHICH ARE IN THE PROCESS OF BEING IMPLEMENTED OR WHICH HAVE ALREADY BEEN IMPLEMENTED MAY NOT BE DISCLOSED IN THE CURRENT PROSPECTUS.

This Prospectus is intended for distribution in the United Kingdom. Its distribution may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified so to do, or to anyone to whom it is unlawful to make such an offer or solicitation. Intending investors should investigate and observe the legal requirements within their own countries for the acquisition of shares of the Company and any taxation or exchange control legislation affecting them personally, including the obtaining of any necessary governmental or other consents and the observation of any other formalities.

Distributors and other intermediaries which offer, recommend or sell shares in the Funds must comply with all laws, regulations and regulatory requirements as may be applicable to them. Also, such Distributors and other intermediaries must consider such information about the Funds and their share classes as are made available by the Authorised Corporate Director for the purposes of the EU's Product Governance regime including, without limitation, target market information.

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.

Shareholders are deemed to have taken notice of the provisions of the Instrument of Incorporation which is binding on each of the shareholders. A copy of the Instrument of Incorporation is available on request from WAY Fund Managers Limited.

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

International Tax Reporting

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

Information for US Persons

Shares have not been and will not be registered under the United States Securities Act of 1933 (the "**1933 Act**"), as amended. They may not be offered or sold in the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia or offered or sold to US Persons. The Funds have not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been and will not be registered under the United States Investment Advisers Act of 1940.

A "US Person", for the purposes of the above paragraph, is a person who is in either of the following two categories:

- (a) a person included in the definition of "US Person" under Rule 902 of Regulation S under the 1933 Act ("**Rule 902**"), or
- (b) a person excluded from the definition of a "Non-United States Person" as used in the US Commodity Futures Trading Commission ("**CFTC**") Rule 4.7.

For the avoidance of doubt, a person is excluded from this definition of US Person only if he or it does not satisfy any of the definitions of "US Person" in Rule 902 and qualifies as a "Non-United States Person" under CFTC Rule 4.7.

"US Person" under Rule 902 generally includes the following:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organisation or incorporated under the laws of the United States;
- (c) any estate which any executor or administrator is a US Person;
- (d) any trust of which any trustee is a US Person;
- (e) (any agency or branch of a non-US entity located in the United States;
- (f) any non-discretionary account or similar account (other than a estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and
- (h) (h) any partnership or corporation if:
 - (i) organised or incorporated under the laws of any non-US jurisdiction; and
 - (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised on incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

This Prospectus is dated and valid as at 19th February 2022

2 CONSTITUTION AND REGULATORY STATUS

General

The Company is an investment company with variable capital incorporated under the OEIC Regulations. It is a Non-UCITS Retail Scheme as defined in COLL and also an umbrella company for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC000836. The head office of the Company is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. This is also the address for the service on the Company of notices or other documents required or authorised to be served on it.

The base currency for the Company is pounds sterling. The maximum size of the Company's capital is £100,000,000,000 and the minimum size is £1.

The Company was authorised by an order made by the FCA with effect from 9th August 2010. The FCA product reference number (PRN) for the Company is 525261. The operation of the Company is governed by the Regulations, the Instrument and this Prospectus. The Company has unlimited duration.

Structure of the Company

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the Depositary. On the introduction of any new Fund, a revised Prospectus will be prepared setting out the relevant details of each Fund.

The Company currently has two Funds, being:

- EF FACET Balanced Discretionary Portfolio (PRN 635679); and
- EF FACET Cautious Discretionary Portfolio (PRN 635680).

The property attributable to the Funds is managed as if each Fund belonged to the "Non-UCITS Retail Scheme" category as specified in Chapter 5 of COLL. Subject to the terms set out in this Prospectus, holders of shares in the Funds are entitled to receive the net income derived from the Funds and to redeem their shares at a price linked to the value of the property of the Funds. Shareholders do not have any proprietary interest in the underlying assets of the Funds. The shareholders of the Company will not be liable for the debts of the Company.

The assets of each Fund will be treated as separate from those assets of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Each Fund has credited to it the proceeds of all shares linked to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits or assets deriving from such investments.

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and within a Fund, the charges will be allocated between classes of shares in accordance with the terms of issue of the shares of those classes (as applicable). Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which is fair to the shareholders generally but they will be normally allocated by the ACD to all Funds pro rata to the value of the net assets of the relevant Funds.

Funds established by the Company are segregated portfolios of assets, and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly

the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

While the provisions of the OEIC Regulations provide for the segregated liability between the Funds, the concept of segregated liability is relatively new and these provisions have yet to be tested by the Courts. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B of the OEIC Regulations. It is therefore not free from doubt that the assets of a Fund will always be "ring fenced" from the liabilities of other Funds of the Company.

In certain circumstances the Company may sue and be sued in respect of a particular Fund and may exercise rights of set-off in relation to that Fund.

3 RISK FACTORS

Investors should bear in mind that all investment carries risk and in particular should be aware of the following:

- (a) Past performance is not a guide to the future. The value of shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. The ACD's preliminary charge (as set out in section 20 under the heading "**The Authorised Corporate Director's Charges**") is deducted from an investment at the outset and various other charges accrue daily, therefore an equivalent rise in the value of the shares is required before the original investment can be recovered;
- (b) In certain circumstances, for the purpose of efficient portfolio management including hedging (as explained on page 40), the Company may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options. The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain Fund assets. There is also the potential for capital appreciation of such assets. **The ACD does not anticipate that the use of derivatives in this way will change or alter the overall risk profiles of the Funds;**
- (c) **Derivatives may also be used by the Funds for investment purposes in order to achieve the investment objective of the relevant Fund and the net asset value of the Funds may therefore, at times, be volatile. However, owing to the portfolio composition or portfolio management techniques used, it is not intended that the use of derivatives in this way will have a significant effect on the risk profile of the Funds and the Funds will not be subject to significant volatility when compared with the general market volatility of the markets of the underlying investments;**
- (d) The Fund may, from time-to-time, invest significant amounts of the Fund's assets in bonds issued by companies providing finance for projects, including property development, infrastructure etc. As a result it is possible that there could be a risk of significant loss of capital should a counterparty to a deal default on repayment, or not deliver its side of the deal. The Fund aims to minimise concentrations of credit risk by undertaking transactions with a large number of counterparties whose firms are listed on markets eligible for

investment. The Fund only buys and sells investments through brokers which have been approved as acceptable counterparties.

- (e) The summary of tax treatment in section 23 of this Prospectus is based on current law and practice which may change. The levels of relief from taxation will depend upon individual circumstances. Please note current tax levels and reliefs may change and their value will depend on the investor's individual circumstances;
- (f) The levels of income generated by the Funds will fluctuate and are not guaranteed;
- (g) Where the Funds invest in emerging markets, such investment may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities. There may also be a lack of liquidity and increased volatility in the underlying securities of companies domiciled in emerging markets;
- (h) The Funds may invest in other currencies. As a result, changes in the rates of exchange between currencies may cause the value of the shares to go up or down. Accordingly, investors may not receive back the amount invested;
- (i) The charges and expenses attributable to the Company may be treated as a capital expense in accordance with the Regulations, which may have the effect of eroding capital or constraining capital growth;
- (j) Investors are reminded that in certain circumstances their right to redeem shares (including a redemption by way of Switching) may be suspended (as explained on page 19).
- (k) Subject to COLL, the Funds may invest in unregulated collective investment schemes (including hedge funds). Investment in unregulated collective investment schemes carries additional risks as these schemes:
 - (i) may not be under the regulation of a competent regulatory authority;
 - (ii) may use leverage techniques; and
 - (iii) may carry increased liquidity risk because units/shares in such schemes are not always readily realisable.
- (l) Where a Fund's assets are held in custody, there may be a risk of loss resulting from the insolvency, negligence or fraudulent action of the custodian or sub-custodian;
- (m) Inflation may affect the real value of shareholder's savings and investments, which may reduce the buying power of the money a shareholder has saved and their investments;
- (n) Whilst equity investments carry potential for attractive returns over the longer term, the volatility of these returns can also be relatively high;
- (o) The Company's investments may be subject to liquidity constraints, which means that the investments may trade infrequently and in small volumes, or that a particular instrument is difficult to buy or sell. Normally liquid investments may also be subject to periods of disruption in difficult market conditions. As a

result, changes in the value of investments may be unpredictable and, in certain circumstances, it may be difficult to deal an investment at the latest market price quoted or at a value considered by the ACD to be fair.

- (p) Leverage of the Company's assets is limited to the permanent borrowing referred to in the Borrowing and Leverage section of Schedule 1 (Investment and Borrowing Powers).
- (q) As a result of the UK leaving the European Union on the 31 January 2020, it is possible that the UK's laws and regulations concerning funds may in future diverge from those of the European Union. This may lead to changes in the operation of the Company or the rights of investors or the territories in which the Shares of the Company may be promoted and sold.

The Profile Of A Typical Investor

This Prospectus sets out below a description of the profile of the typical investor for whom each Fund has been designed. Please note however that this description is not the ACD's assessment of the target market for the Funds for the purposes of the EU's Product Governance regime which may be obtained separately by distributors and other intermediaries by accessing the ACD's website at www.wayfunds.com/productgovernance.

The ACD considers that the Funds are suitable for investors seeking a medium to long term investment. It is anticipated that retail investors will typically invest in Class A Shares and institutional investors will typically invest in Class B and Class C Shares. All investors in the Company should understand and appreciate the risks associated with investing in shares in the Company and must be able to accept losses. The ACD recommends that investors seek suitable advice from an authorised independent intermediary before investing in Shares. Investors should also note the "Risk Factors" section above.

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

4 THE AUTHORISED CORPORATE DIRECTOR

The authorised corporate director of the Company is WAY Fund Managers Limited. The ACD is a private company limited by shares, incorporated in England and Wales on 9th June 2000 under the Companies Act 1985. The registered and head office of the ACD is at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. This is the address at which notices or other documents may be served on the Company. The amount of the ACD's issued share capital is £460,000, fully paid.

The ACD is authorised and regulated by the FCA. The ACD also acts as Authorised Corporate Director and unit trust manager to the following collective investment schemes authorised in the United Kingdom:

ICVCs

- EF 8AM Investment Funds;

- EF Brompton Multi Manager OEIC;
- EF Brunswick Portfolio Fund;
- EF New Horizon Fund;
- EF Rosevine Capital ICVC;
- EF Tellsons ICVC;
- EF UCITS ICVC;
- EF WM NURS Portfolio;
- EF WM UCITS Portfolio;
- Elite Webb Capital Fund;
- WAY Global Cautious Portfolio Fund;
- WAY Global Growth Portfolio;
- WAY Momentum Portfolio; and
- WAY MA Portfolio.

Unit Trusts

- Elite Balanced Trust;
- Elite Income Trust;
- WAY Global Balanced Portfolio Fund; and
- WAY Flexible Global Growth Portfolio Fund.

The ACD may provide investment services to other clients and funds and to companies in which the Company may invest in accordance with the Regulations.

When managing investments of the Company, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the ACD but properly does not come to the notice of an individual managing the assets of the Company.

The executive director of the ACD is:

- Vincent Hoare

The non-executive directors of the ACD are:

- David Kane (independent)
- Philippa Woodman (independent)

The Company has no other directors.

The ACD provides its services to the Company under the terms of a service agreement (the "**ACD Agreement**"). The material provisions of the ACD Agreement are as follows:

The ACD Agreement provides that the appointment may be terminated by either party after the expiry of 6 months written notice or forthwith by the Company in the case of fraud, wilful default or gross negligence on the part of the ACD. The ACD Agreement will also terminate on expiry of notice given by the Depositary in accordance with Rule 6.5.4(3) of COLL (liquidation, receivership or an administration order in respect of the ACD). The ACD is entitled to payment of its fees to the date of termination but no additional compensation.

The ACD Agreement provides that the Company will indemnify the ACD against any liability incurred by it in managing the Company and carrying out its duties as authorised corporate director of the Company except to the extent such liability arises from the gross negligence, wilful default or fraud of the ACD or its breach of the Act or the regulatory system under the Act.

The ACD has delegated the following functions to third-parties:

- (a) **Fund Administration** – the fund valuation and fund accounting functions have been delegated to the Administrator.
- (b) **Investment Management** – the management of the investments held by the Funds from time-to-time has been delegated to the Investment Adviser.

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.

In accordance with the Regulations the ACD has in place a number of policies which set out how it operates and manages the Fund in a number of key areas. The ACD's voting policy (which sets out how and when voting rights attached to the Fund's investments are to be exercised), execution policy (which sets out the procedures to be followed when transactions are carried out on behalf of the Fund) and inducement policy (which sets out the types of payments, including fees, commissions and non-monetary benefits, which may be received or made by a third party in respect of the Fund) are available on request from the ACD and are also available on the following website: www.wayfunds.com. Further information on how the ACD's policies are reviewed is also available on request.

Note that investors in the Funds may request from the ACD information about entities where trade orders are transmitted or placed for execution.

5 THE INVESTMENT ADVISER

The ACD has appointed FACET Investment Management Limited (the “Investment Adviser”) as the investment adviser to the ACD in relation to the Fund. The Investment Adviser is authorised and regulated by the FCA. The Investment Adviser's principal activity is the provision of investment management services.

Under the terms of an agreement effective from the 10th February 2017 between the Investment Adviser and the ACD, the Investment Adviser has the authority of the ACD to make decisions on behalf of the ACD in respect of the investments of the Funds, subject always to the provisions of the Instrument, the Prospectus, the Regulations, and the investment objectives and policies of each Fund. The Investment Adviser is also authorised to deal on behalf of the Funds. Subject to instances where the Investment Management Agreement may be terminated with immediate effect in the interests of the shareholders, this agreement may be terminated by either party giving the other no less than one (1) year's written notice.

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

6 THE DEPOSITARY

The Depositary of the Company is Northern Trust Investor Services Limited, a private limited company, incorporated on 29 April 2020 with company number 12578024. Its registered office and principal place of business is at 50 Bank Street, London E14 5NT.

The Depositary is authorised and regulated by the Financial Conduct Authority.

The Depositary's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Delaware, United States of America, with its headquarters at 50 South La Salle Street, Chicago, Illinois.

The Depositary is responsible for the safekeeping of all the Scheme Property (other than tangible moveable property) of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of the COLL Sourcebook and the FUND Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Funds. The Depositary is also responsible for monitoring the cash flows of the Company and must ensure that certain processes carried out by the ACD are performed in accordance with the FCA Handbook, this Prospectus and the Instrument of Incorporation.

Up to date information regarding (i) the Depositary's name, (ii) the description of its duties and any conflicts of interest that may arise between the Depositary and the Company, the Shareholders or the ACD, and (iii) the description of any safekeeping functions delegated by the Depositary, the description of any conflicts of interest that may arise from such delegation, will be made available to Shareholders on request.

Northern Trust's EMEA Data Privacy Notice sets out how the Depositary will process Shareholders' personal information as a data controller where these details are provided to it in connection with Shareholders' investment in the Company. Northern Trust's EMEA Data Privacy Notice may be updated from time to time and readers should confirm that they hold the latest version which can be accessed at www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice.

Any Shareholder who provides the ACD and its agents with personal information about another individual (such as a joint investor), must show Northern Trust's EMEA Data Privacy Notice to those individuals.

Terms of Appointment

The appointment of the Depositary has been made under a written agreement (as amended and novated from time to time), between the Company, the ACD and the Depositary (the "**Depositary Agreement**").

Subject to the Regulations, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) all or any part of its safekeeping duties as depositary. As at the date of this Prospectus, the Depositary has delegated custody services to The Northern Trust Company, London Branch (the "**Custodian**"). The Custodian has sub-delegated custody services to sub-custodians in certain markets in which the Company may invest.

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

The Depositary Agreement may be terminated by not less than six months' written notice by the ACD or not less than six month's written notice by the Depositary, provided that no such notice shall take effect until the appointment of a successor to the Depositary.

The Depositary Agreement contains provisions indemnifying the Depositary and limiting the liability of the Depositary in certain circumstances.

The Depositary is entitled to the fees, charges and expenses as set out in more detail in section 20 below ("**The Fees, Charges and Expenses of the Depositary**"). The Depositary (or its associates or any affected person) is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with the dealings in Shares of the Company, any transaction in Scheme Property or the supply of services to the Company.

Conflicts of Interest

(i) General

The Depositary may act as the depositary of other investment funds and as trustee or custodian of other collective investment schemes.

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company or a particular Fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian.

There may also be conflicts arising between the Depositary and the Company, the Shareholders or the ACD. In addition, the Depositary also has a regulatory duty when providing the Services to act solely in the interests of Shareholders. In order to comply with this requirement, the Depositary may in some instances be required to take actions in the interests of Shareholders where such action may not be in the interests of the ACD.

(ii) Affiliates

From time to time conflicts may arise from the appointment by the Depositary of any of its delegates, as applicable. The Depositary, and any other delegate, is required to manage any such conflict having regard to the FCA Rules and its duties under the Depositary Agreement.

The Depositary will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. The Custodian and any other delegate are required to manage any such conflict having regard to the FCA Handbook and its duties to the Depositary and the ACD.

(iii) Conflicting commercial interests

The Depositary (and any of its affiliates) may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Depositary's duty to the Company.

This includes circumstances in which the Depositary or any of its affiliates or connected persons: acts as market maker in the investments of the Company; provides broking services to the Company and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Company; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Company; or earns profits from or has a financial or business interest in any of these activities.

(iv) Management of conflicts

The Depositary has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

7 SHARES IN THE COMPANY

The Instrument of the Company permits income and accumulation shares to be issued by the Company under such designation as the ACD may (in accordance with the Instrument) decide and as set out in this Prospectus. The classes of shares which are currently available in respect of each Fund are Class A, B and C Sterling income and accumulation shares and Class A US Dollar income and accumulation shares.

A summary of the share classes available in respect of each of the Funds is set out in Schedule 4 to this Prospectus.

Further classes of shares may be established from time to time by the ACD with the approval of the FCA (where required by the Regulations), the agreement of the Depositary, and in accordance with the Instrument and the applicable Regulations. On the introduction of a new class of share a revised Prospectus will be prepared setting out the details of the share class.

The base currency for each new class of share will be determined at the date of creation and set out in the Prospectus.

Each share is deemed to represent one undivided unit of entitlement in the property of the Fund. No bearer shares are issued.

Holders of income shares are entitled to be paid the distributable income attributable to such shares on any relevant interim or 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 Company on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation share.

If both income and accumulation shares are in existence, the income of the Fund is allocated as between income shares and accumulation shares according to the respective units of entitlement in the property of the Fund represented by the accumulation shares and income shares in existence at the end of the relevant accounting period. The Instrument allows the Fund to issue income and accumulation shares. Income shares are shares in respect of which income allocated to them is distributed periodically to the relevant shareholder. Accumulation shares are shares whereby income is credited periodically to capital. In accordance with relevant tax law, distribution or allocation of income is made gross without any tax deducted or accounted for by the Company. Full details concerning taxation may be found in section 23.

Where the Fund has different share classes, each class may attract different charges and so monies may be deducted from the scheme property attributable to such classes in unequal proportions.

The rights attaching to the shares of all classes may be expressed in two denominations and, in each of these classes, the proportion of a larger denomination share represented by a smaller denomination share shall be one thousandth of the larger denomination.

8 INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUND

Investment of the assets of the Funds must comply with the COLL rules as they apply to Non-UCITS Retail Schemes and in accordance with the investment objective and policy of each Fund as set out below. The eligible securities markets and eligible derivatives markets on which the Fund may invest are set out in Schedule 2. A detailed statement of the general investment and borrowing restrictions and the extent to which the Company may invest are set out in Schedule 1. The Funds may invest in derivative instruments and forward transactions as explained in Schedule 1.

It should be noted that, as at the date of this Prospectus, each of the Funds is in the process of termination.

8.1 EF FACET Balanced Discretionary Portfolio (PRN: 635679)

Investment Objective

The investment objective of the Fund is to provide a total return with an emphasis on providing capital appreciation over the investment period of 3 years. Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over the 3 year investment period or in respect of any other period.

Investment Policy

Investments will be made in a wide range of asset types (including equity and fixed interest assets) through a portfolio of transferable securities (including investment trusts), collective investment schemes, deposits, money market instruments and derivatives.

Subject to the requirements of the Regulations, the portfolio will normally remain fully invested. There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, other than those imposed by the Regulations. This means that the Investment Adviser has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time provided such investment is compatible with the investment objective and policy of the Fund as a whole.

Up to 20% of the Fund's net asset value may be invested in unregulated collective investment schemes.

The portfolio will be actively managed. The Fund may invest in derivatives and forward transactions for investment purposes as well as for efficient portfolio management purposes (typically hedging, which attempts to mitigate against the falls in the value of the Fund's assets and the effects of changes in currency exchange rates against the Fund's base currency, which is pounds sterling).

Date of launch

9th May 2011

Benchmark

The Investment Adviser believes that the appropriate comparator benchmark against which the performance of the Fund can be measured is currently the UK Consumer Prices Index + 4%. Any publications relating to the Fund that refer to its performance will also show the performance of

the UK Consumer Prices Index as a comparison. Investors may use the Fund's performance against the comparator benchmark to assess the risks of investing in the Fund.

8.2 EF FACET Cautious Discretionary Portfolio (PRN: 635680)

Investment Objective

The investment objective of the Fund is to provide a real return¹ throughout the prevailing economic cycle².

Investment Policy

Investments will be made in a wide range of asset types (including equity and fixed interest assets), whilst focusing on capital preservation and the limiting volatility, through a portfolio of transferable securities (including investment trusts), collective investment schemes, deposits, money market instruments and derivatives.

Subject to the requirements of the Regulations, the portfolio will normally remain fully invested. There will, however, be no restrictions on the underlying content of the investments held, in terms of investment type, geographical or economic sector, other than those imposed by the Regulations. This means that the Investment Adviser has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time provided such investment is compatible with the investment objective and policy of the Fund as a whole.

Up to 20% of the Fund's net asset value may be invested in unregulated collective investment schemes.

The portfolio will be actively managed. The Fund may invest in derivatives and forward transactions for investment purposes as well as for efficient portfolio management purposes (typically hedging, which attempts to mitigate against falls in the value of the Fund's assets and the effects of changes in currency exchange rates against the Fund's base currency, which is pounds sterling).

Date of launch

9th May 2011

Benchmark

The Investment Adviser believes that the appropriate comparator benchmark against which the performance of the Fund can be measured is currently the UK Consumer Prices Index (CPI) + 2%. This represents a comparator benchmark because the Fund's performance can be compared against the rate of UK inflation.

Any publications relating to the Fund that refer to its performance will also show the performance of the UK Consumer Prices Index as a comparison.

¹ "Real return" is the return over and above the prevailing rate of inflation as measured in the UK being the Consumer Price Index (the "CPI" – the measure adopted by the Government for its UK inflation target). Inflation is the percentage change in the index compared with the same month one year previously.

² The natural fluctuations of the economy between periods of expansion (growth) and contraction (recession).

9 REGISTER

The ACD currently also acts as Registrar to the Company. The Register of shareholders including the plan register, where applicable, (being a record of persons who subscribe for shares through ISAs) will be available for inspection by shareholders on any Business Day during normal Office Hours at the office of the ACD at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

No certificates will be issued in respect of a holding of shares and should any shareholder require evidence of title to shares the ACD will, upon such proof of identity and the payment of such fee (if any) as the ACD may reasonably require, supply the shareholder with a certified copy of the relevant entry in the Register relating to the shareholder's holding of shares.

Shareholders should notify the ACD in writing of any change to their name or address and provide such evidence as the ACD may reasonably request.

10 VALUATIONS

Valuations of the property of the Funds for the purpose of the calculation of share prices will be carried out in accordance with the rules for single-priced funds in COLL. Each share linked to a Fund represents a proportional share of the overall property attributable to the relevant Fund. Therefore, the value of a share attributable to the relevant Fund will be calculated, in broad outline, by calculating the net value of the property attributable to that Fund, and dividing that value (or that part of that value attributed to shares of the class in question) by the number of shares (of the class in question) in issue.

Valuations will normally be carried out on each Business Day. The valuation point for each Fund is 12 noon on each Business Day.

The ACD may carry out additional valuations if it considers it desirable to do so and may use the price obtained at such additional valuation points as the price for the relevant day. Valuations will not be made during a period of suspension of dealings (see section 16 "**Suspension of Dealings**" below). The ACD is required to notify the Depositary if it carries out an additional valuation.

The property attributable to the Funds will, for all purposes, be valued on the following basis (which is set out in full in the Instrument):

- 1 All the scheme property (including receivables) is to be included, subject to the provisions in this section.
- 2 Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
 - (a) units or shares in a collective investment scheme:
 - (i) if a single price for buying and selling units or shares is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

- (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
 - (b) exchange-traded derivative contracts:
 - (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices;
 - (c) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
 - (d) any other investment:
 - (i) if a single price for buying and selling the security is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
 - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable;
 - (e) property other than that described in (a), (b), (c) and (d) above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 3 Cash and amounts held in current, margin and deposit accounts and in other time-related deposits shall be valued at their nominal values.
 - 4 In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or the Instrument shall be assumed (unless the contrary has been shown) to have taken place.
 - 5 Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall not materially affect the final net asset amount.
 - 6 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 5.
 - 7 All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.

- 8 An estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, and stamp duty will be deducted.
- 9 An estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day will be deducted.
- 10 The principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings will be deducted.
- 11 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
- 12 Any other credits or amounts due to be paid into the scheme property will be added.
- 13 A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.
- 14 Currencies or values in currencies other than base currency 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.

The Funds will have credited to them the proceeds of all shares attributed to the relevant Fund, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits, or assets deriving from such investments. All liabilities and expenses attributable to each Fund will be charged to it.

The Company is required to allocate (and the ACD may from time to time reallocate) any assets, costs, charges or expenses which are not attributable to a particular Fund against all the Funds in a manner which is fair to the shareholders of the Company generally.

Where the ACD has reasonable grounds to believe that:

- (a) no reasonable price exists for a security at a valuation point; or
- (b) the most recent price available does not reflect the ACD's best estimate of the value of a security at a valuation point,

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

The circumstance which may give rise to a fair value price being used includes where there has been no recent trade in the security concerned or where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

11 PRICES OF SHARES

The Company deals on a forward pricing basis. A forward price is the price calculated at the next valuation of the Scheme property after the purchase, redemption, Conversion or Switch of shares is agreed. As noted above, shares in the Company are "single priced". This means that subject to the dilution levy referred to below and the preliminary charge (as set out in section 20 under the heading "**The Authorised Corporate Director's Charges**"), the price of a share for both

buying and selling purposes will be the same and determined by reference to a particular valuation point. The price of a share will be calculated at or about the valuation point each Business Day (to at least four significant figures) by:

- taking the value of the property attributable to the relevant Fund and therefore all shares (of the relevant class) in issue (on the basis of the units of entitlement in the property of the Fund attributable to that class at the most recent valuation of the relevant Fund);
- dividing the result by the number of shares of the relevant class in issue immediately before the valuation concerned;
- in relation to classes of shares which are denominated in a currency other than the designated currency of the relevant Fund, applying a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

Publication of Prices

The prices of shares for each class of share in the Funds will be published daily on the website www.fundlistings.com (Financial Express). Prices can also be obtained by telephoning the ACD on 01202 855856.

The ACD is not responsible for any errors in publication or non-publication. As the ACD deals on a forward pricing basis the price that appears in these sources may not necessarily be the same as the one at which investors can currently deal.

12 DILUTION LEVY

What is 'dilution'? - Where the Funds buy or sell underlying investments in response to a request for the issue or redemption of shares, they will generally incur a cost, made up of dealing costs and any spread between the bid and offer prices of the investments concerned, which is not reflected in the issue or redemption price paid by or to the shareholder and which is referred to as "dilution".

To mitigate the effects of dilution the ACD has discretion to charge a dilution levy on the purchase or redemption of shares in the Funds. A dilution levy is a separate charge of such amount or rate as determined by the ACD.

What is the ACD's policy regarding the Dilution Levy – At its absolute discretion, the ACD may charge a dilution levy on the price of shares in the following circumstances:

- Where the Funds experience a large level of net redemptions on any Business Day, relative to its size (i.e. net redemptions equivalent to greater than 2% of the Net Asset Value of the relevant Fund);
- Where the relevant Fund is in continuing decline, in terms of Net Asset Value, as a result of poor market conditions or continual net redemptions;
- On large deals, which for this purpose is defined as a single purchase or redemption of shares equivalent to more than 2% of the Net Asset Value of the relevant Fund.

The amount is not retained by the ACD but is paid into the relevant Fund.

How will it affect investors? - On the occasions when the dilution levy is not applied there may be an adverse impact on the total assets of the Funds. As dilution is directly related to the inflows and outflows of monies from the Funds it is not possible to accurately predict whether dilution will occur at any point in time. Consequently it is also not possible to accurately predict how

frequently the ACD will need to make such a dilution levy. However, the ACD believes that the likely effect of not charging a dilution levy, excluding such cases referred to in "*What is the ACD's policy regarding the Dilution Levy?*" above, will be negligible.

The ACD does not currently envisage that a Dilution Levy will be applied to any dealing in the Funds, as it is unlikely that any single holder will have control of greater than 2% of any single Fund. However, where it is applied, the ACD believes that the amount will not normally exceed 2% of the net asset value of shares being bought or sold.

13 ISSUE, REDEMPTION AND EXCHANGE OF SHARES

Issue

Applications

The ACD is required to procure the issue or cancellation of shares by the Company where necessary to meet any obligations to sell or redeem shares. Applications for shares linked to the Funds may be made by any eligible person. Following the expiry of the initial offer period of the Funds, dealings shall be effected at forward prices i.e. at prices calculated by reference to the next valuation following acceptance of the application. (see "**Valuations**" for details of the valuation points). Therefore shares to satisfy an application will be issued at a price based on the valuation made on the next Business Day following acceptance of the application.

Applications may be made by completing an application form and delivering it to the ACD at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB or by telephoning the ACD on 01202 855856 during office hours or by facsimile on 01202 855850. Instructions received by telephone must be confirmed in writing prior to the remittance of proceeds. Application forms are available from the ACD. Applications, however made, are irrevocable (except where cancellation rights apply – see below). Subject to its obligations under COLL, the ACD reserves the right to reject any application in whole or in part. In that event application monies or any balance will be returned to the applicant by post at the applicant's risk.

The ACD does not currently accept applications for shares on the authority of electronic communications from Applicants, however the ACD may decide to accept such electronic communications in the future and will update this Prospectus with the conditions that must be satisfied to effect an electronic communication accordingly.

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

Payment in respect of applications must be received in cleared funds no later than the fourth Business Day after the relevant Business Day. However, the ACD reserves the right to request that payment in respect of applications be received prior to the relevant Business Day.

No interest payment will be made on client money held by the ACD prior to investment in the Company. Client money will be held in an account with HSBC Bank plc.

If an Applicant defaults in making any payment in money, or by way of a transfer of property, due to the ACD in respect of the sale or issue of shares, the Company is entitled to make any necessary amendment to the Register and the ACD will become entitled to the shares in place of the Applicant, subject, in the case of an issue of shares, to the ACD's payment of the purchase price to the Company. The ACD reserves the right to cancel investments for which settlement is not received, or fails to clear, and to recover from an Applicant, the amount of any decrease in value of the investment if this occurs.

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested.

The UK has implemented the Foreign Account Tax Compliant Act (FATCA) and the OECD Common Reporting Standard (CRS) for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015. As a result of UK legislation, the Company may be required to obtain confirmation of certain information from shareholders and (where applicable) their beneficial owners, such as where you are resident for tax purposes, your tax identification number, and your place and date of birth, and your tax status classification and place of incorporation if you are a corporate body. Under certain circumstances (including where you do not supply us with the information we request), we will be obliged to report your personal details as well as the details of your Investment to HM Revenue & Customs. This information may then be passed to other tax authorities. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

The extent to which the Company is able to report to HM Revenue & Customs will depend on each affected Shareholder in the Company, providing the Company or its delegate with any information, that the Company determines is necessary to satisfy such obligations. By signing the application form to subscribe for Shares in the Company, each affected Shareholder is agreeing to provide such information upon request from the Company or its delegate. Shareholders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA and/or CRS on their interest in the Company.

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

Instructions (including applications and redemptions) sent to the ACD by fax (the ACD's fax no is 01202 855850) are only valid and binding on the ACD if the applicant or the applicant's authorised agent obtains separate confirmation from the ACD that the ACD has received the fax. After sending the fax, the applicant or the applicant's authorised agent is required to telephone the ACD on 01202 855856 promptly to obtain confirmation from a named representative of the ACD that the ACD has received the fax. Without procuring such verbal confirmation from the ACD, the applicant and the applicant's authorised representative acknowledge that the ACD shall not be under any liability in relation to any and all fax messages not received by the ACD.

Anti-Money Laundering Procedures

The Company is subject to the UK's anti-money laundering regulations and the ACD may in its absolute discretion require verification of identity from any person applying for shares (the "**Applicant**") including, without limitation, any Applicant who:

- (a) tenders payment by way of cheque or banker's draft on an account in the name of a person or persons other than the Applicant; or
- (b) appears to the ACD to be acting on behalf of some other person.

In the former case verification of the identity of the Applicant may be required. In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.

Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue shares, pay the proceeds of a redemption of shares, or pay income on shares to investors. In the case of

a purchase of shares where the Applicant is not willing or is unable to provide the information request within a reasonable period, the ACD also reserves the right to sell the shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment. The ACD will not be liable for any share price movements occurring during delays while money laundering checks are carried out.

The ACD will, where possible, verify identity using information from credit reference agencies. Where this is not possible, or where the ACD decides (at its discretion) that it is appropriate, further documentation will be requested.

Market Timing

The ACD may refuse to accept a new investment if, in the opinion of the ACD, it has reasonable grounds for refusing to accept an investment. In particular, the ACD may exercise this discretion if it reasonably believes the shareholder has been or intends to engage in market timing activities.

For these purposes, market timing activities include investment techniques which involve short term trading in and out of shares generally to take advantage of variations in the price of shares between the daily valuation points of the Fund. Short term trading of this nature may often be detrimental to long term Shareholders, in particular the frequency of dealing may lead to additional dealing costs which can affect long term performance.

Investments may be made into the Fund via nominee or similar omnibus accounts. For the purposes of monitoring and detecting potential market timing activity, the ACD's responsibilities will be restricted to the registered legal holder of shares rather than any underlying beneficial holder. The ACD will co-operate in helping to deter any potential market timing activities that the registered legal holder has detected in his monitoring of his underlying beneficial holders.

FATCA

FATCA aims to prevent US tax evasion by requiring foreign financial institutions (such as the Company) to report certain information in relation to any shareholder who is a Specified US Person to the Internal Revenue Service of the US ("IRS"). As a result of an intergovernmental agreement entered into between the US and UK governments, the ACD may be required to disclose information relating to shareholders who fall within the definition of Specified US Person (and their investments in the Company) to HM Revenue & Customs, who will in turn exchange this information with the IRS.

In Specie Application

Where the application for issue of shares is equivalent to 5% or more of the Net Asset Value of the Fund, the ACD may at its discretion, in consultation with the Depositary, accept assets other than cash as payment for the issue of shares. The acceptance of the assets will be on the basis that the receipt of the property should not adversely affect the interests of the existing shareholders of the relevant Fund and subject to the investment restrictions of the Funds.

Minimum Subscription

In respect of the Class A Sterling Accumulation and Income Shares, the minimum value of shares which any one person may purchase initially, and the minimum value which may be the subject of any subsequent purchase, is £1,000.

In respect of the Class A US Dollar Accumulation and Income Shares, the minimum value of shares which any one person may purchase initially, and the minimum value which may be the subject of any subsequent purchase, is \$1,000.

In respect of Class B Sterling Accumulation and Income Shares, the minimum value of shares which any one person may purchase initially, and the minimum value which may be the subject of any subsequent purchase, is £1,000.

In respect of Class C Sterling Accumulation and Income Shares, the minimum value of shares which any one person may purchase initially, and the minimum value which may be the subject of any subsequent purchase, is £1,000.

However, the ACD may, by special arrangement and at its discretion, agree on an individual basis a lower amount in relation to the minimum transaction sizes.

Regular Savings Plan

A regular savings plan is available for investors in Class A Sterling Accumulation and Income Shares. Shares can be purchased monthly, the minimum value of shares which may be the subject of any one single transaction is £100.

Redemption

Shares in the Company may be redeemed on any Business Day. Dealings are on a forward price basis as explained in the paragraph headed "**Issue**" above. Shares to be redeemed pursuant to a redemption request will be redeemed at a price based on the next available valuation point following receipt of the request. Redemption instructions may be given by delivery to the ACD or of written instructions for redemption by letter to WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Wimborne, Dorset BH21 7SB on any Business Day. The ACD may also, at its sole discretion, accept instructions by facsimile on 01202 855850 or telephone on 01202 855856 on such terms as it may specify provided that where a redemption instruction is received outside of Office Hours it shall be deemed to be received at 9am on the next following Business Day. Unless a coverall renunciation is in place, redemption instructions given by telephone and facsimile must be confirmed in writing to the ACD prior to redemption proceeds being remitted. Redemption instructions are irrevocable.

The ACD does not currently accept redemption instructions on the authority of electronic communications received from shareholders.

A redemption contract note will be sent on or before the next Business Day following the relevant Business Day. Where the total consideration for the transaction would include a fraction of one penny it will be rounded up or down to the nearest penny. There may also be deducted, if the consideration is to be remitted outside the United Kingdom, the cost of remitting the proceeds (if any). If a redeeming shareholder wishes to be paid other than by cheque, the ACD will endeavour to arrange this but at the cost of the shareholder. The redemption proceeds will be paid not later than the close of business on the fourth Business Day after the later of the following times:

- (a) the valuation point immediately following the receipt by the ACD of the request to redeem the shares; or
- (b) the time when the ACD has received all duly executed instruments and authorisations which effect (or enable the ACD to effect) transfer of title to the shares.

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

In Specie Redemption

Where a shareholder requests redemption of a number of shares, the ACD at its discretion may, by serving a notice of election on the shareholder not later than the close of business on the second Business Day following the day of receipt of the request, elect that the shareholder shall not be paid the redemption price of his shares but instead there shall be a transfer to that holder of property of the relevant Fund having the appropriate value. Where such a notice is so served on a shareholder, the shareholder may serve a further notice on the ACD not later than the close of business on the fourth Business Day following the day of receipt by the shareholder of the first mentioned notice requiring the ACD, instead of arranging for a transfer of property, to arrange for a sale of that property and the payment to the shareholder of the net proceeds of that sale. The selection of scheme property to be transferred (or sold) is made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the shareholder requesting redemption of his shares than to continuing shareholders.

Minimum Redemption and Holding

In respect of each class of share in the Funds, and subject to the minimum holding requirements, if the redemption request is in respect of some only of the shares held, the minimum value of shares which may be the subject of one act of redemption is £1,000 in respect of Class A Sterling Accumulation and Income Shares, \$1,000 in respect of Class A US Dollar Accumulation and Income Shares, £1,000 in respect of Class B Sterling Accumulation and Income Shares, and £1,000 in respect of Class C Sterling Accumulation and Income Shares (calculated by reference to their current price net of any preliminary charge and before any dilution levy).

Where the value of an individual holding of shares would, in consequence of a request for redemption/cancellation, fall below £1,000 in respect of Class A Sterling Accumulation and Income Shares, \$1,000 in respect of Class A US Dollar Accumulation and Income Shares, £1,000 in respect of Class B Sterling Accumulation and Income Shares, or £1,000 in respect of Class C Sterling Accumulation and Income Shares (or the equivalent value in the currency available to the relevant Fund) such request may be treated as a request for redemption/cancellation of all the shares of such class held by such shareholder. The value of shares for this purpose is calculated by reference to the current price, net of any preliminary charge and before any application of a dilution levy. However the ACD may, by special arrangement and at its discretion, agree on an individual basis a lower amount in relation to the minimum redemption size.

A summary of the share classes available in the Funds and the applicable investment criteria is set out in Schedule 4 to this Prospectus.

14 CONVERTING BETWEEN CLASSES / SWITCHING BETWEEN FUNDS

Conversions

Subject to any restrictions on the eligibility of investors for a particular share class, a shareholder may opt to Convert shares in one class in a Fund for shares in a different class in the same Fund subject to the investment minima as set out in this Prospectus.

Conversions will be effected by the ACD recording the change of share class on the register of the Company.

Conversions will be effected at the next valuation point. The number of shares to be issued in the new class will be calculated relative to the price of shares being converted from. The ACD will notify shareholders once the conversion has been effected. Conversions will not generally be treated as a disposal for capital gains tax purposes.

There is no fee on a Conversion between classes of the same Fund.

Switches

Where shares in more than one Fund are available, Shareholders may (subject to the qualifications below) Switch shares in one Fund for shares in a different Fund.

The right to Switch is subject to the following

- (a) the ACD and the Depositary are not obliged to give effect to a request for Switching of shares if the value of the shares to be Switched is less than the minimum permitted transaction (see above) or if it would result in the shareholder holding shares of any class of less than the minimum holding for that class of share (see above);
- (b) the ACD may decline to permit a Switch into a share class where it would be entitled under COLL to refuse to give effect to a request by the shareholder for the redemption of shares of the old class or the issue of shares of the new class.

Switches between classes of shares may be subject to a charge (See "**Switching Charge**" below).

It should be noted that a Switch of shares in a Fund for shares in any other Fund is treated as a redemption and sale and will, for persons subject to UK taxation, be regarded as a realisation for the purposes of capital gains taxation.

In no circumstances will a shareholder who Switches shares in one Fund for shares in any other Fund (or who converts between classes of shares) be given a right by law to withdraw from or cancel the transaction.

Application

A shareholder wishing to Switch or Convert shares should apply in the same way as for a redemption (see above). A Switch will be effected at prices based on the valuation made on the next Business Day following acceptance of the request.

A contract note giving details of the exchange will be sent on or before the next Business Day following the relevant Business Day.

15 SUSPENSION OF DEALINGS

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, redemption and exchange of the shares in any Fund ("**dealing**") where, due to exceptional circumstances, it is in the interests of shareholders in the relevant Fund or Funds. Suspension of dealing must cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased. The ACD and the Depositary shall review the suspension at least every 28 days and shall inform the FCA of the result of the review, and in any event shall only allow the suspension to continue for so long as it is justified having regard to the interests of the shareholders. In accordance with the applicable rules in COLL, the ACD shall notify shareholders of the suspension as soon as practicable after suspension commences, and will keep shareholders appropriately informed about the suspension including, if known, its likely duration.

The ACD may, however, during the period in which dealing is suspended, agree to deal at prices calculated by reference to the first valuation point after resumption of dealing. The recalculation of the share price will commence at or about the valuation point on the first Business Day following such period of suspension.

16 MANDATORY REDEMPTION OF SHARES

If the ACD reasonably believes that any shares are owned directly or beneficially in circumstances which:

- (a) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory)
- (c) are held in any manner by virtue of which the shareholder(s) in question is not qualified to hold such shares or if the ACD reasonably believes this to be the case;
- (d) are owned by a shareholder who is registered in a jurisdiction (where the Fund is not registered or recognised by the relevant competent authority) whereby communication with that shareholder by the ACD, on behalf of the Fund, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such communications constituting a breach),

or if the ACD is not satisfied that any Shares may not give rise to a situation outlined (a) to (d) above, it may give notice to the holder of such shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the shares by the Company. If the holder does not either transfer the shares to a qualified person or establish to the ACD's satisfaction that he or she and any person on whose behalf he or she holds the shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a thirty-day period to have requested their redemption.

17 DISTRIBUTION AND ACCUMULATION

The annual accounting period for the Company and each of the Funds ends on 31st May (the "**accounting reference date**"). The half-yearly accounting period ends on 30th November (the "**interim accounting reference date**"). The amount of income to be distributed or accumulated in respect of the Funds is calculated on the last day of each accounting period.

Allocations and distributions of income will be made on or before 31st July and 31st January each year.

Where accumulation shares are in issue, income is transferred to the capital account of the relevant Fund on each distribution date. In accordance with the Regulations, the ACD and the Depositary, have agreed that in the event the income available for distribution or accumulation is less than £20 per shareholder for the Retail Shares and less than £200 in respect of Institutional Shares, income, if any will revert to the relevant Fund.

Tax vouchers will be sent to shareholders in the Funds at each income distribution date, but only where net income is available for distribution. A direct credit or warrant for the amount of the net distribution will, where applicable, be sent to the bank account nominated on the application form, or such account as is instructed and verified thereafter. Where bank details have not been supplied income will be reinvested automatically.

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Company and such reclaimed distribution shall become part of

the capital of the Funds for the benefit of all Shareholders. The payment of any unclaimed distribution, interest or other sum payable by the Company on or in respect of a share into a separate account shall not constitute the Company a trustee thereof.

Determination of Distributable Income

As at the end of each annual and interim accounting period, the ACD must arrange for the Depositary to transfer the income payable for distribution attributable to the Funds to the distribution account.

The income available for distribution or accumulation in relation to each Fund is determined in accordance with the Regulations. Broadly it comprises all sums deemed by the Company, after consultation with the auditor, to be in the nature of income received or receivable for the account of the Company and attributable to each Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income in respect of the period and adding the ACD's best estimate of any relief from tax on such charges and expenses and making such adjustments as the ACD considers appropriate, after consulting the auditors in accordance with the Regulations, in relation to taxation and other matters.

On or before each annual or interim income distribution date, the ACD must calculate the amount available for income distribution for the immediately preceding interim accounting period and must inform the Depositary of such amount.

The amount available for income distribution is calculated by taking the aggregate of the income property received or receivable for the account of the Fund in respect of the relevant period, deducting the charges and expenses of the Company paid or payable out of the income property in respect of that period and adding the ACD's best estimate of any relief from tax on those charges and expenses. Further adjustments may be made as the ACD considers appropriate (after consultation with the auditors) in relation to taxation and the proportion of the prices received or paid for shares that relate to income (taking account of any provisions in the Instrument constituting the scheme relating to income equalisation (see section 19 below), potential income which is unlikely to be received until 12 months after the relevant allocation date, income which should not be accounted for on an accrual basis because of lack of information about how it accrues, any transfer between the income and the capital account (regarding payments from capital or income) and making any other adjustments which the ACD considers appropriate (after consultation with the auditors).

In relation to income shares, on or before each relevant income distribution date, the ACD will instruct the Depositary to enable it to distribute the income allocated to income shares among the holders of such shares and the ACD in proportion to the number of such shares held, or treated as held, by them respectively at the end of the relevant period.

The amount of income allocated to accumulation shares becomes part of the capital property and to the extent that shares of any other class (such as income shares) were in issue in relation to the relevant period, the interests of holders of accumulation shares in that amount must be satisfied by an adjustment at the end of the relevant period in the proportion of the scheme property to which the price of an accumulation share is related. This ensures that the price of an accumulation share remains unchanged despite the transfer of income to capital property.

In calculating the amount to be distributed, the ACD must deduct any amounts previously allocated by way of interim allocation of income for that annual accounting period and deduct and carry forward in the income account such amount as is necessary to adjust the allocation of income in accordance with the Regulations.

18 INCOME EQUALISATION

The price of a share of a particular class in each Fund is based on the value of that class's entitlement in that Fund including the income of the Fund since the previous distribution or, in the case of accumulation shares, deemed distribution. In the case of the first distribution received or accumulation made in respect of a share, except where shares have been purchased during the initial offer period for the Company or one of its Funds, part of the amount, namely the equalisation payment, is a return of capital and is not taxable as income in the hands of the shareholder. This amount is, however, in the case of income shares, deducted from the cost of the share in computing any capital gains. In the case of accumulation shares, the equalisation amount may only be eligible for taper relief/indexation allowance from the date of allocation (as distinct from the date of acquisition of the original shares).

Equalisation applies only to shares purchased during the relevant accounting period. It is calculated as the average amount of income included in the issue price of all shares of the Fund concerned issued during the period.

19 THE AUTHORISED CORPORATE DIRECTOR'S CHARGES

The ACD's charges are accrued to the Fund on a daily basis and are levied monthly in arrears. All charges are stated exclusive of VAT which shall (if applicable) be payable in addition.

Preliminary charge

The ACD currently imposes the following preliminary charges:

Share Class	Current preliminary charge
Class A Sterling Accumulation and Income Shares	5%
Class A US Dollar Accumulation and Income Shares	5%
Class B Sterling Accumulation and Income Shares	0%
Class C Sterling Accumulation and Income Shares	6%

The preliminary charge is payable to the ACD. If at any time the current preliminary charge applicable to shares of the Funds is increased, the ACD is required to give not less than 60 days' prior notice in writing to all shareholders before such increase may take effect. The ACD is also required to revise the Prospectus to reflect the new current rate and the date of its commencement.

Switching Charge

The ACD is entitled to make a charge in respect of a Switch of shares of one class linked to one Fund for shares of the same class or another class linked to the same Fund or another Fund (the "**Switching Fee**"). Currently however, the ACD does not operate a Switching Fee. A dilution levy may be charged where a Switch is from one Fund to another (see the ACD's policy on Dilution Levy).

Periodic Charge

The ACD is entitled to make a periodic charge, calculated and accruing on each Business Day at each valuation point (the "**Calculation Date**"), and payable out of the property of the Funds, by way of remuneration for the services of the ACD. The periodic charge is payable to the ACD

monthly in arrears. The periodic charge will be calculated separately in respect of the Funds, as a percentage rate per annum of the total value of the units of entitlement in the property of the Fund represented by the class on the Calculation Date.

The current periodic charges are as follows:

Share Class	Current periodic charge
Class A Sterling Accumulation and Income Shares	1.50%
Class A US Dollar Accumulation and Income Shares	1.50%
Class B Sterling Accumulation and Income Shares	0.75%
Class C Sterling Accumulation and Income Shares	0.70%

The first accrual will be in respect of the day on which the first valuations of the Funds are made.

Any increase in the above rate requires not less than 60 days' prior notice in writing to the shareholders before such increase may take effect. Also, the ACD is required to revise the Prospectus to reflect the new current rate and the date of its commencement.

The periodic charge will cease to be payable (in relation to the Funds) on the date of commencement of its termination, and (in relation to the Company as a whole) on the date of the commencement of its winding up or, if earlier, the date of the termination of the ACD's appointment as such.

Redemption charge

At present no charge is levied on the redemption of shares, although the ACD is permitted to charge a dilution levy if applicable. The ACD has the right (subject to COLL) to introduce a charge on the redemption of shares in the future, but this will not affect shares issued prior to its introduction.

Investment Adviser

The Investment Adviser is entitled to an advisory fee which is paid by the ACD from the periodic charge. The Investment Adviser may also receive further remuneration from the ACD's periodic charge, as a commission payment or for other services where permitted by the FCA rules.

20 THE FEES, CHARGES AND EXPENSES OF THE DEPOSITARY

The Depositary is paid a monthly periodic fee plus VAT in remuneration for its services from the property of the Funds. The Depositary's fee is calculated, accrued and payable on the same basis as the ACD's periodic charge except that if a Fund is being wound up, the periodic fee will cease to be payable in relation to that Fund on the date of the final distribution of the Fund or in the case of a winding up following the passing of an extraordinary resolution approving a scheme of amalgamation or scheme of construction in relation to a Fund, down to and including the final day on which the Depositary is responsible for the safekeeping of the scheme property of that Fund. The current fee payable for the Funds is as follows:

Fund value to first £250 million	0.04%
£250 million to £500 million	0.03%
£500 million to £1 billion	0.02%
Over £1 billion	0.01%
Subject to a minimum fee of £15,000 per annum.	

VAT at the prevailing standard rate is added to this fee.

In addition to the above periodic fee, the Depositary applies a levy for transaction charges and custody charges (plus VAT, if any) which are currently as follows:

UK Assets

- Safekeeping fee of 0.015% (based on mid-market asset values at the end of a calendar month) on all Funds;
- Transaction charges of £12 per payment; and
- Cash payment charges ranging from £10 to £30 per payment.

Non-UK assets

Non-UK assets will be dependent on the individual market and the safe keeping fees applicable for that market, and will range between the following:

- safekeeping fees currently range from 0.009% per annum to 0.7% per annum. These fees are based on mid-market asset values at the end of a calendar month;
- transaction charges currently range from £6 to £200 per transaction; and
- cash payment charges will range from £10 to £30 per payment.

Custody of assets is subject to a minimum fee of £7,500 per annum (exempt from VAT).

Charges are accrued within the Funds on a daily basis and paid monthly in arrears.

In addition to payment of the periodic charge, the amount payable to the Depositary out of the property of the Funds by way of remuneration for its services may include charges in connection with its duties (or the exercise of powers conferred upon it by the Regulations or the general law) as depositary of the Company referable to: (i) custody of assets (including overseas custody services) as specified above; (ii) the acquisition holding and disposal of property; (iii) the collection of dividends, interest and any other income; (iv) the maintenance of distribution accounts; (v) the conversion of foreign currency; (vi) registration of assets in the name of the Depositary or its nominees or agents; (vii) borrowings, stocklending or other permitted transactions (including any deposit or loan authorised under this deed or the Regulations); (viii) communications with any parties (including telex, facsimile, SWIFT and electronic mail); (ix) taxation matters; (x) insurance matters; or (xi) the Depositary's report as set out in annual reports of the Company.

Expenses

The Depositary is entitled to be reimbursed out of the property of the Funds for expenses properly incurred in performing duties imposed on it or exercising powers conferred upon it by the Regulations, together with any VAT payable.

In addition, the Depositary may be paid the following expenses or disbursements (plus VAT):

- (a) all expenses of registration of assets in the name of the Depositary or its nominees or agents, of acquiring, holding, realising or otherwise dealing with any asset; of custody of documents; of insurance of documents and of collecting income or capital; of opening bank accounts, effecting currency transactions and transmitting money; relating to borrowings or other permitted transactions; of obtaining advice, including legal, accountancy or other advice, of conducting legal proceedings, of communicating with shareholders, the ACD, the Registrar or other persons in respect of the Funds, relating to any inquiry by the Depositary into the conduct of the ACD and any report to holders; or otherwise relating to the performance by the Depositary of its duties or the exercise by the Depositary of its powers;
- (b) all charges of nominees or agents in connection with any of the matters referred to in (a) above; and
- (c) any other costs, disbursements or expenses accepted under the laws of England and Wales from time to time as being properly chargeable by Depositaries. If any person, at the request of the Depositary in accordance with the Regulations, provides services including but not limited to those of a custodian of property of the Fund, the expenses and disbursements hereby authorised to be paid to the Depositary out of the property of the Fund shall extend to the remuneration of such persons as approved by the Depositary and the ACD provided that in respect of a custodian such expenses to be paid out of the property of the Fund as relates to its remuneration shall be equal to (or less than) the current rates stated above under "UK Assets" and "Non-UK Assets".

Expenses not directly attributable to a particular Fund will be allocated between Funds. In each such case such expenses and disbursements may 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 COLL by the Depositary.

21 THE FUND ACCOUNTANT'S FEES

The Fund Accountant is entitled to receive out of the property of the relevant Fund, by way of remuneration for its services (including pricing and valuation), an annual fee (plus any VAT thereon) which will accrue and be calculated daily and will be payable monthly based on month end values. The fees currently charged by the Fund Accountant for each Fund (expressed as a percentage per annum of the Net Asset Value of each share class) are set out below.

Net Asset Value (NAV)	Rates
Greater than £0 and up to and including £100 million;	0.025%
Greater than £100 million and up to and including £500 million;	0.015%
Greater than £500 million.	0.005%

Subject to a minimum fee of £22,000 per annum (excluding VAT).

22 OTHER PAYMENTS OF THE COMPANY

The following expenses (being the actual amounts incurred) may also be payable by the Company out of its capital or income at the discretion of the ACD:

- broker's commissions, fiscal charges and other disbursements which are necessarily incurred in effecting transactions for the Funds and normally shown on contract notes, confirmation notes and difference accounts as appropriate;
- interest on and other charges incurred in reporting, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements;
- taxation and other duties payable in respect of the property of the Company and the Funds, the Instrument or the issue of shares;
- any costs incurred in amending the Instrument, the Prospectus and the Simplified Prospectus where the modification is:
 - (a) necessary to implement any change in the law (including changes to the Regulations); or
 - (b) necessary as a direct consequence of any change in the law (including changes to the Regulations); or
 - (c) expedient having regard to any fiscal enactment and which the ACD and the Depositary agree is in the interest of shareholders; or
 - (d) to remove obsolete provisions from the Instrument, the Prospectus and the Simplified Prospectus constituting the Company;
- any costs incurred in respect of any other meeting of shareholders convened on a requisition by holders not including the ACD or an associate of the ACD and expenses of the Depositary in convening a meeting of shareholders convened by the Depositary alone;
- any costs incurred in relation to a scheme of arrangement where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Company in consideration of the issue of shares in the Company to shareholders in that body corporate or to participants in that other scheme, any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;
- any audit fee and any proper expenses of the auditor and VAT thereon;
- any fee and any proper expenses of any professional advisers retained by the Company or by the ACD in relation to the Company or any Fund;

- payments, costs or any other administrative expenses in relation to the preparation of the Prospectus and the Simplified Prospectus or equivalent documentation (either in respect of the Company or any Fund);
- any costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided for shareholders;
- any costs of listing the prices of the Fund in publications and information services selected by the ACD, including the Financial Times;
- any costs of establishing and obtaining authorisation of the Company, including the fees and proper expenses of any professional advisers retained by the Company or the ACD;
- any costs of authorising new Funds of the Company after its initial establishment, including the fees and proper expenses of any professional advisers retained by the Company or the ACD;
- any sum due by virtue of any provision of the Regulations, such as cancellation proceeds and reasonable stock lending expenses;
- the costs of preparing documentation required by the Regulations of any country or territory in which shares of the Company are to be marketed or authorised;
- any costs incurred in producing and despatching any payment made by the Company;
- any costs incurred in taking out and maintaining an insurance policy in relation to the Company and the Fund;
- the periodic fees of the FCA 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;
- the cost of any licences required, to enable the Funds to use, or quote, names which would normally be under copyright, in any country or territory, including the United Kingdom;
- any costs or fees arising in connection with pursuing or defending litigation on behalf of the Company or any Fund;
- 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;
- any costs associated with the admission of shares to listings on any stock exchange and with the maintenance of that listing (including, for the avoidance of doubt, the fees levied by the exchange in question as a condition of the admission to listing of the shares and the periodic renewal of that listing), any offer of shares, including the preparation and printing of any prospectus and the creation, conversion and cancellation of shares associated with such prospectus;
- any expense incurred with respect to the publication and circulation of details of the net asset value of the Funds;
- any amount payable to the Company under any indemnity provisions provided for in the Instrument or any agreement to which the Company is party;

- the fees and expenses of the Registrar in relation to dealing in shares of the Funds by new and existing shareholders, currently £10 per transaction;
- the fees of the ACD for providing administration services for the Fund and maintaining the Register. The fees for maintaining the Register for the Fund a shareholder invests in is currently £15 per annum per holding;
- the ACD will also maintain sub-registers in respect of ISA entitlements. The fees for maintaining the sub-registers will be equivalent to those shown above;
- VAT in respect of any of the costs, expenses, fees and charges payable by the Company; and
- any other charges/expenses that may be taken out of the Company's property in accordance with the Regulations.

VAT where applicable on any fees, charges or expenses will be added to such fees, charges or expenses and will be payable by the Company.

Expenses not directly attributable to a particular Fund will be allocated proportionately between all Funds.

Costs relating to Efficient Portfolio Management

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

23 TAXATION

General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs published practice, as at the date of issue of this Prospectus (which may change in the future). The summary is only applicable to individual and corporate Shareholders who are resident (and in the case of individuals, domiciled) for tax purposes solely in the UK and who are the absolute beneficial owners of a shareholding in the Company held as an investment. The applicability of these statements will depend upon the particular circumstances of each Shareholder. In particular, the summary may not apply to certain classes of Shareholder (such as dealers in securities) to whom special rules may apply. The summary is not exhaustive or definitive and should not be treated as legal or tax advice. This summary also does not address the taxation consequences for investors who may be subject to taxation or exchange control in any jurisdiction outside the UK. Levels and bases of, and reliefs from, taxation are subject to change.

Any Shareholder or prospective Shareholder who is in any doubt as to the taxation implications of making an investment in the Company (including as regards the acquisition, holding or disposal of any Shares), or who may be subject to taxation or exchange control provisions in any jurisdiction other than the UK should consult their own professional advisers immediately.

The Company

The UK tax regime applicable to the Company is primarily set out in Chapter 2 of Part 13 to the Corporation Tax Act 2010 and in the Authorised Funds (Tax) Regulations 2006 (SI 2006/964) (the "**Tax Regulations**").

The Company will be liable to corporation tax on its taxable income, less its expenses of management. Under section 614 of the Corporation Tax Act 2010, corporation tax will be payable for a financial year at the basic rate of income tax for the tax year beginning in that financial year (currently 20%), sums appropriated in accordance with the terms of this Prospectus (as amended from time to time) for the remuneration of the ACD should be treated as management expenses.

Like other UK companies, the Company will generally not be subject to corporation tax on dividends from United Kingdom resident companies nor (since 1 July 2009) on most dividends from overseas companies. Where foreign tax has been deducted from income from overseas sources, that tax may in some instances be offset against corporation tax payable by the Company under double taxation relief arrangements.

As an OEIC, the Company will benefit from the exemption from corporation tax on chargeable gains in respect of disposals of its investments. The Company will also not be subject to corporation tax on any profits or gains (or be entitled to corporation tax relief for any losses) which it derives from its creditor loan relationships or its derivative contracts, to the extent that those profits, gains or losses are treated as capital in nature. Capital profits, gains or losses for this purpose are those profits, gains or losses arising from an OEIC's creditor loan relationships or derivative contracts which fail to be dealt with under either the heading "net gains/losses on investments during the period" or the heading "other gains/losses" in the OEIC's statement of total return for the accounting period in question.

Dependent upon the nature of the assets held arising within individual Funds, the total amount shown in the distribution accounts of the Company is available for distribution to shareholders in one of two ways:

- (a) it may be shown as available for distribution as a dividend; or
- (b) it may be shown as available for distribution as yearly interest.

Each Fund is regarded as a separate OEIC for tax purposes, and the Company as a whole is not so regarded. The Tax Regulations also provide that where an OEIC has different share classes there shall be no discrimination between participants in respect of different classes of shares, and accordingly it is not possible to make different types of distributions to different classes of shares within a Fund.

The Funds

Each Fund is treated as a separate entity for United Kingdom tax purposes.

Each Fund is subject to corporation tax, currently 20%, on its taxable income (net of allowable expenses).

Dividends received by the Company from its holdings of most UK equities and non-UK equities are generally exempt from corporation tax. It is not anticipated that the Company will receive any dividends other than exempt dividends in respect of its shareholdings.

Certain Double Tax Agreements between the UK and other territories make provision for withholding taxes, or higher withholding taxes, to apply to dividends paid in circumstances where

a resident of the state receiving the dividend is not charged to tax in respect of it. Chapter 4 of Part 9A Corporation Tax Act 2009 therefore provides for the making of an election that a dividend is not exempt, in order to ensure that it is subject to no, or lower rates of, withholding taxes. The Company therefore reserves the right to make such an election if it results in a greater net receipt for the Company. Where an election is made the dividend received will be subject to corporation tax but credit will be given against that tax in respect of withholding taxes suffered, up to the level of the UK tax charged on that income.

- ***Capital gains***

Capital gains accruing to the Company will generally be exempt from UK corporation tax on chargeable gains. Should the Company be treated as trading in securities, any gains made will be treated as income and will be subject to corporation tax.

- ***Stamp Taxes***

There is generally no charge to stamp duty reserve tax (SDRT) or stamp duty on the surrender (i.e. the redemption or switch) of shares in a UK OEIC such as the Company. However, if a redemption is satisfied by a non-pro rata in specie redemption, then a charge to SDRT may apply.

The Company may be required to pay SDRT or stamp duty in connection with the acquisition or transfer of underlying investments.

Shareholders

- ***Income – Equity Funds***

Funds which are so called “**Equity**” Funds for the purposes of tax will pay any distributable income as dividend distributions (which will be automatically retained in the Fund in the case of accumulation Shares). Both the EF FACET Balanced Discretionary Portfolio and the EF FACET Cautious Discretionary Portfolio are “Equity” Funds for tax purposes.

UK resident individual Shareholders

When the Company makes a dividend distribution a UK resident individual Shareholder may be liable to tax on such distribution.

For UK resident individuals, no income tax is payable in respect of the first £2,000 of dividend income received from all sources in the tax year (although such income will still count towards the basic, higher and additional rate thresholds). For dividends received above £2,000 in a tax year, the dividend income would be taxable at 7.5%, 32.5% and 38.1% for income falling within the basic rate, higher rate and additional rate bands respectively.

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

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from income tax on dividend distributions in respect of such Shares.

Corporate Shareholders within the scope of corporation tax

A dividend distribution made by the Company in respect of Income Shares (or deemed to be made in respect of Accumulation Shares) to a corporate Shareholder within the charge to corporation tax in respect of its investment in the Company will be split into franked and unfranked parts according to the underlying gross income of the Company. Very broadly, the unfranked part corresponds to such part of the Company's gross income as does not derive from franked investment income. The franked part will be treated in the same way as exempt dividend income received by a UK resident corporate Shareholder. The unfranked part will be treated as an annual payment received after deduction of income tax at the basic rate (currently 20%) from a corresponding gross amount and the corporate Shareholder will be liable to corporation tax on it accordingly, but with the benefit of credit for, or (subject to any applicable restrictions) repayment of, the income tax deducted at source.

Non-UK resident Shareholders

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

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

• *Income – Bond Funds*

Funds which are so called “Bond” Funds for the purposes of tax currently pay interest distributions (which will be automatically retained in the case of accumulation Shares).

Interest distributions will be paid gross to Shareholders (with no income tax deducted from the payment).

UK resident individual Shareholders will (subject to any available allowance) be subject to income tax at the relevant rate on any interest distributions (or deemed distribution from accumulation shares) from any Fund of the Company.

A UK resident individual Shareholder may be entitled to a personal savings allowance in each tax year (the amount of the allowance, if any, depends on whether the taxpayer is a basic, higher or additional rate taxpayer).

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from income tax on interest distributions in respect of such Shares.

A corporate Shareholder within the charge to UK corporation tax in respect of a shareholding will be subject to corporation tax on any interest distributions (or deemed distribution from accumulation shares) from any Fund of the Company.

Non-United Kingdom resident Shareholders may be entitled to a refund from HM Revenue and Customs of the tax deducted from their interest distributions (or a proportion of it). This will depend on their personal circumstances and the terms of any double taxation agreement between their country of residence and the United Kingdom.

Currently no Bond Funds are available within the Company.

Reporting requirements

The Company is required to report details of interest paid to residents of the European Union and certain other jurisdictions to HM Revenue & Customs each year and it may be required to report details of interest paid to United Kingdom residents to HM Revenue & Customs too.

Income equalisation

The first income allocation received by an investor after buying Shares may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the investor 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. Equalisation will be applied on all of the Funds.

Capital Gains

- ***UK resident individual Shareholders***

An individual Shareholder will be liable to capital gains tax on any chargeable gain accruing on the disposal or deemed disposal (including redemption, switches and certain conversions) of Shares in the Company. Capital gains tax is generally charged at rates of 10% and 20%, dependent on an individual's total amount of taxable income and gains within a tax year. An individual Shareholder may also be entitled to set all or part of any gains against their annual capital gains tax exemption.

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from capital gains tax on any gain accruing on the disposal or deemed disposal of Shares.

Individual Shareholders will find further information in HM Revenue and Customs Help Sheets for the capital gains tax pages of their tax returns.

- ***Corporate Shareholders within the scope of corporation tax***

Subject to the possible application of the rules treating a shareholding in the Company as a loan relationship, a corporate Shareholder within the charge to corporation tax in respect of its investment in the Company will be liable to corporation tax on any chargeable gain accruing to it on the disposal or deemed disposal (including redemption, switches and certain conversions) of its Shares in the Company. An indexation allowance may be available to reduce or eliminate such a gain but not to create or increase an allowable loss.

Inheritance Tax

A gift by an individual Shareholder who is domiciled (or deemed domiciled) in the UK for inheritance tax purposes of their Shares in the Company or the death of such a Shareholder may give rise to a liability to inheritance tax. For these purposes, a transfer of Shares at less than the full market value may be treated as a gift.

Stamp Duty Reserve Tax (SDRT)

Investors will be liable to SDRT at 0.5% on acquiring Shares from a third party (that is other than on an issue of Shares by the Company). SDRT may also apply in cases where an investor redeems Shares in consideration of a transfer of assets of the Company other than cash (i.e. an in specie redemption) where that consideration is non-pro rata (i.e. not in proportion to the total assets of the Company).

ISAs

Shares attributable to the Funds will be eligible for inclusion within a stocks and shares component of an ISA.

General

In the case of accumulation shares, reinvested income is deemed to have been distributed to the shareholder for the purposes of taxation and a tax voucher will be issued to the shareholder to provide the appropriate details for their returns.

OECD Common Reporting Standard (CRS)

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

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

FATCA

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

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

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

24 REPORTS AND ACCOUNTS

The annual accounting period of the Company ends on 31st May.

The annual report of the Company (the "**long report**") will be available at www.wayfunds.com on or before the end of September and the half-yearly long report on or before the end of January in each year. Copies of these long reports may be inspected at, and copies obtained free of charge from, the ACD at its operating address. These reports may also be inspected at the Depositary's office during normal office hours.

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

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

25 ANNUAL GENERAL MEETING

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

26 REQUISITIONS OF MEETINGS

The ACD and/or the Depositary 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.

27 VOTING

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to those persons who are holders of shares in the Company on the date seven days before the notice is sent ("**the cut-off date**"), but excluding any persons who are known not to be holders at the date of the meeting or other relevant date.

At a meeting of shareholders, on a show of hands every holder who (being an individual) is present in person or by proxy or, if a corporation, is present by a properly authorised representative, has one vote. On a poll votes may be given either personally or by proxy and the voting rights attached to a share are such proportion of the total voting rights attached to all shares in issue as the price of the share bears to the aggregate price of shares in issue on the cut-off date. A holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A vote will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, by the Depositary or by two shareholders present or by proxy.

An instrument appointing a proxy may be in any usual or common form or in any other form approved by the ACD. It should be in writing under the hand of the appointor or his attorney or, if the appointor is a corporation, either under the common seal, executed as a Deed or under the hand of a duly authorised officer or attorney. A person appointed to act as a proxy need not be a holder.

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

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

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

The ACD is entitled to attend any meeting but, except in relation to third party shares, is not entitled to vote or be counted in the quorum and any shares it holds are treated as not being in

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

Meetings and Modifications

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

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

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

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

28 TRANSFER OF SHARES

A shareholder is entitled (subject to as mentioned below) to transfer shares by an instrument of transfer in any usual or common form or in any other form approved by the ACD. The ACD is not obliged to accept a transfer if it would result in the holder, or the transferee, holding less than the minimum holding of shares of the class in question. The instrument of transfer, duly stamped if it is required to be stamped, must be lodged with the ACD for registration. The transferor remains the holder until the name of the transferee has been entered in the Register.

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

29 WINDING UP OF THE COMPANY AND TERMINATION OF FUNDS

The Company may be wound up under chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. A Fund may be terminated under chapter 7.3 of COLL or wound up under Part V of the Insolvency Act 1986 (as modified by the OEIC Regulations) as an unregistered company. Winding up of the Company or termination (or winding up) of a Fund under COLL is only permitted with the approval of the FCA and if a statement has been lodged with the FCA by the ACD confirming that the Company or the Fund will be able to meet all its liabilities within twelve months of the date of the statement (a "**solvency statement**").

Subject to the foregoing, the Company or the relevant Fund will be wound up or terminated (as appropriate) under COLL:

- if an extraordinary resolution of shareholders of either the Company or the Fund (as appropriate) to that effect is passed; or
- on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company or a request for the termination of the Fund.

The ACD may request that a Fund be terminated or wound up in certain situations such as if, at any time after the first anniversary of the issue of the first shares linked to a Fund the net value of the assets of the Company attributable to such Fund is less than £1 million.

The winding up of the Company or termination or winding up of a Fund under COLL is carried out by the ACD which will, as soon as practicable, cause the property of the Company or that property attributable to the relevant Fund to be realised and the liabilities to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company or the Fund (as the case may be) the ACD may arrange for interim distribution(s) to be made to shareholders. When all liabilities have been met, the balance (net of a provision for any further expenses) will be distributed to shareholders. The distribution made in respect of each Fund will be made to the holders of shares linked to that Fund, in proportion to the units of entitlement in the property of that Fund which their shares represent.

Shareholders will be notified of any proposal to wind up the Company or terminate or wind up any of the Funds. On commencement of such winding up or termination the Company will cease to issue and cancel shares and transfers of such shares shall cease to be registered.

On completion of the winding up of the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company will be paid into court within one month of dissolution.

30 OTHER INFORMATION

Complaints

Any complaint should be referred to the ACD at its head office. If a complaint cannot be resolved satisfactorily with the ACD it may be referred to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London, E14 9SR. More details about the Financial Ombudsman Service and a copy of the ACD's complaints procedure are available on request.

Cancellation

An applicant who is entitled to cancel and does so, will not get a full refund of the money paid by him if the purchase price of the shares falls before the cancellation notice is received by the Registrar (on behalf of the ACD), because an amount equal to such fall (the "shortfall") will be

deducted from the refund he would otherwise receive. Where the purchase price has not yet been paid the applicant will be required to pay the amount of the shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement. Cancellation rights must be exercised by posting a cancellation notice to the Registrar (on behalf of the ACD) on or before the 14th day after the date on which the applicant receives the Notice of the Right to Cancel.

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

Delegation

The ACD and the Depositary, subject to exceptions specified in COLL, may retain (or arrange for the Company to retain) the services of other persons to assist them in the performance of their respective functions. Subject to certain relevant legal and/or regulatory requirements, in relation to certain functions, the Depositary will not be liable for the actions of the persons so appointed provided certain provisions of COLL apply however the ACD will retain responsibility for the provision of such services.

Conflicts of Interest

The Depositary or any associate of the Depositary, or of any investment adviser, may (subject to COLL) hold money on deposit from, lend money to, or engage in stocklending transactions in relation to the Company, so long as the services concerned are provided on arm's length terms.

The Depositary, the ACD, or any investment adviser or any associate of any of them may sell or deal in the sale of property to the Company or purchase property from the Company provided the applicable provisions of the COLL apply and are observed.

The Depositary may, from time to time, act as trustee, depositary or custodian of other collective investment schemes.

The ACD and the Investment Adviser (as applicable) may manage other accounts/portfolios with similar investment objectives to the Funds.

Subject to compliance with COLL the ACD may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested. The ACD is entitled in its own discretion to determine the terms of its appointment as such, and consequently to amend the terms of the service agreement referred to under section 4 ("**The Authorised Corporate Director**") above.

Subject to applicable laws and regulation, the Depositary, the ACD, or any investment adviser or any associate of any of them will not be liable to account to the Company or any other person, including the holders of shares or any of them, for any profit or benefit made or derived from or in connection with:

- (a) their acting as agent for the Company in the sale or purchase of property to or from a Fund; or
- (b) their part in any transaction or the supply of services permitted by the COLL; or
- (c) their dealing in property equivalent to any owned by (or dealt in for the account of) the Company.

Subject to the Regulations, neither the ACD, Depositary, Administrator, Investment Adviser or any other person involved with the establishment and/or operation of the Company are liable to

account to each other or to the shareholders or former shareholders of the Company for any profits or benefits they may make or receive which are made, derived from or in connection with:

- (a) dealings in the shares of the Company;
- (b) any transaction in the underlying property of the Company; or
- (c) the supply of services to the Company.

Liability and Indemnity

With the exception mentioned below:

- The ACD, the Depositary and the Auditors are each entitled under the Instrument to be indemnified against any loss, damage or liability incurred by them in or about the execution of their respective powers and duties in relation to the Company; and
- the ACD and the Depositary are, under the terms of their respective agreements with the Company, exempted from any liability for any loss or damage suffered by the Company.

The above provisions will not, however, apply in the case of:

- any liability which would otherwise attach to the ACD or the Auditors in respect of any negligence, default, breach of duty or breach of trust in relation to the Company;
- any liability on the part of the Depositary for any failure to exercise due care and diligence in the discharge of its functions.

31 GENERAL

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

The address for service on the Company of notices or other documents required or authorised to be served on it is C/O WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

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

All notices or documents required to be served on shareholders shall be served by post to the address of such shareholder as evidenced on the register.

Financial Services Compensation Scheme

The Financial Services Compensation Scheme has been established under the rules of the FCA as a "rescue fund" for certain clients of firms authorised and regulated by the FCA which have gone out of business. The ACD will supply you with further details of the scheme on written request to its operating address. Alternatively, you can visit the scheme's website at www.fscs.org.uk or by writing to the Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, Portoken Street, London E1 8BN.

Documents and information available

Copies of the following documents are available for all purchasers of shares on request, free of charge, from the ACD at Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB:

- latest version of the Prospectus and the simplified prospectus;

- latest version of the Instrument which constitutes the Company and the Funds;
- latest annual and half-yearly long reports applying to the Funds;
- the ACD Agreement; and
- supplementary information relating to the quantitative limits which apply to the risk management of the Company and the Funds, the methods used for the purposes of such risk management and any recent developments which relate to the risk and yields of the main categories of investment which apply to the Company and the Funds.

The above documents are also available for inspection on any Business Day during normal business hours at the offices of the ACD.

Telephone calls and electronic communications

Please note that the ACD will record telephone calls and electronic communications. The ACD will keep a copy of telephone calls and electronic communications. A copy of the record is available from the ACD on request. The records will be kept for up to five years and where requested by the FCA, for up to seven years.

This Prospectus

This Prospectus describes the constitution and operation of the Company at the date of this Prospectus. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated herein this Prospectus will be revised. Investors should check with the ACD that this is the latest version and that there have been no revisions or updates.

Data Protection - How your personal data is used

By completing and submitting an application to invest in any of the Funds that WAY Fund Managers Limited (“we”/”us”) manage, you will be giving your consent to the processing of your personal data (including any anti-money laundering verification check), by us for the administration of services in connection with your investment on a contractual basis. Additionally we may be requested to share it with our regulator, the Financial Conduct Authority, or for wider compliance with any legal or regulatory obligation to which we might be subject.

If you have used an agent to submit the application we may also share information about your investment with them to continue to provide their service to you, unless you request us not to.

We may share your personal data with contracted third parties for the purposes mentioned above (however this does not entitle such third parties to send you marketing or promotional messages) and we do not envisage that this will involve your personal data being transferred outside of the European Economic Area.

We make every effort to maintain the registration of your holdings accurately. However if you feel that we have incorrectly recorded any of your personal data you may request its correction. You have the right to request copies of your personal data stored by us and can do so by using our contact details below.

Your data will be stored and processed securely for the period of your contract with us and for a minimum of seven years after our relationship ceases, for regulatory and legislation purposes only.

WAY Fund Managers Limited is registered with the Information Commissioner's Office as a Data Controller and Data Processor for this purpose. Further information on how we manage your personal data can be found within our Privacy Notice which can be found on our website www.wayfunds.com.

Should you wish to make a complaint or request further information on how WAY Fund Managers collects and processes your personal data please contact us at:

Data Protection Office, WAY Fund Managers Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset, BH21 7SB.

Email: DPO@Wayfunds.com Tel: 01202 855856.

Alternatively if you have any concerns or complaints as to how we have handled your personal data you may lodge a complaint to the Information Commissioner's Office through their website which can be found at <https://ico.org.uk/for-the-public/raising-concerns/>

Governing law

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

Professional Liability Risks

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

Shareholder's rights

Shareholders are entitled to participate in the Company on the basis set out in this prospectus (as amended from time to time).

Shareholders may have no direct rights against the service providers to the Company set out in paragraphs 5 and 6.

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

Shareholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation.

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

Information available to Shareholders

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

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

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

Investment and Borrowing Powers

The Company may exercise the full authority and powers permitted by COLL applicable to a Non-UCITS Retail Scheme. However, this is subject to the applicable investment limits and restrictions set out in COLL, the Instrument and this Prospectus.

In accordance with the investment policy of the Funds, each Fund may invest in transferable securities (including investment trusts), collective investment schemes, deposits, money market instruments and derivatives although investment in other asset classes is permitted as set out in COLL as it applies to Non-UCITS Retail Schemes and as set out below. Therefore, the capital property attributed to the Funds may at any time consist of transferable securities (including investment trusts), collective investment schemes, deposits, money market instruments and derivatives or a mixture of such assets as well as investments of other asset classes as set out below.

The ACD shall ensure that, taking into account the investment objectives of the Funds, the scheme property of the Funds aims to provide a prudent spread of risk.

The ACD does not anticipate that the use of derivatives will change or alter the overall risk profiles of the Funds.

Transferable securities and Money Market Instruments

The Funds may invest up to 100% of the scheme property in transferable securities and money market instruments which are:

- (a) admitted to or dealt in on an eligible market (as defined in COLL and set out in Schedule 2);
- (b) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue; or
- (c) approved money-market instruments not admitted to or dealt in on an eligible market provided the issue or issuer is regulated for the purposes of protecting investors and savings and the instrument is issued or guaranteed by any one of the following in accordance with the requirements in COLL:
 - (i) a central authority of an EEA state or, if the EEA State is a federal state, one of the members making up the federation;
 - (ii) a regional or local authority of an EEA State;
 - (iii) the European Central Bank or a central bank of an EEA State;
 - (iv) the European Union or the European Investment Bank;
 - (v) a non-EEA State or, in the case of a federal state, one of the members making up the federation;
 - (vi) a public international body to which one or more EEA States belong;
 - (vii) issued by a body, any securities of which are dealt in on an eligible market; or
 - (viii) issued or guaranteed by an establishment which is subject to prudential supervision in accordance with criteria defined by Community law, or subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by Community Law,

and in respect of which appropriate information is available in accordance with COLL 5.2.10CR.

In addition to instruments admitted to or dealt in on an eligible market, the Funds may invest in an approved money market instrument provided it fulfils the requirements in COLL governing regulated issues of money market instruments such that the issue or issuer is regulated for the purpose of protecting investors and savings and the instrument is issued or guaranteed in accordance with paragraphs (a) to (c) above.

Not more than 20% in value of the property of the Funds may consist of transferable securities which do not fall within the above criteria or money market instruments which are liquid and have a value which can be accurately determined at any time.

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

Transferable securities

The Funds may invest in transferable securities only to the extent that the relevant transferable security fulfils the following criteria:

- the potential loss which the Funds may incur with respect to holding the transferable security is limited to the amount paid for it;
- its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying shareholder;
- reliable valuation is available for the transferable securities as follows:
 - in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- appropriate information is available for the transferable security as follows:
 - in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
 - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- it is negotiable; and
- its risks are adequately captured by the risk management process of the ACD.

Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed not to compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder; and to be negotiable.

Closed end funds constituting transferable securities

A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Funds, provided it fulfils the criteria for transferable securities set out above, and either:

- where the closed end fund is constituted as an investment company or a unit trust:
 - it is subject to corporate governance mechanisms applied to companies; and
 - where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
- where the closed end fund is constituted under the law of contract:
 - it is subject to corporate governance mechanisms equivalent to those applied to companies; and
 - it is managed by a person who is subject to national regulation for the purpose of investor protection.

Transferable securities linked to other assets

The Funds may invest in any other investment which shall be taken to be a transferable security provided the investment:

- (a) fulfils the criteria for transferable securities set out in COLL 5.2.7AR; and
- (b) is backed by or linked to the performance of other assets, which may differ from those in which UCITS Schemes can invest.

Where such investments contain an embedded derivative component, the COLL rules applicable to investment in derivatives and forwards will apply to that component.

Investment in nil and partly paid securities

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

Warrants

Not more than 5% in value of the scheme property attributable to the Funds may consist of warrants. It is not anticipated that investment by the Company in warrants will affect the level of volatility of the Funds.

Government and public securities

The property of the Funds may consist of government and public securities provided that no more than 35% in value of the scheme property attributable to the Funds is invested in government and public securities issued by any one body. There is no limit on the amount which may be invested in such securities or in any one issue.

Covered bonds

In general a covered bond is a bond that is issued by a credit institution which has its registered office in an EEA State and is subject by law to special public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest, and which may be collateralised.

Collective investment schemes

Up to 100% of the scheme property attributable to the Funds may consist of units in collective investment schemes.

Not more than 35% in value of the property of the Funds may consist of units or shares in any one collective investment scheme.

The Fund must not invest in units or shares of a collective investment scheme (the "**second scheme**") unless the second scheme falls within one of the following categories:

- (a) a scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
- (b) a scheme which is recognised Scheme (as defined in COLL); or
- (c) a scheme which is authorised as a Non-UCITS Retail Scheme; or
- (d) a scheme which is constituted outside of the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS Retail Scheme; or
- (e) any other scheme which does not fall within any of the above categories and in respect of which no more than 20% in value of the property of the scheme (including any transferable securities which are not approved securities) is invested.

The second scheme must also operate on the principle of a prudent spread of risk, it should be prohibited from having more than 15% in value of the property of that scheme consisting of units in other collective investment schemes.

Additionally, the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price which relates to the Net Asset Value of the property to which the units relate and which are determined in accordance with the scheme.

Investment made in collective investments schemes established in any jurisdiction, subject to compliance with the requirements above.

The Company may invest in shares or units of collective investment schemes which are managed or operated by (or, in the case of companies incorporated under the OEIC Regulations, have as their authorised corporate director) the ACD or an associate of the ACD. However, if the Company invests in units in another collective investment scheme managed or operated by the ACD or by an associate of the ACD, the ACD must pay into the property of the Company before the close of the business on the fourth Business Day after the agreement to invest or dispose of units:

- (a) on investment – if the ACD pays more for the units issued to it than the then prevailing creation price, the full amount of the difference or, if this is not known, the maximum permitted amount of any charge which may be made by the issuer on the issue of the units; and
- (b) on a disposal – any amount charged by the issuer on the redemption of such units.

A Fund may invest in or dispose in shares of another Fund within the Company (the "second fund") only if the following conditions are satisfied:

- (a) the second fund does not hold shares in any other Fund of the Company;
- (b) the conditions in COLL 5.6.11R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes) are complied with (as modified by COLL5.6.11R(2));

- (c) not more than 35% in value of the investing or disposing Fund is to consist of shares in the second fund; and
- (d) the investing or disposing Fund must not be a feeder UCITS to that second fund.

Cash and near cash

In accordance with COLL, the scheme property attributable to the Funds may consist of cash or near cash to enable:

- (a) the pursuit of the Funds' investment objectives;
- (a) the redemption of shares; or
- (c) the efficient management of the Funds in accordance with its objectives; or
- (d) for other purposes which may reasonably be regarded as ancillary to the objectives of the Funds.

Cash forming part of the property of the Funds may be placed in any current or deposit account with the Depositary, the ACD or any investment adviser or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Fund as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

During the initial offer period the scheme property of the Fund may consist of cash and near cash without limitation.

Derivatives

The Company and the Funds may invest in derivatives for investment purposes, as well as for efficient portfolio management and hedging. It is not intended that the use of derivatives in this way will change or alter the overall risk profile of the Funds. Use of derivatives will not contravene investment objectives or limits.

Derivatives – Efficient Portfolio Management

The Funds may invest in derivatives for the purposes of efficient portfolio management (including hedging). Such derivatives will be covered and usually exchange traded. Where such derivatives are used for hedging or in accordance with efficient portfolio management techniques, this will not change or alter the risk profile of the Company.

Efficient portfolio management enables the Funds to invest in derivatives and forward transactions (including futures and options) in accordance with COLL using techniques which relate to transferable securities and approved money market instruments (as defined in COLL) 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 the Funds with a risk level which is consistent with the risk profile of the Funds and the risk diversification rules in COLL (as summarised in below).

In relation to the generation of additional capital or income, there is an acceptably low level of risk in any case where the ACD reasonably believes that the Funds are certain (or certain barring events which are not reasonably foreseeable) to derive a benefit:

- (a) by taking advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to the same or equivalent property, being property which the Fund holds or may properly hold;
- (b) by receiving a premium for the writing of a covered call option, even if that benefit is obtained at the expense of surrendering the chance of yet greater benefit.

To be economically appropriate to the relevant Fund, the ACD must reasonably believe that:

- (a) for transactions undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; and
- (b) for transactions undertaken to generate additional capital or income, the Funds are certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.

Derivatives – investment purposes

A transaction in derivatives or a forward transaction must not be effected for the Funds unless the transaction is of a kind specified below and the transaction is covered.

Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the general limits on spread as set out in the paragraph headed "**Spread – General**" below, except for index-based derivatives where the following rules apply.

Where the Funds invests in an index-based derivative, provided the relevant index falls within COLL 5.6.23 ("**Schemes replicating an index**" – see below), the underlying constituents of the index do not have to be taken into account for the purposes of monitoring the spread requirements. The relaxation is subject to the ACD continuing to ensure that the property provides a prudent spread of risk.

Permitted Transactions (derivatives and forward transactions)

Derivatives transactions must either be in an approved derivative (being a derivative which is dealt in on an eligible derivatives market as set out in Schedule 2) or an over the counter derivative with an approved counterparty, in accordance with COLL.

A transaction in a derivative must not cause the Funds to diverge from their investment objectives as stated in the Instrument and the most recently published version of this Prospectus.

The underlying assets of a transaction in a derivative may only consist of any one or more of the following (subject to the applicable spread limits):

- transferable securities;
- money market instruments;
- deposits;
- derivatives and forwards;
- units/shares in collective investment schemes;
- financial indices;
- interest rates;
- immovable property;
- gold;

- foreign exchange rates; and
- currencies.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money market instruments, units in collective investment schemes or derivatives provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22(3)R are (Requirement to cover sales) are satisfied.

Any forward transaction must be made with an eligible institution or an approved bank in accordance with COLL.

Requirement to cover sales

No agreement by or on behalf of the Funds to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Funds by delivery of property or the assignment of rights, and the property and rights above are owned by the Funds at the time of the agreement.

This requirement does not apply to a deposit, nor does it apply where:

- (a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument which is highly liquid; or
- (b) the ACD or the Depositary has the right to settle the derivative in cash, and cover exits within the scheme property which falls within one of the following asset classes:
 - (i) cash;
 - (ii) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
 - (iii) 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).

In the asset classes referred to above, 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.

Over-the-counter ("OTC") transactions in derivatives

Any transaction in an OTC derivative must be:

- (a) with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank, or a person whose permission (as published in the FCA register), or whose home state authorisation, permits it to enter into such transactions as principal off-exchange.
- (b) on approved terms. The terms of a transaction in derivatives are approved only if the ACD:
 - (i) 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
 - (ii) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;
- (c) capable of reliable valuation. A transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that,

throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

- (i) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - (ii) if the value referred to in (i) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- (d) subject to verifiable valuation. A transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
- (i) 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
 - (ii) a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

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

Collateral required under OTC derivative transactions

The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Funds. 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:

- (a) it is marked to market on a daily basis and exceed the value of the amount of risk;
- (b) it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
- (c) 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
- (d) it can be fully enforceable by the Funds at any time.

OTC derivative positions with the same counterparty may be netted provided that the netting procedures comply with the conditions set out in Section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III of the Banking Consolidation Directive; and are based on legally binding agreements.

All derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee; and it is characterised by daily mark-to-market valuation of the derivative positions and an at least daily margining.

Derivative exposure

The Funds may invest in derivatives and forward transactions only where the exposure to which the Funds is committed by that transaction itself is suitably covered from within the Funds' property. Exposure will include any initial outlay in respect of that transaction.

Cover ensures that the Funds are not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Funds' property. Therefore, the Funds must hold property sufficient in value or amount to match the exposure arising from a derivative obligation to which the relevant Fund is committed. The detailed requirements in accordance with COLL 5.3.3 for cover of the Funds are set out below.

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

Cover for transaction in derivatives and forward transactions

A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the Company is or may be committed by another person, is covered globally.

Exposure is covered globally if adequate cover from within the scheme property is available to meet the Company's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

Cash not yet received into the Funds' property but due to be received within one month is available as cover for these purposes.

Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

The total exposure relating to derivatives held in the Fund may not exceed the net value of the property.

Schemes replicating an Index

The Funds may invest up to 20% in shares and debentures which are issued by the same body where the aim of the investment policy of that Fund as stated in its most recent prospectus is to replicate the performance or composition of an index which complies with the following:

- (a) it has a sufficiently diversified composition;
- (b) it must be a representative benchmark for the market to which it refers; and
- (c) it must be published in an appropriate manner.

The limit may be raised to 35% for a particular scheme, but only in respect of one body and where justified by exceptional market conditions.

Deposits

Up to 100% of the scheme property attributable to the Fund may consist of deposits (as defined in COLL) but only if it:

- is with an approved bank;
- is repayable on demand or has the right to be withdrawn; and
- matures in no more than 12 months.

Not more than 20% in value of the scheme property may consist of deposits with a single body.

Immovable and movable property

It is not intended that the Company should have any interest in any immovable property or tangible movable property.

Gold

Whilst the Company is permitted to invest in gold in accordance with its Instrument, it is currently not intended that the Funds will invest in gold.

Spread – general

In applying any of the restrictions referred to above:

- not more than 10% in value of the Funds' property is to consist of transferable securities or money market instruments issued by any single body (subject to COLL 5.6.23R), however this limit is raised to 25% in respect of covered bonds; or
- the exposure to any one counterparty in an over-the-counter derivatives transaction must not exceed 10% in value of the Funds' property, subject to COLL 5.6.7R(7).

The Company may not invest in warrants or nil and partly paid securities unless the investment complies with conditions in COLL 5.2.17R.

Borrowing and Leverage

Subject to the Instrument and COLL (as it relates to Non-UCITS Retail Schemes), the Company may borrow money for the purposes of achieving the objectives of the Funds on terms that such borrowings are to be repaid out of the scheme property of the Funds. The ACD does not anticipate significant use of this borrowing power. Such borrowing may only be made from an eligible institution or approved bank (as defined in COLL).

The borrowing of the Funds must not, on any Business Day, exceed 10% of the value of the property of the Funds.

The above provisions on borrowing do not apply to "back to back" borrowing for hedging purposes, being an arrangement under which an amount of currency is borrowed from an eligible institution and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his agent or nominee).

Borrowings may be made from the Depositary, the ACD, the Directors or any investment manager or any associate of any of them provided that such lender is an eligible institution or approved bank and the arrangements are at least as favourable to the Fund as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

The ACD will not employ Leverage in respect of its management of the Company save where it undertakes certain derivatives and forward transactions for the limited purposes described in this Schedule 1 and subject at all times to the requirements and restrictions set out in the Regulations insofar as they relate to Non-UCITS Retail Schemes. Therefore the Company will not be regarded as a type of fund using Leverage on a substantial basis (as described in the AIFM Directive).

Stock lending

The Funds or the Depositary may enter into a repo contract, or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 but only if:

- (a) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Funds are in a form which is acceptable to the Depositary and are in accordance with good market practice;
- (b) the counterparty is an authorised person, a person authorised by a home state regulator or otherwise acceptable in accordance with COLL; and
- (c) collateral is obtained to secure the obligation of the counterparty under the terms referred to in (a) above, and is acceptable to the Depositary and must also be adequate and sufficiently immediate as set out in COLL. These requirements do not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

Restrictions on lending of money

None of the money in the scheme property of the Funds may be lent and, for the purposes of this prohibition, money is lent by a Fund if it is paid to a person (a "**payee**") on the basis that it should be repaid, whether or not by the payee. Acquiring a debenture is not lending for these purposes, nor is the placing of money on deposit or in a current account.

The restrictions on lending of money does not prevent the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

Restrictions on the lending of property other than money

The scheme property of the Company other than money must not be lent by way of deposit or otherwise. Stock lending transactions permitted by COLL are not to be regarded as lending for these purposes. The scheme property of the Company is not permitted to be mortgaged.

The restriction on the lending of property other than money does not prevent the Company or the Depositary at the request of the Company, from lending, depositing, pledging or charging scheme property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL.

General power to accept or underwrite placings

The Company's ability to invest in transferable securities may be used for the purposes of entering into underwriting transactions in accordance with COLL, subject to any restriction in the Instrument. The exposure of the Company to such arrangements must be covered, 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.

Guarantees and indemnities

In accordance with COLL, the Company or the Depositary are not permitted to provide any guarantee or indemnity in respect of the obligations of any person, in addition the scheme property of the Company may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person. These restrictions do not apply in respect of any indemnity or guarantee for margin requirements in the event the Funds enter into derivative or forward transactions in accordance with COLL and in respect of certain indemnities permitted under COLL and the OEIC Regulations.

Eligible Markets

Set out below are the securities markets through which the Company may invest or deal in approved securities on account of each Fund (subject to the investment objective and policy of the relevant Fund):

- (a) a "regulated market" as defined in COLL;
- (b) a securities market established in the UK and any EEA State which is regulated, operates regularly and is open to the public;
- (c) the principal or only market established under the rules of any of the following investment exchanges:

Country	Market
United Kingdom	The Alternative Investment Market (AIM)
Australia	Australian Stock Exchange
Canada	Montreal Exchange Toronto Stock Exchange Vancouver Stock Exchange Alberta Exchange Winnipeg Exchange
Hong Kong	The Stock Exchange of Hong Kong Limited
Japan	Tokyo Stock Exchange Osaka Securities Exchange Nagoya Stock Exchange Sapporo Stock Exchange JASDAQ
Korea	Korea Stock Exchange
Mexico	Mexican Stock Exchange
New Zealand	New Zealand Stock Exchange
Singapore	Stock Exchange of Singapore
South Africa	Johannesburg Stock Exchange
Switzerland	SIX Swiss Exchange
Thailand	The Stock Exchange of Thailand
United States of America	New York Stock Exchange NASDAQ Stockmarket American Stock Exchange Boston Stock Exchange Cincinnati Stock Exchange Chicago Stock Exchange Pacific Stock Exchange Philadelphia Stock Exchange

Eligible Derivatives Markets

Set out below are the derivatives markets through which the Company may deal on account of each Fund (subject to the Instrument, this Prospectus and COLL as it applies to Non-UCITS Retail Schemes):

- (a) a "regulated market" as defined in COLL:
- (b) any derivatives market established in the UK and any EEA State which is regulated, operates regularly and is open to the public; or
- (c) the following markets:

Country	Market
Australia	Sydney Futures Exchange
Canada	Montreal Exchange Toronto Stock Exchange
Hong Kong	Stock Exchange of Hong Kong Limited
Japan	Tokyo Stock Exchange Osaka Securities Exchange
New Zealand	New Zealand Futures Exchange
Singapore	Singapore International Monetary Exchange
South Africa	South Africa Futures Exchange (SAFEX)
Switzerland	Eurex
United States of America	American Stock Exchange Chicago Board of Trade (GLOBEX) Chicago Board Options Exchange (CBOE) Chicago Mercantile Exchange New York Futures Exchange New York Mercantile Exchange (NYMEX) New York Stock Exchange Kansas City Board of Trade Pacific Stock Exchange Philadelphia Stock Exchange

Historical Performance

Below we have shown the historical performance, for the period to 31st March 2019. Where possible, we have shown the performance over and the last 5 years, for each complete year, to the last quarter end. However, where the Fund has been in existence for less than any of the above periods, we show the performance since the launch of the Fund, plus for each complete year, to last quarter end.

We have not shown performance for any later period, as both of the Funds are in the process of termination.

In respect of Income shares (where they are available), the performance shown will assume that any income has been reinvested.

EF FACET Balanced Discretionary Portfolio A Accumulation Shares (GBP)

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
5.08%	-5.21%	8.35%	1.76%	3.35%	28.64%

Launch Date: 9 May 2011

EF FACET Balanced Discretionary Portfolio A Income Shares (GBP)

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
5.08%	-5.21%	8.35%	1.76%	3.33%	28.63%

Launch Date: 9 May 2011

EF FACET Balanced Discretionary Portfolio A Accumulation Shares (USD)

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
N/A	N/A	N/A	N/A	N/A	N/A

Launch Date: 3 June 2019

EF FACET Balanced Discretionary Portfolio A Income Shares (USD)

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
N/A	N/A	N/A	N/A	N/A	N/A

Launch Date: 3 June 2019**EF FACET Balanced Discretionary Portfolio B Accumulation Shares (GBP)**

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
5.08%	-5.22%	8.62%	2.52%	4.13%	31.02%

Launch Date: 9 May 2011**EF FACET Balanced Discretionary Portfolio B Income Shares (GBP)**

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
5.09%	-5.22%	4.29%	2.175	4.12%	25.33%

Launch Date: 9 May 2011**EF FACET Balanced Discretionary Portfolio C Accumulation Shares (GBP)**

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
5.96%	-4.40%	9.22%	2.57%	4.17%	35.35%

Launch Date: 9 May 2011**EF FACET Balanced Discretionary Portfolio C Income Shares (GBP)**

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019

5.97%	-4.41%	9.22%	2.56%	4.86%	36.23%
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Launch Date: 9 May 2011

**EF FACET Balanced Discretionary Portfolio – Comparator Benchmark:
Consumer Prices Index + 4%**

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019
3.99%	4.55%	6.38%	6.54%	5.98%

EF FACET Cautious Discretionary Portfolio A Accumulation Shares (GBP)

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
7.79%	-2.75%	6.19%	0.72%	4.23%	28.45%

Launch Date: 9 May 2011

EF FACET Cautious Discretionary Portfolio Class A Income Shares (GBP)

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
7.78%	-2.76%	6.20%	0.71%	3.68%	27.74%

Launch Date: 9 May 2011

EF FACET Cautious Discretionary Portfolio A Accumulation Shares (USD)

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
N/A	N/A	N/A	N/A	N/A	N/A

Launch Date: 3 June 2019

EF FACET Cautious Discretionary Portfolio Class A Income Shares (USD)

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
N/A	N/A	N/A	N/A	N/A	N/A

Launch Date: 3 June 2019**EF FACET Cautious Discretionary Portfolio Class B Accumulation Shares (GBP)**

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
7.79%	-2.75%	6.45%	1.47%	5.02%	30.71%

Launch Date: 9 May 2011**EF FACET Cautious Discretionary Portfolio Class B Income Shares (GBP)***

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
7.73%	-2.84%	0.00%	0.00%	2.79%	3.58%

Launch Date: 9 May 2011

*This share class contained no investment between December 2016 and May 2018.

EF FACET Cautious Discretionary Portfolio Class C Accumulation Shares (GBP)

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
8.73%	-1.88%	7.05%	1.52%	5.08%	36.16%

Launch Date: 9 May 2011

EF FACET Cautious Discretionary Portfolio Class C Income Shares (GBP)

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019	Percentage Growth from Launch to 31 March 2019
8.71%	-1.90%	7.05%	1.52%	3.41%	32.66%

Launch Date: 9 May 2011**EF FACET Cautious Discretionary Portfolio – Target Benchmark:****Consumer Prices Index + 2%**

Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth year to 31 March 2018	Percentage Growth year to 31 March 2019
1.99%	2.53%	4.34%	4.49%	3.94%

Source of data: Financial Express Analytics

Investors and potential investors should note the following statements

- The prices of shares, and the income from them, can go down as well as up as a result of changes in the value of the underlying securities and currency movements. An investor may not get back the amount originally invested.
- Past performance is not necessarily a guide to future investment returns.

Schedule 4

Share classes

Share Class	Minimum subscription	Minimum redemption	Minimum holding	Preliminary charge	Periodic charge
Class A Sterling Accumulation Shares	£1,000	£1,000	£1,000	5%	1.50%
Class A Sterling Income Shares	£1,000	£1,000	£1,000	5%	1.50%
Class A US Dollar Accumulation Shares	\$1,000	\$1,000	\$1,000	5%	1.50%
Class A US Dollar Income Shares	\$1,000	\$1,000	\$1,000	5%	1.50%
Class B Sterling Accumulation Shares	£1,000	£1,000	£1,000	0%	0.75%
Class B Sterling Income Shares	£1,000	£1,000	£1,000	0%	0.75%
Class C Sterling Accumulation Shares	£1,000	£1,000	£1,000	6%	0.70%
Class C Sterling Income Shares	£1,000	£1,000	£1,000	6%	0.70%