

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

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

**PROSPECTUS**  
**OF**  
**WS PRUDENTIAL INVESTMENT FUNDS (1)**  
**(An open-ended investment company**  
**incorporated with limited liability and**  
**registered in England and Wales**  
**under registered number IC508)**

This document constitutes the Prospectus for WS Prudential Investment Funds (1) which has been prepared in accordance with the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND).

This Prospectus is dated, and is valid as at 31 December 2024.

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

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## **Important Information**

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

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

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

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

The provisions of the Instrument of Incorporation are binding on each of the Shareholders and a copy of the Instrument of Incorporation is available on request from Waystone Management (UK) Limited.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Waystone Management (UK) Limited.

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

This Prospectus describes the constitution and operation of the Company at the date of this Prospectus. In the event of any fundamental or significant change in the matters stated herein or other change notifiable in accordance with the COLL Sourcebook 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. Issued by Waystone Management (UK) Limited, authorised and regulated by the Financial Conduct Authority.

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

## 1. DEFINITIONS

<b>"ACD"</b>	Waystone Management (UK) Limited, the authorised corporate director of the Company.
<b>"ACD Agreement"</b>	An agreement between the Company and the ACD.
<b>"AIF Delegated Regulation"</b>	Commission Delegated Regulation (EU) No. 231/2013 of 19 December 2012 supplementing the Directive 2011/61/EU, as amended by Commission Delegated Regulation (EU) 2018/1619 as they each form part of UK domestic law by virtue of section 3 of the EUWA or as otherwise enacted, and as it is modified by UK domestic law from time to time.
<b>"Alternative Investment Fund Manager (AIFM)"</b>	the legal person appointed on behalf of the Company and which (through this appointment) is responsible for managing the Company in accordance with the UK AIFM Regime, which at the date of this Prospectus is the ACD.
<b>"AIFM Directive"</b>	Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and Council of 8 June 2011 which is part of UK law by virtue of EUWA.
<b>"Approved Bank"</b>	one of certain approved banks as defined in the glossary of definitions to the FCA Handbook.
<b>"Associate"</b>	any other person whose business or domestic relationship with the ACD or the ACD's associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.
<b>"Auditor"</b>	Ernst & Young, or such other entity as is appointed to act as auditor to the Company from time to time.
<b>"AUT"</b>	Authorised Unit Trust.
<b>"Business Day"</b>	a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of a Sub-fund's portfolio of securities or a significant portion thereof, the ACD may decide that any business day shall not be construed as such.
<b>"CCP"</b>	a legal person that interposes itself between the counterparties to the contracts traded on one or more financial markets, becoming the buyer to

	every seller and the seller to every buyer, as defined in article 2(1) of <u>EMIR</u> .
<b>"Class" or "Classes"</b>	in relation to Shares, means (according to the context) all of the Shares related to a single Sub-fund or a particular class or classes of Share related to a single Sub-fund.
<b>"COLL"</b>	refers to the appropriate chapter or rule in the COLL Sourcebook.
<b>"the COLL Sourcebook"</b>	the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time.
<b>"Company"</b>	WS Prudential Investment Funds (1).
<b>"Conversion"</b>	the exchange of Shares in one Class for Shares of another Class in the same Sub-fund and the act of so exchanging and "Convert" shall be construed accordingly.
<b>"Cut-off Point"</b>	The point by which requests for subscription, redemption, switches or conversions must be received by the ACD in order to be processed at the price calculated at the next Valuation Point and which is specified in Appendix I for each Sub-fund.
<b>"Dealing Day"</b>	Monday to Friday where these days are Business Days.
<b>"Depository"</b>	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Depository.
<b>"Director" or "Directors"</b>	the directors of the Company from time to time (including the ACD).
<b>"EEA State"</b>	a member state of the European Union and any other state which is within the European Economic Area.
<b>"EEA UCITS Scheme"</b>	A collective investment scheme established in accordance with the UCITS Directive in an EEA State.
<b>"Efficient Portfolio Management" or "EPM"</b>	<p>for the purposes of this prospectus, techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:</p> <p>(a) they are economically appropriate in that they are realised in a cost effective way;</p>

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

(i) reduction of risk;

(ii) reduction of cost;

(iii) generation of additional capital or income for a Sub-fund with a risk level which is consistent with the risk profile of the Sub-fund and the risk diversification rules laid down in COLL as more fully described in Appendix III.

**"Eligible Institution"**

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

**"Emerging Markets"**

unless defined differently for a Sub-fund or other requirement in this prospectus:

an Emerging Market is a country with a less established financial market and investor protections, including many countries in Africa, Asia, Eastern Europe, Latin America and the Middle East.

**"EMIR"**

the UK version of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories, which is part of UK law by virtue of the EUWA, sometimes referred to as the "European Markets Infrastructure Regulation" as amended by Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019.

**"EUWA"**

the European Union (Withdrawal) Act 2018.

**"the FCA"**

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

**"the FCA Handbook"**

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

**"the Financial Services Register"**

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

(a) authorised person;

(b) AUT;

(c) ICVC;

- (d) ACS;
- (e) recognised scheme;
- (f) recognised investment exchange;
- (g) individual to whom a prohibition order relates;
- (h) approved person; and
- (i) person within such other class (if any) as the FCA may determine;

except as provided by any transitional provisions.

<b>"FUND"</b>	Refers to the appropriate chapter or rule in the FUND Sourcebook.
<b>"Fund Accountant"</b>	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to provide fund accounting services.
<b>"the FUND Sourcebook"</b>	The Investment Funds Sourcebook issued by the FCA as amended from time to time.
<b>"Home State"</b>	as defined in the glossary of definitions to the FCA Handbook.
<b>"ICVC"</b>	Investment Company with Variable Capital.
<b>"Intermediate Unitholder"</b>	<p>a firm whose name is entered in the register of a Sub-fund, or which holds Shares indirectly through a third party acting as a nominee, and which:</p> <ul style="list-style-type: none"> <li>(a) is not the beneficial owner of the relevant Share; and</li> <li>(b) does not manage investments on behalf of the relevant beneficial owner of the Share; or</li> <li>(c) does not act as a depositary of a collective investment scheme or on behalf of such a depositary in connection with its role in holding property subject to the scheme.</li> </ul>
<b>"Instrument of Incorporation"</b>	the instrument of incorporation of the Company as amended from time to time.
<b>"IOSCO"</b>	the International Organisation of Securities Commissions.
<b>"ISA"</b>	Individual Savings Account.
<b>"KIID"</b>	the key investor information document of a Sub-fund or class of Shares of a Sub-fund prepared in accordance with the COLL Sourcebook.



<b>"Net Asset Value" or "NAV"</b>	the value of the Scheme Property of the Company or of any Sub-fund (as the context may require) less the liabilities of the Company (or of the Sub-fund concerned) as calculated in accordance with the Instrument of Incorporation.
<b>"Non-UCITS retail scheme" or "NURS"</b>	a scheme which is not a UK UCITS but is available to retail investors.
<b>"NURS Key Investor Information document"</b>	the Company publishes a NURS Key Investor Information document (a <b>"NURS KII"</b> ) for each Share Class of each Sub-fund which contains the information to help investors understand the nature and the risks of investing in the Sub-fund. A NURS KII must be provided to investors prior to subscribing for Shares so they can make an informed decision about whether to invest.
<b>"OEIC Regulations"</b>	the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time.
<b>"Ongoing Charges Figure"</b>	a single percentage figure used to show the total annual operating costs taken from the assets of the relevant Sub-fund over the year, and based on the figures for the preceding year, including the Annual Management Charge, registration fees, the Depositary's periodic charge, custody fees and the Auditor's fees, but excluding any initial charge, redemption charge, brokerage charges, taxes or other dealing costs incurred in respect of the Sub-fund's Scheme Property.
<b>"OTC"</b>	Over-the-counter derivative: a derivative transaction which is not traded on an investment exchange.
<b>"Portfolio Manager"</b>	M&G Investment Management Limited, the portfolio manager to the ACD in respect of the Company.
<b>"Register"</b>	the register of Shareholders of the Company.
<b>"Registrar"</b>	Waystone Transfer Agency Solutions (UK) Limited, or such other entity as is appointed to act as Registrar to the Company from time to time.
<b>"Regulated Order"</b>	<b>Activities</b> the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).
<b>"Regulations"</b>	the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook and the FUND Sourcebook).
<b>"Scheme Property"</b>	the Scheme Property of the Company or a Sub-fund (as appropriate) required under the COLL

	Sourcebook and the FUND Sourcebook to be given for safekeeping to the Depositary.
<b>"Share" or "Shares"</b>	a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share).
<b>"Shareholder"</b>	a holder of registered Shares in the Company.
<b>"Sponsor"</b>	Prudential Distribution Limited.
<b>"Sub-fund"</b>	a Sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund.
<b>"Switch"</b>	the exchange of Shares of one Class in a Sub-fund for Shares in a Class of a different Sub-fund and the act of so exchanging and "Switching" shall be construed accordingly.
<b>"The International Tax Compliance Regulations"</b>	2015 (SI 878/2015) implementing obligations arising under the following agreements and arrangements: the Multilateral Competent Authority Agreement on the Automatic exchange of Financial Account Information signed by the government of the UK on 29 <sup>th</sup> October 2014 in relation to agreements with various jurisdictions to improve international tax compliance based on the standard for automatic exchange of financial account information developed by the Organisation for Economic Co-Operation and Development (sometimes known as "the CRS"); and the agreement reached between the government of the UK and the government of the USA to improve tax compliance (sometimes known as "the intergovernmental Agreement" or "the FATCA Agreement").
	the United Kingdom of Great Britain and Northern Ireland.
<b>"UK"</b>	
<b>"UK AIFM Regime"</b>	the FUND Sourcebook, the COLL Sourcebook, other rules in the FCA Handbook which when made implemented the AIFM Directive, the AIF Delegated Regulation and the UK Implementing Legislation.
<b>"UK Implementing Legislation"</b>	the Alternative Investment Fund Managers Regulations 2013 (SI2013/1773).

<b>"UK UCITS"</b>	As defined in the glossary of definitions to the FCA Handbook.
<b>"US" or "United States"</b>	the United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction.
<b>"US Persons"</b>	a person who falls within the definition of "US Person" as defined in rule 902 of regulation S of the United States Securities Act 1933 and shall include additionally any person that is not a "Non-United States Person" within the meaning of United States Commodity Futures Trading Commission Regulation 4.7.
<b>"Valuation Point"</b>	the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point is set out in Appendix I for each Sub-fund. The regular valuation point may be changed on reasonable notice being given to Shareholders.
<b>"VAT"</b>	Value Added Tax.

## **2. DETAILS OF THE COMPANY**

### **2.1 General Information**

2.1.1 WS Prudential Investment Funds (1) (the Company) is an investment company with variable capital incorporated in England and Wales under registered number IC 508 and authorised by the FCA with effect from 8 February 2007. Please note that approval by the FCA in this context does not in any way indicate or suggest endorsement or approval of the Company as an investment. The FCA's Product Reference Number ("PRN") for the Company is 460844. The product reference number of each Sub-fund is set out in Appendix I. The Company has an unlimited duration.

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

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

### **2.2 Head Office**

The head office of the Company is at 3rd Floor Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL.

### **2.3 Address for Service**

The address for service on the Company of notices or other documents required or authorised to be served on it is 3rd Floor Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL.

### **2.4 Base Currency**

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

### **2.5 Share Capital**

Maximum    £250,000,000,000

Minimum    £100

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

Each of the Sub-funds of the Company is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of a Sub-fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion

refuse to accept applications for, or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to a Sub-fund(s). For these purposes, the ACD may consider an investor's trading history in the Sub-fund(s) or other Waystone Management (UK) Limited funds and accounts under common ownership or control.

## **2.6 The Structure of the Company**

### **2.6.1 The Sub-funds**

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

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

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

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

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

Subject to the above, each Sub-fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-fund, and within each Sub-fund charges will be allocated between Classes in

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

Please also see paragraph 5.5 below "Liabilities of the Company and the Sub-funds".

#### **2.6.2 Classes of Share within the Sub-funds**

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

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

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

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

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

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

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

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

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

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

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

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

### 3. **BUYING, REDEEMING AND SWITCHING SHARES**

The dealing office of the ACD is normally open from 8.30 a.m. to 5.30 p.m. (London time) on each Business Day to receive postal requests for the purchase, sale, conversion and switching of Shares. The ACD may vary these times at its discretion. Requests to deal in Shares may also be made by telephone on each Business Day (at the ACD's discretion) between 8.30 a.m. and 5.30 p.m. (London time) directly to the office of the ACD (telephone: 0344 335 8936 or such other number as published from time to time).

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

- (a) prior agreement between the ACD and the person making the communication as to:
  - (i) the electronic media by which such communications may be delivered; and
  - (ii) how such communications will be identified as conveying the necessary authority; and
- (b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the investor.

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

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

#### 3.1 **Money Laundering**

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to enter into any



transaction to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing or is unable to provide the information requested (i) in the event that the investor or the investor's duly authorised agent instructs a sale of those shares the ACD may refuse to pay the proceeds of sale until satisfactory proof of identity has been provided or (ii) the ACD may sell the Shares purchased and at the ACD's sole discretion return the proceeds to the account from which the subscription was made or withhold the proceeds of sale until satisfactory evidence of identity has been provided. These proceeds may be less than the original investment.

## **3.2 Buying Shares**

### **3.2.1 Procedure**

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

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

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

Valid applications to purchase Shares received before the Cut-off Point on a Business Day will be processed at the Share price calculated at the Valuation Point following that Cut-off Point except where dealing in the Sub-fund has been suspended as set out in paragraph 3.10. Valid applications to purchase shares received after the Cut-off Point on a Business Day will be processed at the Share Price calculated at the Valuation Point following the next Cut-off Point except where dealing in the Sub-fund has been suspended as set out in paragraph 3.10.

For applications to purchase Shares through the Prudential ISA please refer to the relevant terms and conditions in relation to the Prudential ISA.

For details of the Cut-off Point in relation to each Sub-fund, please see Appendix I.

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

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

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is overdue (being more than five Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. The ACD is not obliged to issue Shares unless it has received cleared funds from an investor. You agree to reimburse any costs, losses, claims and expenses suffered or incurred by the Sub-fund or us as a result of the non-payment of the subscription monies by the agreed settlement date.

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

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

Settlement should be made by electronic bank transfer to the bank account detailed on the application form. Alternatively, for amounts less than £50,000 a cheque, which should accompany the application form, can be sent for the full amount, made payable to "Waystone Management (UK) Limited", to: PO Box 389, Darlington DL1 9UF.

However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the investor, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the investor.

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

Investors who have received advice may have the right to cancel their application to buy Shares at any time during the 30 days after the date on which they receive a cancellation notice from the ACD. If an investor (except for those investors who subscribe through the Regular Savings Plan) decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. Investors who invest through the Regular Savings Plan will be entitled to cancel their first subscription only; if a regular saver decides to cancel their contract within 30 days after the date on which they receive the cancellation notice then they will receive back the full amount of their initial subscription. The ACD may extend cancellation rights to other investors but is under no obligation to do so.

### **3.2.2 Documents the Buyer will Receive**

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

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

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

### **3.2.3 Regular Savings Plan**

The ACD may make available certain Classes of Shares of any Sub-fund through the Regular Savings Plan (details of current Classes of Shares and Sub-funds which are available are shown in Appendix I).

Regular savers who suspend monthly payments may resume regular monthly payments into their plan, provided that they do so within six months of their suspending payments. Shares bought by Direct Debit are bought at the price calculated on the sixth day of each month (or the next Business Day if a weekend or bank holiday intervenes).

Contributions by direct debit shall not be subject to the Cut-off Point.

Further information on how to invest through the Regular Savings Plan is available from the ACD.

#### **3.2.4 Minimum Subscriptions and Holdings**

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

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

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

### **3.3 Redeeming Shares**

#### **3.3.1 Procedure**

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

Valid applications to redeem Shares received before the Cut-off Point on a Business Day will be executed at the Share price, calculated at the Valuation Point following that Cut-off Point except where dealing in the Sub-fund has been suspended as set out on paragraph 3.10. Valid applications to redeem Shares received after the Cut-off Point on a Business Day will be executed at the Share Price calculated at the Valuation Point following the next Cut-off Point except where dealing in the Sub-fund has been suspended as set out on paragraph 3.10.

For applications to redeem Shares invested in the Prudential ISA please refer to the relevant terms and conditions in relation to the Prudential ISA.

For details of the Cut-off Point in relation to each Sub-fund, please see Appendix I.

A redemption instruction in respect of Shares in writing or by telephone or any other communication media made available is a legally binding contract. However, an instruction to the ACD to redeem Shares, although irrevocable, may not be accepted by either the Company or the ACD if the redemption represents Shares where the investor has not received title (see section 3.2.1) or if documentation or anti-money laundering information which the ACD considers is sufficient for the ACD to meet and

discharge its obligations under the regulatory system has not been received by the ACD.

For details of dealing charges see paragraph 3.5 below.

### **3.3.2 Documents a Redeeming Shareholder will Receive**

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

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

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

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

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

### **3.3.3 Minimum Redemption**

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

### 3.4 **Conversion and Switching**

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

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

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

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

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

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

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

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

Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Conversion or a Switch. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Sub-funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder

giving the relevant instruction may agree. Requests to Switch or Convert received after a Valuation Point will be held over until the next day which is a Dealing Day for the relevant Sub-fund or Sub-funds.

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

On completion of a switch or a conversion, subsequent Share dealing instructions may be limited, restricted or denied where the ACD's identity evidence requirements have not been complied with. In such circumstance, the ACD shall not be liable for any costs or losses whatsoever.

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

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

### 3.5 **Dealing Charges**

The price per Share at which Shares are bought, redeemed or switched is the Net Asset Value per Share (subject to any dilution adjustment referred to at paragraph 3.5.4 below). Any initial charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

#### 3.5.1 **Initial Charge**

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

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

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

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

#### **3.5.2 Redemption Charge**

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

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

#### **3.5.3 Charges on Switching and Conversion**

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

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

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

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

#### **3.5.4 Dilution Adjustment**

The actual cost of purchasing or selling assets and investments in a Sub-fund may vary due to dealing charges, taxes, and any spread between buying and selling prices of the underlying investments of a Sub-fund. These costs could have an adverse effect on the value of the Sub-fund, known as "dilution". In order to mitigate the effect of dilution the ACD may at its discretion adjust the sale and purchase price of Shares to take into account the possible effects of dilution to arrive at the price of the Shares. This practise is known as making a "dilution adjustment". The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in a Sub-fund. If the price of the Shares does contain a dilution adjustment, such dilution adjustment will be paid into the Sub-fund and will become part of the Scheme Property of the Sub-fund thus mitigating the effects of dilution that would otherwise constrain the future growth of the Sub-fund.

The ACD reserves the right to make a dilution adjustment every Dealing Day. The dilution adjustment is calculated using the estimated dealing



costs of the Sub-fund's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes.

The discount or premium to NAV per Share will depend on the volume of subscriptions or redemptions of Shares and the ACD is not currently able to predict the likely frequency of such events. The ACD may in its discretion make a dilution adjustment if, in its opinion, the existing Shareholders, in the case of subscriptions, or remaining Shareholders, in the case of redemptions, might otherwise be adversely affected, and making a dilution adjustment is, so far as practicable, fair to all Shareholders and potential Shareholders. In particular, the dilution adjustment may be made in relation to a Sub-fund in the following circumstances:

- (i) where the Sub-fund is expanding or contracting;
- (ii) where the Sub-fund is experiencing a large net subscription position or a large net redemption position relative to its size on any Dealing Day;
- (iii) in any other case where the ACD is of the opinion that the interests of Shareholders requires the imposition of a dilution adjustment.

A Sub-fund is regarded as expanding where, based on the daily movements in and out of the Sub-fund, the Sub-fund has experienced a net inflow of money over a period of time. A Sub-fund is regarded as contracting where, over a period of time, the Sub-fund has experienced a net outflow. A Sub-fund is regarded as level where it is considered to be neither expanding nor contracting based on the above criteria.

Where a Sub-fund is expanding, the ACD will normally swing the price to "offer" (i.e. increase the price by the premium rate detailed above), however in the event of net outflows on a given Dealing Day the ACD may leave the price at "mid" or swing the price to "bid" (i.e. reduce the price by the discount rate detailed above) if the outflows are of significant size relative to the size of the Sub-fund.

Where a Sub-fund is contracting, the ACD will normally swing the price to "bid", however in the event of net inflows on a given Dealing Day the ACD may leave the price at "mid" or swing the price to "offer" if the inflows are of significant size relative to the size of the Sub-fund.

On the occasions when a dilution adjustment is not applied if a Sub-fund is in a net subscription position or a net redemption position, there may be an adverse impact on the assets of the Sub-fund attributable to each underlying Share, although the ACD does not consider this to be likely to

be material in relation to the potential future growth in value of a Share. As dilution is directly related to the inflows and outflows of monies from a Sub-fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make a dilution adjustment.

The dilution adjustment will be applied to the Net Asset Value per Share in each Class resulting in a figure calculated up to four decimal places. The final digit in this figure will then be rounded either up or down in accordance with standard mathematical principles resulting in the final price for the Shares. The most recent dilution adjustment figures can be obtained from the ACD on request.

In normal market conditions and under the tax and exchange fee regimes currently in operation in the relevant markets, the dilution adjustment is, based on projections, likely to be in the range of - 1% to +1% of NAV and applied on a daily basis.

It is the ACD's opinion that it is likely that dilution adjustment will be made. The ACD opinion is based on projected dealing volumes.

### **3.6 Transfers**

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

### **3.7 Restrictions and**

#### **Compulsory Transfer and Redemption**

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

may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

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

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

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

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

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

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

### **3.8 Issue of Shares in Exchange for in Specie Assets**

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

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

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

### **3.9 In Specie Redemptions**

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

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

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

### **3.10 Suspension of Dealings in the Company**

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares in any or all of the Sub-funds where due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Sub-fund or Sub-funds.

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

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

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

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

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

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

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

### **3.11 Liquidity Risk Management**

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

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

- 3.11.3 To manage and monitor liquidity risk, the ACD maintains liquidity risk management policies and procedures. The liquidity risk management policies and procedures include the management, implementation and maintaining of appropriate liquidity limits for each Sub-fund and periodic stress testing of the liquidity risk of each Sub-fund under both normal and exceptional liquidity conditions to ensure that anticipated redemption requests can be met.
- 3.11.4 If our policy for managing liquidity should change, this will be set out in the annual report.

## **4. VALUATION OF THE COMPANY**

### **4.1 General**

The price of a Share is calculated at a Valuation Point by reference to the Net Asset Value of the Sub-fund to which it relates (subject to any dilution adjustment as described at paragraph 3.5.4). The Valuation Point of each Sub-fund is set out at Part I of Appendix I.

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

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

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

### **4.2 Calculation of the Net Asset Value**

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

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

4.2.1 Scheme Property which is not cash (or other assets dealt with in paragraph 4.2.2 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

4.2.1.1 Units or shares in a collective investment scheme:

- (a) if a single price for buying and redeeming units or shares is quoted, at that price; or
  - (b) if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the redemption price excludes any exit or redemption charge attributable thereto; or
  - (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.1.2 any other transferable security:
  - (a) if a single price for buying and redeeming the security is quoted, at that price; or
  - (b) if separate buying and redemption prices are quoted, at the average of the two prices; or
  - (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.1.3 Scheme Property other than that described in paragraphs 4.2.1.1 and 4.2.1.2 above, at a value which, in the opinion of the ACD, is fair and reasonable;
- 4.2.2 Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.
- 4.2.3 Scheme Property which is a contingent liability transaction shall be treated as follows:
  - 4.2.3.1 if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;



- 4.2.3.2 if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
  - 4.2.3.3 if it is any other form of contingent liability transaction, include it at the net value of margin on closing out (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.
- 4.2.4 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 4.2.5 Subject to paragraphs 4.2.6 and 4.2.7 below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 4.2.6 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 4.2.5.
- 4.2.7 All agreements are to be included under paragraph 4.2.5 which are, or ought reasonably to have been, known to the person valuing the Scheme Property.
- 4.2.8 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT and any foreign taxes or duties.
- 4.2.9 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.
- 4.2.10 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 4.2.11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.12 Add any other credits or amounts due to be paid into the Scheme Property.
- 4.2.13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

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

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

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share (subject to any dilution adjustment, as described at paragraph 3.5.4). At any Valuation Point, therefore, there is a single price for buying and redeeming Shares. Any initial charge or redemption charge, is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

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

#### **4.4 Fair Value Pricing**

- 4.4.1 Where the ACD has reasonable grounds to believe that:

- 4.4.1.1 no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- 4.4.1.2 the most recent price available does not reflect the ACD's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point;

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

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

- 4.4.2.1 no recent trade in the security concerned; or
- 4.4.2.2 suspension of dealings in the security concerned; or
- 4.4.2.3 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

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

- 4.4.3.1 the type of authorised fund concerned;

- 4.4.3.2 the securities involved;
- 4.4.3.3 whether the underlying collective investment schemes may already have applied fair value pricing;
- 4.4.3.4 the basis and reliability of the alternative price used; and
- 4.4.3.5 the ACD's policy on the valuation of Scheme Property as disclosed in this Prospectus.

#### 4.5 **Pricing Basis**

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

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

#### 4.6 **Publication of Prices**

The prices of all Shares are published on every dealing day on the website of the ACD: . The prices of Shares may also be obtained by calling +44 (0)345 335 8936 during the ACD's normal business hours. As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can deal. The ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

## 5. **RISK FACTORS**

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

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

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

### 5.1 **Effect of Initial Charge or Redemption Charge**

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

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

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

### 5.2 **Suspension of Dealings in Shares**

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

### 5.3 **Currency Exchange Rates**

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

#### 5.4 **Investment in Derivatives**

The Portfolio Manager may employ derivatives for the purposes of Efficient Portfolio Management (including hedging) with the aim of reducing the risk profile of the Sub-fund, reducing costs or generating additional capital or income.

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

For more information in relation to investment in derivatives please see paragraph 9 and 10 in Appendix III.

#### 5.5 **Liabilities of the Company and the Sub-funds**

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

#### 5.6 **Credit and Fixed Interest Securities**

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

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

of a fixed interest security may fall in the event of the default or a downgrading of the credit rating of the issuer.

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

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

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

## **5.7 Inflation and Interest Rates**

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

## **5.8 Taxation**

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

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

In addition, under some treaties the rate of withholding tax applied to a Sub-fund may be affected by the tax profiles of Shareholders in the Sub-fund (or by the tax profiles of Shareholders in other Sub-funds of the Company). This is because such treaties may require a majority of Shareholders in the Sub-fund (or the other Sub-funds of the Company) to be resident in either the UK or another specified jurisdiction

as a condition of relief. Failing to satisfy this test may also result in increased withholding tax and therefore a negative effect on the returns to the Sub-fund and Shareholders.

## **5.9 Cancellation Rights**

When cancellation rights are applicable and are exercised, the full amount invested may not be returned if the price falls before we are aware that the contract has been cancelled.

## **5.10 Investment in Regulated Collective Investment Schemes**

A Sub-fund may invest in other regulated collective investment schemes. As an investor in another collective investment scheme, a Sub-fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the Annual Management Charge a Sub-fund bears directly with its own operations but form part of a Sub-Fund's Ongoing Charges Figure.

An investor should be aware that liquidity constraints and the extent to which the Sub-fund's securities are valued by independent sources are factors which could have an impact on a Sub-fund's valuation.

Where a Sub-fund invests in passive collective investment schemes (e.g funds which track an index) the following associated risks may apply:

### **5.10.1 Passive Investment Risk**

Collective investment schemes which are not actively managed may be affected by a general decline in market segments related to their benchmark indices.

### **5.10.2 Index Tracking Risks**

The Sub-funds may invest in collective investment schemes which seek to track the performance of their respective benchmark indices. There is no guarantee that they will achieve perfect tracking and they may be potentially subject to tracking error risk, which is the risk that their returns may not track exactly those of their respective benchmark indices, from time to time.

### **5.10.3 Index-Related Risks**

In order to meet its objective, an index tracking collective investment scheme seeks to achieve a return which corresponds generally to the price and yield performance, before fees and expenses, of the relevant Benchmark Index as published by the index provider. There is no assurance

that the index provider will compile the Benchmark Index accurately, or that the benchmark index will be determined, composed or calculated accurately. The index provider does not guarantee that the benchmark index will be in line with the described index methodology.

#### **5.11 Investment in Unregulated Collective Investment Schemes**

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

#### **5.12 Counterparty and Settlement**

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

#### **5.13 Custody**

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

#### **5.14 Liquidity**

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

#### **5.15 Non-UCITS Retail Schemes**

Such funds can have wider investment and borrowing powers than UK UCITS and EEA UCITS schemes with higher investment limits applying in various areas. They may also be able to invest to a greater extent in areas such as property and unregulated collective investment schemes, and have the potential to borrow on a permanent basis. Such additional powers can increase potential reward, but may also increase risk.

#### **5.16 Counterparty Risk in Over-The-Counter Markets**

The ACD on behalf of a Sub-fund may enter into transactions in over-the-counter markets, which will expose the relevant Sub-fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the ACD on behalf of a Sub-fund may enter into agreements or use other derivative techniques, each of which expose the Sub-fund to the risk that the counterparty may default on



its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Sub-fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the ACD, on behalf of the Sub-fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, Shareholders may be unable to recover any losses incurred.

#### **5.17 Dilution**

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

#### **5.18 Alternative Investments**

Alternative investment products, including hedge funds and managed futures, involve a high degree of risk. They often engage in gearing and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid and may not provide periodic pricing or valuation information to investors.

They may involve complex tax structures and delays in distributing important tax information. They are often not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager of the alternative investment products.

Alternative investment performance can be volatile with the potential to lose all or a substantial amount of an investment. There is often no secondary market for an investor's interest in alternative investments, with no expectation one will develop. There may be restrictions on transferring interests in any alternative investment.

#### **5.19 Higher Volatility and Concentrated Portfolios**

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

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

## 5.20 **Investment Trusts**

The Sub-funds may invest in investment trusts. These are public limited companies quoted on the London Stock Exchange. The price of their shares depends on supply and demand and may not reflect the value of the underlying assets. It may be higher 'at a premium' or lower 'at a discount'. The discount and premium varies continuously and represents an additional measure of risk and reward. Gearing – investment trusts can borrow money, which can then be used to make further investments. In a rising market, this 'gearing' can enhance returns to Shareholders. However if the market falls, losses will also be multiplied. The level of gearing needs to be carefully judged and monitored to produce a benefit.

## 5.21 **Local, Regional and Global Events**

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

## **6. MANAGEMENT AND ADMINISTRATION**

### **6.1 Regulatory status**

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

### **6.2 Authorised Corporate Director and Authorised Investment Fund Manager**

#### **6.2.1 General**

The ACD and AIFM of the Company is Waystone Management (UK) Limited, a limited company incorporated in England and Wales on 7 January 1999 with registered number 03692681. The head office and registered office of the ACD are at 3rd Floor Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL. As at the date of this Prospectus, the amount of the ACD's authorised share capital is £1,941,686 of ordinary £1 shares of which £1,941,686 is allotted and fully paid up.

The executive directors of the ACD are as follows :

A M Berry

R E Wheeler

V Karalekas

K Midl

The non-executive directors of the ACD are as follows:

T K Madigan

S White

E Tracey

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

It has therefore delegated to the Portfolio Manager the function of portfolio management and advisory services in relation to the assets of the Sub-funds (as further explained in paragraph 6.4 below). It has also delegated to the Registrar certain functions relating to the Register (as further explained in paragraph 6.5

below). Where the Company enters into OTC derivative transactions, JP Morgan Chase Bank, N.A. will provide administrative services in connection with the collateral management function. The ACD has delegated to The Bank of New York Mellon (International) Limited to provide fund accounting and pricing functions for the Company (as explained in paragraph 6.7).

The FCA's remuneration requirements have been implemented primarily to ensure that relevant members of staff are not incentivised, by way of their remuneration package, to take excessive risks when managing funds. The ACD has approved and adopted a remuneration policy (the "**Remuneration Policy**") which explains how the ACD complies with such requirements and which staff are covered. Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding such remuneration and benefits can be accessed from the following website: [www.waystone.com](http://www.waystone.com). A paper copy of these details is also available free of charge from the ACD upon request.

#### 6.2.2 **Terms of Appointment**

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

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities.

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

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

The ACD is also under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed.

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

## **6.3 The Depositary**

### **6.3.1 General**

The Bank of New York Mellon (International) Limited is the Depositary of the Company and, for avoidance of doubt, acts as the global custodian to the Company.

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

The registered office address is at 160 Queen Victoria Street, London, EC4V 4LA.

The principal business activity of the Depositary is the provision of custodial, banking and related financial services. The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### **6.3.2 Duties of the Depositary**

The Depositary is responsible for the safekeeping of the Scheme Property, monitoring the cash flows of the Company, and must ensure that certain processes carried out by the ACD are performed in accordance with the applicable rules and the constitutive documents of the Company.

#### **Delegation of Safekeeping Functions**

The Depositary acts as global custodian and may delegate safekeeping to one or more Global Sub-Custodians (such delegation may include the powers of sub-delegation).

The Depositary has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and The Bank of New York Mellon (the "Global Sub-Custodians").

In turn the Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Company may invest to various sub-delegates ("Sub-Custodians").

#### **6.3.4 Updated Information**

Up-to-date information regarding the Depositary, its duties, the delegation of its safekeeping functions and its conflicts of interest will be made available to shareholders on request.

#### **6.3.5 Terms of Appointment**

The ACD is required to enter into a written contract with the Depositary to evidence its appointment. The Depositary was appointed under an agreement dated 15 December 2017. The ACD and the Depositary agree to carry out various functions in order to comply with, and facilitate compliance with, the requirements of the Regulations.

Details of the Depositary's remuneration are set out in [7.3].

### **6.4 The Portfolio Manager**

#### **6.4.1 General**

The Portfolio Manager of the Company is M&G Investment Management Limited. The ACD appointed the Portfolio Manager to provide investment management and advisory services by an agreement between the ACD and the Portfolio Manager in respect of the Sub-funds identified in Appendix 1. The Portfolio Manager may choose to appoint a sub-investment advisor in respect of some or all of the investments of certain Sub-funds.

#### **6.4.2 Terms of Appointment:**

The terms of the Investment Management Agreement between the ACD and the Portfolio Manager include the provision of discretionary investment management within the investment objectives, discretion to place purchase and sale orders with regulated dealers and on the exercise of voting rights relating to such investments (in accordance with the ACD's voting strategy) and on the marketing of Units (subject to the approval of the ACD). The agreement is terminable on receipt of six months written notice given by either party or immediately, where the ACD decides that termination is in the interests of Shareholders. M&G Investment Management Limited may sub-delegate the provision of investment advisory services.

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

M&G Investment Management Limited is authorised by the FCA in the conduct of its regulated activities in the United Kingdom.

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

The Portfolio Manager's registered office is at M&G Investment Management Limited, 10 Fenchurch Avenue, London Ec3M 5AG.

#### **6.4.3 Investment Committee**

The ACD has established an investment committee comprising representatives of the ACD, the Portfolio Manager and the Sponsor. The investment committee may set guidelines for the Portfolio Manager with regard to the management of each Sub-fund's assets to help achieve that Sub-fund's Investment Objective.

### **6.5 The Sponsor**

The ACD works closely with the Sponsor on the structuring and marketing the Sub-funds of the Company. Whilst the ACD remains at all times responsible for the Company on a legal and regulatory basis, the Sponsor may request changes to the Company or the Sub-funds, subject always to any applicable rules and the ACD's duties to the Company and Shareholders. For example, the Sponsor may request changes to be made to the investment objective and policy of a Sub-fund (unless these are required by the FCA) or any other material changes to the Instrument of Incorporation or this Prospectus. The Sponsor also assists in the preparation of documentation relating to the Company.

The registered office of the Sponsor is Craigforth, Stirling FK9 4UE. The Sponsor is an Associate of the ACD for the purposes of the Regulations.

In certain circumstances, the ACD may make a payment to the Sponsor out of its annual management charge.

### **6.6 The Registrar**

#### **6.6.1 General**

On behalf of the Company the ACD has also appointed Waystone Transfer Agency Solutions (UK) Limited to act as registrar to the Company.

The registered office of the Registrar is 3<sup>rd</sup> Floor Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL.

The Register is kept and maintained at 3<sup>rd</sup> Floor Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL.

#### **6.6.2 Register of Shareholders**

The Register of shareholders will be maintained by the Registrar at the address of its office as noted above, and may be inspected at that address

or the principal place of business of the ACD during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

#### 6.6.3 **Plan Manager**

Waystone Financial Investments Limited is the plan manager (the "**Plan Manager**"). The registered office of the Plan Manager is 3rd Floor Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL.

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

The plan register is kept and maintained at 3<sup>rd</sup> Floor Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL.

### 6.7 **The Fund Accountant**

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

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

The registered and head office of the Fund Accountant is at 160 Queen Victoria Street, London, EC4V 4LA. The Fund Accountant is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### 6.8 **The Auditors**

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

### 6.9 **Conflicts of Interest**

#### *General*

The Depositary, the ACD and the Portfolio Manager (each of which is a "**Service Provider**") or any associate of them may (subject to the COLL



Sourcebook) hold money on deposit from, lend money to, or engage in stock lending transactions in relation to, the Company, so long as the services concerned are provided on arm's length terms (as set out in the COLL Sourcebook) and in the case of holding money on deposit or lending money the Service Provider is an eligible institution or approved bank.

The Service Providers 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 Sourcebook apply and are observed.

Subject to compliance with the COLL Sourcebook, where relevant, the Service Providers 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 Service Providers 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, 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 the Sub-funds;
- (b) their part in any transaction or the supply of services permitted by the COLL Sourcebook; or
- (c) their dealing in property equivalent to any owned by (or dealt in for the account of) the Company.

#### *ACD*

The ACD, the Portfolio Manager and other companies within the ACD's and/or the Portfolio Manager's group may, from time to time, act as authorised corporate director, portfolio manager or adviser to other funds or sub-funds which follow similar investment objectives to those of the Sub-funds. It is therefore possible that the ACD and/or Portfolio Manager may in the course of their business have potential conflicts of interest with the Company or particular Sub-funds or that a conflict exists between the Company and other funds managed by the ACD.

The ACD and the Portfolio Manager will take all appropriate steps to identify and prevent or manage such conflicts and each of the ACD and the Portfolio Manager will have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreement respectively and, in particular, to their obligations to act in the best interests of the Company so far as practicable, having regard to their respective obligations to other clients, when undertaking any investment

business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD and the Portfolio Manager will ensure that the Company and other collective investment schemes managed by them are fairly treated.

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

The ACD's conflicts of interest policy is available for inspection at the office of the ACD. The Portfolio Manager's conflicts of interest policy is available on request from the Portfolio Manager.

### *Depository*

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

**"BNY Mellon Affiliate"** means any entity in which The Bank of New York Mellon Corporation (a Delaware corporation with registered office at 240 Greenwich St, New York, New York 10286, U.S.A) controls (directly or indirectly) an interest of no less than 30% in the voting stock or interests in such entity.

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

"Group Link" means a situation in which two or more undertakings or entities belong to the same group within the meaning of section 399 of the Companies Act 2006, Article 2(11) of Directive 2013/34/EU, [as implemented or given direct effect in the UK](#), or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002, [as it forms part of the law of the UK by virtue of the EU Withdrawal Act 2018, as amended, modified and reinstated from time to time, and any succeeding UK law or regulation which becomes enforceable by law from time to time](#).

The ACD may delegate certain administrative functions to an entity within the same corporate group as the Depository.

At present the ACD delegates certain administrative functions to The Bank of New York Mellon (International) Limited. A Group Link exists where the ACD has

delegated certain administrative functions, including but not limited to Fund Accounting, to The Bank of New York Mellon (International) Limited or a BNY Mellon Affiliate.

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

The Depositary may delegate the safekeeping of the Scheme Property to a BNY Mellon Affiliate and a Group Link exists where the Depositary has delegated, or where any Global Sub-Custodian has sub-delegated, the safekeeping of the Scheme Property to a BNY Mellon Affiliate.

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

If a Link exists between the Depositary and any Shareholders in the Company, the Depositary shall take all reasonable steps to avoid conflicts of interests arising from such Link. *Delegation*

The following conflicts of interests may arise as a result of the delegation arrangements relating to safekeeping outlined above:

A Group Link where the Depositary has delegated, or where any Global Sub-Custodian has sub-delegated, the safekeeping of the Scheme Property to a BNY Mellon Affiliate.

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

The Depositary may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes.

Up-to-date information stated above with regards to the Depositary will be made available to shareholders on request.

### Depositary Conflicts of Interest

The Depositary or any BNY Mellon Affiliates may have an interest, relationship or arrangement that is in conflict with or otherwise material in relation to the services it provides to the ACD and the Company. Conflicts of interest may also arise between the Depositary's different clients.

As a global financial services provider, one of the Depositary's fundamental obligations is to manage conflicts of interest fairly and transparently. As a regulated business, the Depositary is required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients.

The Depositary is required to and does maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

The Depositary maintains an EMEA Conflicts of Interest Policy (the "Conflicts Policy"). The Conflicts Policy (in conjunction with associated policies):

- (a) identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;
- (b) specifies the procedures or measures which should be followed or adopted by the Depositary in order to prevent or manage and report those conflicts of interest;
- (c) sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- (d) includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of the Depositary;
- (e) includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;

(f) specifies measures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary services or activities; and

(g) sets out measures to prevent or control the simultaneous or sequential involvement of an individual in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

Disclosure of conflicts of interest to clients is a measure of last resort to be used by the Depositary to address its regulatory obligations only where the organisational and administrative arrangements established by the Depositary (and any BNY Mellon Affiliates where applicable) to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

The Depositary must assess and review the Conflicts Policy at least once per year and take all appropriate measures to address any deficiencies.

The Depositary shall make available to its competent authorities, on request, all information which it has obtained while performing its services and which may be required by the competent authorities of the Company.

## **7. FEES AND EXPENSES**

### **7.1 General**

The fees, costs and expenses relating to the authorisation and incorporation and establishment of the Company, the offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Company in connection with the offer will be borne by the ACD. The direct establishment costs of each Sub-fund formed or Share Class created after this Prospectus is superseded may be borne by the relevant Sub-fund or by the ACD at its discretion.

The Company may pay out of the Scheme Property of the Company charges and expenses incurred by the Company, which will include the following expenses:

- 7.1.1 the fees and expenses payable to the ACD and to the Depositary;
- 7.1.2 broker's commission, fiscal charges (including any other transfer tax) and other disbursements which are necessarily incurred in effecting transactions for the sub-funds and are normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 7.1.3 any fees, expenses or disbursements of any legal or other professional adviser of the Company;
- 7.1.4 any costs incurred in respect of meetings of Shareholders convened on a requisition by Shareholders but not those convened by the ACD or an associate of the ACD;
- 7.1.5 liabilities on unitisation, amalgamation or reconstruction including certain liabilities arising after transfer of property to the sub-funds in consideration for the issue of Shares as more fully detailed in the Regulations;
- 7.1.6 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.1.7 taxation and duties payable in respect of the property of the sub-funds or of the issue or redemption of Shares, including SDRT;
- 7.1.8 the audit fees of the Auditor (including Value Added Tax) and any expenses of the Auditor;
- 7.1.9 the fees of the FCA in accordance with the FCA's Fee Manual, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Company are or may be marketed;

- 7.1.10 all charges and expenses incurred in connection with the collection and distribution of income;
- 7.1.11 all charges and expenses incurred in relation to stocklending;
- 7.1.12 the Depositary will also be reimbursed out of the property of the Company for expenses detailed in paragraph 7.4;
- 7.1.13 any payments otherwise due by virtue of the Regulations; and
- 7.1.14 any value added or similar tax relating to any charge or expense set out herein.

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

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

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given Sub-fund is set out in Appendix I. Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital. If deductions were made from capital, this would result in capital erosion and constrain growth.

## **7.2 Charges Payable to the ACD**

### **7.2.1 Annual Management Charge**

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of the Scheme Property of each Sub-fund. The amount due for each month will be calculated by the ACD based upon the sum of the daily fee calculations in that calendar month. The amount due for each month will be calculated by the ACD at the beginning of the next calendar month. The amount due accrues daily and is payable as soon as practicable and in any event no later than the following calendar month. The ACD may increase the rate of such charge by giving 60 days notice to Shareholders and amending this Prospectus. The rate of periodic charge is set out in Appendix I. The ACD is responsible for the payment of the fees of the Portfolio Manager.

### **7.2.2 Expenses**

The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above, including stamp duty and stamp duty reserve tax on transactions in Shares.

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

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

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

Where the investment objective of a Sub-fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee may be charged against capital instead of against income, subject to the approval of the Depositary. This treatment of the ACD's fee may increase the amount of income available for distribution to Shareholders in the Sub-fund concerned, but may constrain capital growth. In respect of all Sub-funds, the ACD's fee is charged against income property.

The ACD may enter into stocklending arrangements and charge a fee in accordance with the Regulations. Shareholders will be given at least 60 days' notice of the introduction of such a fee for stocklending.

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

### 7.3 **Depositary's Fee and Expenses**

The Depositary receives for its own account a periodic fee payable out of the Scheme Property attributable to each Sub-fund, with the Scheme Property of each Sub-fund being valued and such remuneration accruing and being paid on the same basis as the ACD's periodic charge. The rate of the periodic fee is agreed between the ACD and the Depositary. The charge is calculated on a sliding scale for each Sub-fund on the following basis:

<b>Value of Sub-fund:</b>	<b>Fee</b>
£0 - £100 million	0.03%
£100 million - £150 million	0.0175%
£150 million - £1 billion	0.01%
£1 billion - £2 billion	0.005%
£2 billion and above	0.0025%



of the value of the Scheme Property of the Sub-fund, subject to a minimum of £12,500 plus VAT per annum.

The charge is not inclusive of Value Added Tax. These rates can be varied from time to time in accordance with the COLL Sourcebook.

The first accrual will take place in respect of the period beginning on the day on which the first valuation of a Sub-fund is made and ending on the last business day prior to the commencement of the next fortnightly accrual period.

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property as follows:

vary	Item	Range	These charges from country to
	Transaction Charges	£4 to £75.	
	Custody Charges	0.00005% to 0.40% per annum.	

country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last business day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending, derivative or unsecured loan transactions, in relation to a Sub-fund and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the COLL Sourcebook.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument of Incorporation, the COLL Sourcebook or by the general law.

On termination of a Sub-fund or the redemption of a Class of Shares, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Depositary.

#### **7.4 Research Costs**

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

#### **7.5 Portfolio Manager's Fee**

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

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

#### **7.6 Allocation of Fees and Expenses between Sub-Funds**

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

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

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

8. **INSTRUMENT OF INCORPORATION**

The Instrument of Incorporation is available for inspection at the ACD's offices at 3<sup>rd</sup> Floor Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL.

## **9. SHAREHOLDER MEETINGS AND VOTING RIGHTS**

### **9.1 Class, Company and Sub-fund meetings**

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

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

### **9.2 Requisitions of Meetings**

The ACD may requisition a general meeting at any time.

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

### **9.3 Notice and Quorum**

Shareholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

### **9.4 Voting Rights**

At a general meeting, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share shall be such proportion of the voting rights attached to all the Shares in issue (in the Company or the Sub-fund or the Class as the case may be) as the price of the Shares bears to the aggregate price(s) of all the Shares in issue (of the Company or the Sub-fund or the Class as appropriate), at a reasonable date before the notice of meeting is sent out (such date to be decided by the ACD).

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

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

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

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any Associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or Associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or Associate has received voting instructions.

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

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

## **9.5 Variation of Class or Sub-fund rights**

The rights attached to a Class or Sub-fund may only be varied in accordance with the COLL Sourcebook.

## 10. **TAXATION**

### 10.1 **General**

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

### 10.2 **The Sub-Funds**

Each Sub-fund will be treated as a separate entity for United Kingdom tax purposes.

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

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

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

### 10.3 **Shareholders**

#### 10.3.1 **Income**

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

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

### **10.3.2 Interest**

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

### **10.3.3 Income Equalisation**

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

### **10.3.4 Tax Vouchers**

A tax voucher will be issued in line with the income distribution dates set out in Appendix 1. This voucher should be retained for tax purposes as evidence for HM Revenue & Customs.

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

### **10.3.5 Capital Gains**

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

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

### **10.3.6 The International Tax Compliance Regulations**

The Company is required to comply with The International Tax Compliance Regulations. The regulations transpose into UK law rules and obligations derived from European Union law and inter-governmental agreements

entered into by the UK which are aimed at increasing transparency and reducing tax evasion.

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

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

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

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



## 11. **WINDING UP OF THE COMPANY OR A SUB-FUND**

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

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

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

- 11.1 if an extraordinary resolution to that effect is passed by Shareholders; or
- 11.2 when the period (if any) fixed for the duration of the Company or a particular Sub-fund by the Instrument of Incorporation expires, or any event arises on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Sub-fund is to be wound up (for example, if the Share capital of the Company or (in relation to any Sub-fund) the Net Asset Value of the Sub-fund is below £10 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-fund); or
- 11.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Sub-fund.

On the occurrence of any of the above:

- 11.4 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-fund;
- 11.5 the Company will cease to issue and cancel Shares in the Company or the relevant Sub-fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-fund;

- 11.6 no transfer of a Share shall be registered and no other change to the Register shall be made without the sanction of the ACD;
- 11.7 where the Company is being wound up or a Sub-fund terminated, the Company or the Sub-fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or the termination of the Sub-fund; and
- 11.8 the corporate status and powers of the Company and subject to 11.4 to 11.7 above, the powers of the Depositary shall continue until the Company is dissolved.

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

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

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

Following the completion of a winding up of either the Company or a Sub-fund, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditor's report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) on it within four months of the completion of the winding up or termination.

## 12. **GENERAL INFORMATION**

### 12.1 **Accounting Periods**

The annual accounting period of the Company ends each year on 31 October (the accounting reference date) with the interim accounting period ending on 30 April.

### 12.2 **Notice to Shareholders**

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

### 12.3 **Income Allocations**

The income allocation dates of the Sub-funds are set out in Appendix I. For each of the Sub-funds income is allocated in respect of the income available at each accounting date.

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

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

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

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

Income from debt securities is recognised on an effective yield basis. Effective yield is an income calculation that takes account of amortisation of any discount or premium on the purchase price of the debt security over the remaining life of the security.

Distributions made to the first named joint Shareholder are as effective a discharge to the Company and the ACD as if the first named Shareholder had been a sole Shareholder.

#### **12.4 Annual Reports**

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

#### **12.5 Documents of the Company**

Copies of this Prospectus, Instrument of incorporation, and

the most recent annual and half-yearly reports may be inspected at, and obtained from, the ACD at 3<sup>rd</sup> Floor Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL during normal business hours on any Business Day, in addition to being available at [www.waystone.com](http://www.waystone.com). The Registrar will also provide upon request, copies of the ACD Agreement between the ACD and the Company. Upon written request the ACD will provide further information relating to:

- 12.5.1 the quantitative limits applying to the risk management of each Sub-fund;
- 12.5.2 the methods used in relation to the risk management of each Sub-fund; and
- 12.5.3 any recent developments of the risk and yields of the main categories of each Sub-fund's investments.

#### **12.6 Material Contracts**

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

- 12.6.1 the ACD Agreement between the Company and the ACD; and
- 12.6.2 the Depositary Agreement between the Company, the Depositary and the ACD.

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

#### **12.7 Provision of Investment Advice**

All information concerning the Company and about investing in Shares is available from the ACD at 3<sup>rd</sup> Floor Central Square, 29 Wellington Street, Leeds, United Kingdom, LS1 4DL. The ACD is not authorised to give investment advice and persons

requiring such advice should consult a professional adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and Shareholders should ensure that they have the most up to date version.

#### **12.8 Telephone Recordings**

Please note that the ACD and the Portfolio Manager will take reasonable steps to record telephone conversations, and keep a copy of electronic communications, that relate to instructions to deal in the Company or the Management of the assets of the Company. Telephone calls may be recorded for security or regulatory purposes and may be monitored under Waystone Management (UK) Limited's quality control procedures.

#### **12.9 Complaints**

All complaints will be handled in accordance with the ACD'S internal complaint handling procedures. A copy of the ACD's guide to making a complaint is available on the Waystone Management (UK) Limited website at [www.waystone.com](http://www.waystone.com).

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at: The Financial Ombudsman Service, Exchange Tower, London, E14 9SR. Information about the Financial Ombudsman can be found on its website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

In the event of the ACD being unable to meet its liabilities to Shareholders, details about rights to compensation can be found at [www.fscs.org.uk](http://www.fscs.org.uk).

#### **12.10 Indemnity**

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

#### **12.11 Best Execution**

The ACD's best execution policy sets out (i) the systems and controls that have been put in place and (ii) the basis upon which the ACD will effect transactions and place orders in relation to the Company whilst complying with its obligations under the FCA Rules to obtain the best possible result for the Company. Details of the best execution policy are available from the ACD on request.

## 12.12 **Genuine Diversity of Ownership**

Shares in the Company are and will continue to be widely available. The intended categories of investors are retail and institutional investors.

Shares in the Company are and will continue to be marketed and made available widely to reach the intended categories of investors and in a manner appropriate to attract those categories of investors.

## 12.13 **Information Available to Shareholders**

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

12.13.1 the percentage of each Sub-fund's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees will apply to these assets;

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

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

12.13.4 any material changes to the information above.

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

## 12.14 **Changes to the Company**

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

If the change is regarded as fundamental, Shareholder approval will be required. If a change requires Shareholder approval, this will mean that Shareholders will need

to approve the change at a meeting. The procedure for Shareholder meetings is described above at Section 9.

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

#### **12.15 Professional Liability Risks**

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

#### **12.16 Fair Treatment of Investors**

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

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

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

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

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

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

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

12.16.7 recognising and dealing with complaints fairly.

#### **12.18 Preferential Treatment**

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

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

## **12.19 Shareholders' Rights**

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

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

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

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

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

## **12.19 Governing Law and Jurisdiction**

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

## **12.21 Value Assessment**



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

A report detailing the findings of the value assessment will be published on the ACD's website at [www.waystone.com](http://www.waystone.com).

## **APPENDIX I**

### **PART A**

#### **SUB-FUND DETAILS**

**Name:** WS Prudential Risk Managed Active 1  
**Product Reference Number** 638859

**Type of Sub-fund:** Non-UCITS retail scheme

**Investment Objective:** The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 9%.

There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 9%. Capital invested is at risk.

**Investment Policy and Strategy:** The Sub-fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Sub-fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Sub-fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.

Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.

The Sub-fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

Other information: The Sub-fund’s objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

**Information Regarding Benchmarks:**

The WS Prudential Risk Managed Active 1 performance may be compared against the IA Mixed Investment 0-35% shares Sector. The ACD believes that this is an appropriate comparator for the Sub-fund given the investment objective and policy of the Sub-fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

<b>Comparator Benchmark:</b>	IA Mixed Investment 0-35% shares Sector The benchmark return is quoted total return in GBP and net of fees.			
<b>Final Accounting Date:</b>	31 October			
<b>Interim Accounting Date:</b>	30 April			
<b>Income Allocation Date:</b>	31 December			
<b>Share Classes and Type of Shares:</b>	Class A Accumulation Class A Income Class C Income* Class P Accumulation Class P Income Class R Accumulation**			
	Class A	Class C	Class P	Class R
<b>Initial Charge:</b>	0%	0%	0%	0%
<b>Redemption Charge:</b>	Nil			

<b>Switching Charge:</b>	Nil			
<b>Annual Management Charge:</b>	0.74%	0%	0.49%	0.74%
<b>ACD's remuneration for Administrative and Registration services:</b>	Nil	Nil	Nil	Nil
<b>Investment Minima:***</b>	Class A	Class C	Class P	Class R
Lump Sum:	£500	£500,000	£500,000	£500
Holding:	£500	£500,000	£500,000	£500
Top-Up:	£250	£25,000	£10,000	£250
Regular Savings Plan:	£50	Not currently available	Not currently available	£50

<b>Allocation of Charges:</b>	<b>Income</b>	<b>Capital</b>
AMC:	100%	No
Ongoing Operating Costs:	100%	No
Dealing and Registration:	100%	No
Depository:	100%	No
Custody:	100%	No
Portfolio Transactions (SDRT, Broker's Commission):	No	100%

**Past Performance:** Past performance information is set out in Appendix V.

**Valuation Point:** 12.00 noon (London time).

**Cut-off Point:** 5.30 pm (London time) on the Business Day before the Valuation Point.

\* Sterling Class C Shares are available only to a company which the ACD deems to be an associate company of the ACD or the Sponsor or to other collective investment schemes managed by the ACD or a company which the ACD deems to be an associate company of the ACD or the Sponsor.

\*\* Sterling Class R Shares are available only to Intermediate Unitholders or where the deal has been arranged by a financial adviser.

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

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

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

(b) Under the Commitment Method is 1.1:1

<b>Name:</b>	WS Prudential Risk Managed Active 2
<b>Product Reference Number</b>	638858
<b>Type of Sub-fund:</b>	Non-UCITS retail scheme
<b>Investment Objective:</b>	<p>The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 10%.</p> <p>There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 10%. Capital invested is at risk.</p>
<b>Investment Policy and Strategy:</b>	<p>The Sub-fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Sub-fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Sub-fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.</p> <p>Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.</p> <p>The Sub-fund will have a bias towards lower risk assets such as fixed income assets and cash but will always have some exposure to equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.</p> <p>The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).</p>

**Other information:** The Sub-fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

**Comparator Benchmark:** IA Mixed Investment 20-60% Shares Sector  
The benchmark return is quoted total return in GBP and net of fees.

**Information Regarding Benchmarks:** The WS Prudential Risk Managed Active 2 performance may be compared against the IA Mixed Investment 20-60% shares Sector. The ACD believes that this is an appropriate comparator for the Sub-fund given the investment objective and policy of the Sub-fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

**Final Accounting Date:** 31 October

**Interim Accounting Date:** 30 April

**Income Allocation Date:** 31 December

**Share Classes and Type of Shares:** Class A Accumulation  
Class A Income  
Class C Income\*  
Class P Accumulation  
Class P Income  
Class R Accumulation\*\*

	Class A	Class C	Class P	Class R
<b>Initial Charge:</b>	0%	0%	0%	0%
<b>Redemption Charge:</b>	Nil			
<b>Switching Charge:</b>	Nil			
<b>Annual Management Charge:</b>	0.74%	0%	0.49%	0.74%

**ACD's remuneration for**

**Administrative and Registration services:**

Nil

Nil

Nil

Nil

**Investment Minima:\*\*\***

Class A

Class C

Class P

Class R

Lump Sum:

£500

£500,000

£500,000

£500

Holding:

£500

£500,000

£500,000

£500

Top-Up:

£250

£25,000

£10,000

£250

Regular Savings Plan:

£50

Not currently available

Not currently available

£50

**Allocation of Charges:****Income****Capital**

AMC:

100%

No

Ongoing Operating Costs:

100%

No

Dealing and Registration:

100%

No

Depositary:

100%

No

Custody:

100%

No

Portfolio Transactions (SDRT, Broker's Commission):

No

100%

**Past Performance:**

Past performance information is set out in Appendix V.

**Valuation Point:**

12.00 noon (London time).

**Cut-off Point:**

5.30 pm (London time) on the Business Day before the Valuation Point.

\* Sterling Class C Shares are available only to a company which the ACD deems to be an associate company of the ACD or the Sponsor or to other collective investment schemes managed by the ACD or a company which the ACD deems to be an associate company of the ACD or the Sponsor.



\*\* Sterling Class R Shares are available only to Intermediate Unitholders or where the deal has been arranged by a financial adviser.

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

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

- (a) under the Gross Method is 3.1:1; and
- (b) under the Commitment Method is 1.1:1.

<b>Name:</b>	WS Prudential Risk Managed Active 3
<b>Product Reference Number</b>	638857
<b>Type of Sub-fund:</b>	Non-UCITS retail scheme
<b>Investment Objective:</b>	<p>The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 12%.</p> <p>There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 12%. Capital invested is at risk.</p>
<b>Investment Policy and Strategy:</b>	<p>The Sub-fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Sub-fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Sub-fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.</p> <p>Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.</p> <p>The Sub-fund will be balanced between lower risk assets, such as fixed income assets and cash, and higher risk assets, such as equities. From time to time, however, the Sub-fund may have a higher exposure to either higher risk or lower risk assets with the aim of meeting the Sub-fund's objective. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.</p>

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Sub-fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

**Other information:** The Sub-fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

**Comparator Benchmark:**

IA Mixed Investment 20-60% shares Sector

The benchmark return is quoted total return in GBP and net of fees.

**Information Regarding Benchmarks:**

The WS Prudential Risk Managed Active 3 performance may be compared against the IA Mixed Investment 20-60% shares Sector. The ACD believes that this is an appropriate comparator for the Sub-fund given the investment objective and policy of the Sub-fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

**Final Accounting Date:**

31 October

**Interim Accounting Date:**

30 April

**Income Allocation Date:**

31 December

**Share Classes and Type of Shares:**

Class A Accumulation

Class A Income

Class C Income\*

Class P Accumulation

Class P Income

Class R Accumulation\*\*

**Initial Charge:**

Class A	Class C	Class P	Class R
0%	0%	0%	0%

<b>Redemption Charge:</b>	Nil			
<b>Switching Charge:</b>	Nil			
<b>Annual Management Charge:</b>	0.74%	0%	0.49%	0.74%
<b>ACD's remuneration for Administrative and Registration services:</b>	Nil	Nil	Nil	Nil

<b>Investment Minima:***</b>	Class A	Class C	Class P	Class R
Lump Sum:	£500	£500,000	£500,000	£500
Holding:	£500	£500,000	£500,000	£500
Top-Up:	£250	£25,000	£10,000	£250
Regular Savings Plan:	£50	Not currently available	Not currently available	£50

<b>Allocation of Charges:</b>	<b>Income</b>	<b>Capital</b>
AMC:	100%	No
Ongoing Operating Costs:	100%	No
Dealing and Registration:	100%	No
Depositary:	100%	No
Custody:	100%	No
Portfolio Transactions (SDRT, Broker's Commission):	No	100%

<b>Past Performance:</b>	Past performance information is set out in Appendix V.
<b>Valuation Point:</b>	12.00 noon (London time).
<b>Cut-off Point:</b>	5.30 pm (London time) on the Business Day before

the Valuation Point.

\* Sterling Class C Shares are available only to a company which the ACD deems to be an associate company of the ACD or the Sponsor or to other collective investment schemes managed by the ACD or a company which the ACD deems to be an associate company of the ACD or the Sponsor.

\*\* Sterling Class R Shares are available only to Intermediate Unitholders or where the deal has been arranged by a financial adviser.

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

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

- (a) under the Gross Method is 3.1:1; and
- (b) under the Commitment Method is 1.1:1.

<b>Name:</b>			WS Prudential Risk Managed Active 4
<b>Product Reference Number</b>			713581
<b>Type of Sub-fund:</b>			Non-UCITS retail scheme
<b>Investment Objective:</b>			<p>The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 14.5%.</p> <p>There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 14.5%. Capital invested is at risk.</p>
<b>Investment Strategy:</b>	<b>Policy</b>	<b>and</b>	<p>The Sub-fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Sub-fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Sub-fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.</p> <p>Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.</p> <p>The Sub-fund will have a bias towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.</p>

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Sub-fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

**Other information:** The Sub-fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

**Comparator Benchmark:**

IA Mixed Investment 40-85% shares Sector

The benchmark return is quoted total return in GBP and net of fees.

**Information  
Benchmarks:**

**Regarding**

The WS Prudential Risk Managed Active 4 performance may be compared against the IA Mixed Investment 40-85% shares Sector. The ACD believes that this is an appropriate comparator for the Sub-fund given the investment objective and policy of the Sub-fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

**Final Accounting Date:**

31 October

**Interim Accounting Date:**

30 April

**Income Allocation Date:**

31 December

**Share Classes and Type of  
Shares:**

Class A Accumulation

Class A Income

Class C Income\*

Class P Accumulation

Class P Income

Class R Accumulation\*\*

Class A

Class C

Class P

Class R

<b>Initial Charge:</b>	0%	0%	0%	0%
<b>Redemption Charge:</b>	Nil			
<b>Switching Charge:</b>	Nil			
<b>Annual Management Charge:</b>	0.74%	0%	0.49%	0.74%

**ACD's remuneration for Administrative and Registration services:**

Nil	Nil	Nil	Nil
Class A	Class C	Class P	Class R

**Investment Minima:\*\*\***

Holding:	£500	£500,000	£500,000	£500
Top-Up:	£250	£25,000	£10,000	£250
Regular Savings Plan:	£50	Not currently available	Not currently available	£50

**Allocation of Charges:**

**Income**

**Capital**

AMC:	100%	No
Ongoing Operating Costs:	100%	No
Dealing and Registration:	100%	No
Depositary:	100%	No
Custody:	100%	No
Portfolio Transactions (SDRT, Broker's Commission):	No	100%

**Past Performance:**

Past performance information is set out in Appendix V.

**Valuation Point:**

12.00 noon (London time).



**Cut-off Point:**

5.30 pm (London time) on the Business Day before the Valuation Point.

\* Sterling Class C Shares are available only to a company which the ACD deems to be an associate company of the ACD or the Sponsor or to other collective investment schemes managed by the ACD or a company which the ACD deems to be an associate company of the ACD or the Sponsor.

\*\* Sterling Class R Shares are available only to Intermediate Unitholders or where the deal has been arranged by a financial adviser.

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

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

- (a) under the Gross Method is 3.1:1; and
- (b) under the Commitment Method is 1.1:1.

<b>Name:</b>	WS Prudential Risk Managed Active 5
<b>Product Reference Number</b>	713582
<b>Type of Sub-fund:</b>	Non-UCITS retail scheme
<b>Investment Objective:</b>	<p>The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 17%.</p> <p>There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 17%. Capital invested is at risk.</p>
<b>Investment Policy and Strategy:</b>	<p>The Sub-fund aims to achieve its objective through investing at least 70% in actively managed collective investment schemes. The Sub-fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Sub-fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.</p> <p>Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.</p> <p>The Sub-fund will have a high exposure towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.</p> <p>The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).</p>

The Sub-fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

**Other information:** The Sub-fund’s objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

**Comparator Benchmark:** IA Flexible Investment Sector  
The benchmark return is quoted total return in GBP and net of fees.

**Information Regarding Benchmarks:** The WS Prudential Risk Managed Active 5 performance may be compared against the IA Flexible Investment Sector. The ACD believes that this is an appropriate comparator for the Sub-fund given the investment objective and policy of the Sub-fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

**Final Accounting Date:** 31 October

**Interim Accounting Date:** 30 April

**Income Allocation Date:** 31 December

**Share Classes and Type of Shares:** Class A Accumulation  
Class A Income  
Class C Income\*  
Class P Accumulation  
Class P Income  
Class R Accumulation\*\*

	Class A	Class C	Class P	Class R
<b>Initial Charge:</b>	0%	0%	0%	0%

**Redemption Charge:** Nil

**Switching Charge:** Nil

<b>Annual Management Charge:</b>	0.74%	0%	0.49%	0.74%
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**ACD's remuneration for Administrative and Registration services:**

Nil	Nil	Nil	Nil
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**Investment Minimums:**

Class A	Class C	Class P	Class R
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Lump Sum:	£500	£500,000	£500,000	£500
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Holding:	£500	£500,000	£500,000	£500
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Top-Up:	£250	£25,000	£10,000	£250
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Regular Savings Plan:	£50	Not currently available	Not currently available	£50
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**Allocation of Charges:**

**Income**

**Capital**

AMC:	100%	No
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Ongoing Operating Costs:	100%	No
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Dealing and Registration:	100%	No
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Depositary:	100%	No
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Custody:	100%	No
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Portfolio Transactions (SDRT, Broker's Commission):	No	100%
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**Past Performance:**

Past performance information is set out in Appendix V.

**Valuation Point:**

12.00 noon (London time).

**Cut-off Point:**

5.30 pm (London time) on the Business Day before the Valuation Point.

\* Sterling Class C Shares are available only to a company which the ACD deems to be an associate company of the ACD or the Sponsor or to other collective investment schemes managed by the ACD or a company which the ACD deems to be an associate company of the ACD or the Sponsor.

\*\* Sterling Class R Shares are available only to Intermediate Unitholders or where the deal has been arranged by a financial adviser.

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

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

- (a) under the Gross Method is 3.1:1; and
- (b) under the Commitment Method is 1.1:1.

<b>Name:</b>	WS Prudential Risk Managed Passive Fund 1
<b>Product Reference Number</b>	638854
<b>Type of Sub-fund:</b>	Non-UCITS retail scheme
<b>Investment Objective:</b>	<p>The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 9%.</p> <p>There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 9%. Capital invested is at risk.</p>
<b>Investment Policy and Strategy:</b>	<p>The Sub-fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g funds which track an index). The Sub-fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Sub-fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.</p> <p>Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.</p> <p>The Sub-fund will have a high exposure to lower risk assets such as fixed income assets and cash. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.</p> <p>The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).</p>

The Sub-fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

**Other information:** The Sub-fund’s objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

**Comparator Benchmark:** IA Mixed Investment 0-35% shares Sector  
The benchmark return is quoted total return in GBP and net of fees.

**Information Regarding Benchmarks:** The WS Prudential Risk Managed Passive Fund 1 performance may be compared against the IA Mixed Investment 0-35% shares Sector. The ACD believes that this is an appropriate comparator for the Sub-fund given the investment objective and policy of the Sub-fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

**Final Accounting Date:** 31 October

**Interim Accounting Date:** 30 April

**Income Allocation Date:** 31 December

**Share Classes and Type of Shares:** Class A Accumulation  
Class A Income  
Class C Income\*  
Class P Accumulation  
Class P Income  
Class R Accumulation\*\*

	Class A	Class C	Class P	Class R
<b>Initial Charge:</b>	0%	0%	0%	0%

**Redemption Charge:** Nil

**Switching Charge:** Nil

<b>Annual Management Charge:</b>	0.48%	0%	0.23%	0.48%
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**ACD's remuneration for Administrative and Registration services:**

Nil	Nil	Nil	Nil
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**Investment Minima:\*\*\***

Class A	Class C	Class P	Class R
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Lump Sum:	£500	£500,000	£500,000	£500
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Holding:	£500	£500,000	£500,000	£500
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Top-Up:	£250	£25,000	£10,000	£250
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Regular Savings Plan:	£50	Not currently available	Not currently available	£50
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**Allocation of Charges:**

**Income**

**Capital**

AMC:	100%	No
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Ongoing Operating Costs:	100%	No
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Dealing and Registration:	100%	No
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Depository:	100%	No
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Custody:	100%	No
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Portfolio Transactions (SDRT, Broker's Commission):	No	100%
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**Past Performance:**

Past performance information is set out in Appendix V.

**Valuation Point:**

12.00 noon (London time).

**Cut-off Point:**

5.30 pm (London Time) on the Business Day before the Valuation Point.



\* Sterling Class C Shares are available only to a company which the ACD deems to be an associate company of the ACD or the Sponsor or to other collective investment schemes managed by the ACD or a company which the ACD deems to be an associate company of the ACD or the Sponsor.

\*\* Sterling Class R Shares are available only to Intermediate Unitholders or where the deal has been arranged by a financial adviser.

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

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

- (a) under the Gross Method is 3.1:1; and
- (b) under the Commitment Method is 1.1:1.

<b>Name:</b>	WS Prudential Risk Managed Passive Fund 2		
<b>Product Reference Number</b>	713580		
<b>Type of Sub-fund:</b>	Non-UCITS retail scheme		
<b>Investment Objective:</b>	<p>The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 10%.</p> <p>There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 10%. Capital invested is at risk.</p>		
<b>Investment Strategy:</b>	<b>Policy</b>	<b>and</b>	<p>The Sub-fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g funds which track an index). The Sub-fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Sub-fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.</p> <p>Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.</p> <p>The Sub-fund will have a bias towards lower risk assets such as fixed income assets and cash but will always have some exposure to equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.</p>

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Sub-fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g. infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

**Other information:** The Sub-fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

**Comparator Benchmark:** IA Mixed Investment 20-60% shares Sector  
The benchmark return is quoted total return in GBP and net of fees.

**Information Regarding Benchmarks:** The WS Prudential Risk Managed Passive Fund 2 performance may be compared against the IA Mixed Investment 20-60% shares Sector. The ACD believes that this is an appropriate comparator for the Sub-fund given the investment objective and policy of the Sub-fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

**Final Accounting Date:** 31 October

**Interim Accounting Date:** 30 April

**Income Allocation Date:** 31 December

**Share Classes and Type of Shares:** Class A Accumulation  
Class A Income  
Class C Income\*  
Class P Accumulation  
Class P Income  
Class R Accumulation\*\*

Class A      Class C      Class P      Class R

<b>Initial Charge:</b>	0%	0%	0%	0%
<b>Redemption Charge:</b>	Nil			
<b>Switching Charge:</b>	Nil			
<b>Annual Management Charge:</b>	0.48%	0%	0.23%	0.48%
<b>ACD's remuneration for Administrative and Registration services:</b>		Nil	Nil	Nil

<b>Investment Minima:**</b>	Class A	Class C	Class P	Class R
Lump Sum:	£500	£500,000	£500,000	£500
Holding:	£500	£500,000	£500,000	£500
Top-Up:	£250	£25,000	£10,000	£250
Regular Savings Plan:	£50	Not currently available	Not currently available	£50

<b>Allocation of Charges:</b>	<b>Income</b>	<b>Capital</b>
AMC:	100%	No
Ongoing Operating Costs:	100%	No
Dealing and Registration:	100%	No
Depository:	100%	No
Custody:	100%	No
Portfolio Transactions (SDRT, Broker's Commission):	No	100%

**Past Performance:** Past performance information is set out in Appendix V.

**Valuation Point:** 12.00 noon (London time).

**Cut-off Point:** 5.30 pm (London Time) on the Business Day before the Valuation Point.

\* Sterling Class C Shares are available only to a company which the ACD deems to be an associate company of the ACD or the Sponsor or to other collective investment schemes managed by the ACD or a company which the ACD deems to be an associate company of the ACD or the Sponsor.

\*\* Sterling Class R Shares are available only to Intermediate Unitholders or where the deal has been arranged by a financial adviser.

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

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

- (a) under the Gross Method is 3.1:1; and
- (b) under the Commitment Method is 1.1:1.

<b>Name:</b>	WS Prudential Risk Managed Passive Fund 3
<b>Product Reference Number</b>	638853
<b>Type of Sub-fund:</b>	Non-UCITS retail scheme
<b>Investment Objective:</b>	<p>The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 12%.</p> <p>There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 12%. Capital invested is at risk.</p>
<b>Investment Policy and Strategy:</b>	<p>The Sub-fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g funds which track an index). The Sub-fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Sub-fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.</p> <p>Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.</p> <p>The Sub-fund will be balanced between lower risk assets, such as fixed income assets and cash, and higher risk assets, such as equities. From time to time, however, the Sub-fund may have a higher exposure to either higher risk or lower risk assets with the aim of meeting the Sub-fund's objective. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.</p>

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Sub-fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

**Other information:** The Sub-fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

**Comparator Benchmark:**

IA Mixed Investment 20-60% shares Sector

The benchmark return is quoted total return in GBP and net of fees.

**Information  
Benchmarks:**

**Regarding**

The WS Prudential Risk Managed Passive Fund 3 performance may be compared against the IA Mixed Investment 20-60% shares Sector. The ACD believes that this is an appropriate comparator for the Sub-fund given the investment objective and policy of the Sub-fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

**Final Accounting Date:**

31 October

**Interim Accounting Date:**

30 April

**Income Allocation Date:**

31 December

**Share Classes and Type of Shares:**

Class A Accumulation  
Class A Income  
Class C Income\*  
Class P Accumulation  
Class P Income  
Class R Accumulation\*\*

**Initial Charge:**

Class A	Class C	Class P	Class R
0%	0%	0%	0%

<b>Redemption Charge:</b>	Nil			
<b>Switching Charge:</b>	Nil			
<b>Annual Management Charge:</b>	0.48%	0%	0.23%	0.48%
<b>ACD's remuneration for Administrative and Registration services:</b>	Nil	Nil	Nil	Nil

<b>Investment Minima:***</b>	Class A	Class C	Class P	Class R
Lump Sum:	£500	£500,000	£500,000	£500
Holding:	£500	£500,000	£500,000	£500
Top-Up:	£250	£25,000	£10,000	£250
Regular Savings Plan:	£50	Not currently available	Not currently available	£50

<b>Allocation of Charges:</b>	<b>Income</b>	<b>Capital</b>
AMC:	100%	No
Ongoing Operating Costs:	100%	No
Dealing and Registration:	100%	No
Depositary:	100%	No
Custody:	100%	No
Portfolio Transactions (SDRT, Broker's Commission):	No	100%

<b>Past Performance:</b>	Past performance information is set out in Appendix V.
<b>Valuation Point:</b>	12.00 noon (London time).
<b>Cut-off Point:</b>	5.30 pm (London Time) on the Business Day before



the Valuation Point.

\* Sterling Class C Shares are available only to a company which the ACD deems to be an associate company of the ACD or the Sponsor or to other collective investment schemes managed by the ACD or a company which the ACD deems to be an associate company of the ACD or the Sponsor.

\*\* Sterling Class R Shares are available only to Intermediate Unitholders or where the deal has been arranged by a financial adviser.

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

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

- (a) under the Gross Method is 3.1:1; and
- (b) under the Commitment Method is 1.1:1.

<b>Name:</b>	WS Prudential Risk Managed Passive Fund 4
<b>Product Reference Number</b>	713581
<b>Type of Sub-fund:</b>	Non-UCITS retail scheme
<b>Investment Objective:</b>	<p>The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 14.5%.</p> <p>There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 14.5%. Capital invested is at risk.</p>
<b>Investment Policy and Strategy:</b>	<p>The Sub-fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g funds which track an index). The Sub-fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Sub-fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.</p> <p>Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.</p> <p>The Sub-fund will have a bias towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.</p> <p>The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).</p>

The Sub-fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

**Other information:** The Sub-fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

**Comparator Benchmark:**

IA Mixed Investment 40-85% shares Sector

The benchmark return is quoted total return in GBP and net of fees.

**Information  
Benchmarks:**

**Regarding**

The WS Prudential Risk Managed Passive Fund 4 performance may be compared against the IA Mixed Investment 40-85% shares Sector. The ACD believes that this is an appropriate comparator for the Sub-fund given the investment objective and policy of the Sub-fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

**Final Accounting Date:**

31 October

**Interim Accounting Date:**

30 April

**Income Allocation Date:**

31 December

**Share Classes and Type of Shares:**

Class A Accumulation

Class A Income

Class C Income\*

Class P Accumulation

Class P Income

Class R Accumulation\*\*

Class A

Class C

Class P

Class R

**Initial Charge:**

0%

0%

0%

0%

**Redemption Charge:**

Nil

**Switching Charge:**

Nil

<b>Annual Management Charge:</b>	0.48%	0%	0.23%	0.48%
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**ACD's remuneration for Administrative and Registration services:**

Nil	Nil	Nil	Nil
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**Investment Minima:\*\***

Class A	Class C	Class P	Class R
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Lump Sum:	£500	£500,000	£500,000	£500
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Holding:	£500	£500,000	£500,000	£500
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Top-Up:	£250	£25,000	£10,000	£250
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Regular Savings Plan:	£50	Not currently available	Not currently available	£50
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**Allocation of Charges:**

**Income**

**Capital**

AMC:	100%	No
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Ongoing Operating Costs:	100%	No
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Dealing and Registration:	100%	No
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Depositary:	100%	No
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Custody:	100%	No
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Portfolio Transactions (SDRT, Broker's Commission):	No	100%
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**Past Performance:**

Past performance information is set out in Appendix V.

**Valuation Point:**

12.00 noon (London time).

**Cut-off Point:**

5.30 pm (London Time) on the Business Day before the Valuation Point.

\* Sterling Class C Shares are available only to a company which the ACD deems to be an associate company of the ACD or the Sponsor or to other collective investment schemes managed by the ACD or a company which the ACD deems to be an associate company of the ACD or the Sponsor.

\*\* Sterling Class R Shares are available only to Intermediate Unitholders or where the deal has been arranged by a financial adviser.

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

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

- (a) under the Gross Method is 3.1:1; and
- (b) under the Commitment Method is 1.1:1.

<b>Name:</b>		WS Prudential Risk Managed Passive Fund
<b>Product Number</b>	<b>Reference</b>	5 638855
<b>Type of Sub-fund:</b>		Non-UCITS retail scheme
<b>Investment Objective:</b>		<p>The Sub-fund aims to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a mix of assets from around the world and aims to limit the average volatility per annum over rolling 5 year periods to 17%.</p> <p>There is no guarantee the objective will be achieved over any time period and the actual volatility, at any time, may be higher or lower than 17%. Capital invested is at risk.</p>
<b>Investment Policy and Strategy:</b>		<p>The Sub-fund aims to achieve its objective through investing at least 70% in passive collective investment schemes (e.g funds which track an index). The Sub-fund has a flexible investment approach with the freedom to invest in different types of assets to meet its objective. The Portfolio Manager will use in-depth research to forecast the expected change in value and risk of the different types of assets over a forward-looking 15-year period. This analysis is then used to work out the mix of assets (the "target strategic asset allocation") to invest in to achieve the Sub-fund's objective. The Portfolio Manager will review the target strategic asset allocation on an ongoing basis.</p> <p>Based on the target strategic asset allocation, the Portfolio Manager constructs an actively managed portfolio to provide diversified, indirect exposure to global fixed income and variable rate assets, cash (including money market funds and near cash), equities and/or immovable property.</p>

The Sub-fund will have a high exposure towards higher risk assets, such as equities. The Portfolio Manager will adjust the asset allocation on an ongoing basis to reflect changes in the target strategic asset allocation and to take advantage of tactical investment opportunities.

The Portfolio Manager will select collective investment schemes to invest in from a focused range of funds and fund management groups (which may include other funds managed by the ACD, Portfolio Manager and their associates).

The Sub-fund may also invest directly in equities, equity related instruments (e.g. warrants), fixed income and cash or near cash. It may also invest in alternative investments (e.g infrastructure, private equity, alternative credit and hedge funds). Derivative instruments may also be used for the purposes of efficient portfolio management.

**Other information:** The Sub-fund's objective to stay within its specified risk profile may restrict the types and proportions of the assets it holds and limit the potential gains and losses.

**Comparator Benchmark:**

IA Flexible Investment Sector

The benchmark return is quoted total return in GBP and net of fees.

**Information Regarding Benchmarks:**

The WS Prudential Risk Managed Passive Fund 5 performance may be compared against the IA Flexible Investment Sector. The ACD believes that this is an appropriate comparator for the Sub-fund given the investment objective and policy of the Sub-fund. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

**Final Accounting Date:** 31 October

**Interim Accounting Date:** 30 April

**Income Allocation Date:** 31 December

**Share Classes and Type of Shares:**

Class A Accumulation  
Class A Income  
Class C Income\*  
Class P Accumulation  
Class P Income  
Class R Accumulation\*\*

	Class A	Class C	Class P	Class R
<b>Initial Charge:</b>	0%	0%	0%	0%
<b>Redemption Charge:</b>	Nil			
<b>Switching Charge:</b>	Nil			
<b>Annual Management Charge:</b>	0.48%	0%	0.23%	0.48%
<b>ACD's remuneration for Administrative and Registration services:</b>		Nil	Nil	Nil

<b>Investment Minima:**</b>	Class A	Class C	Class P	Class R
Lump Sum:	£500	£500,000	£500,000	£500
Holding:	£500	£500,000	£500,000	£500
Top-Up:	£250	£25,000	£10,000	£250
Regular Savings Plan:	£50	Not currently available	Not currently available	£50

<b>Allocation of Charges:</b>	<b>Income</b>	<b>Capital</b>
AMC:	100%	No
Ongoing Operating Costs:	100%	No



Dealing and Registration:	100%	No
Depository:	100%	No
Custody:	100%	No
Portfolio Transactions (SDRT, Broker's Commission):	No	100%
<b>Past Performance:</b>	Past performance information is set out in Appendix V.	
<b>Valuation Point:</b>	12.00 noon (London time).	
<b>Cut-off Point:</b>	5.30 pm (London Time) on the Business Day before the Valuation Point.	

\* Sterling Class C Shares are available only to a company which the ACD deems to be an associate company of the ACD or the Sponsor or to other collective investment schemes managed by the ACD or a company which the ACD deems to be an associate company of the ACD or the Sponsor.

\*\* Sterling Class R Shares are available only to Intermediate Unitholders or where the deal has been arranged by a financial adviser.

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

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

- (a) under the Gross Method is 3.1:1; and
- (b) under the Commitment Method is 1.1:1.

## PART B

This section sets out the key differences between the Sub-funds.

There are 2 ranges of 5 funds.

- The Risk Managed Active range and
- The Risk Managed Passive Fund range.

**Investment in other funds:** Each range will invest at least 70% of the value of their portfolio in other funds.

For the Active range these other funds will be actively managed, i.e. the funds' managers will decide what to buy and sell with the aim of increasing the value of the fund.

For the Passive range these other funds will be passively managed, e.g. the funds will aim to track the performance of an index. So the investments they hold will generally mirror the investments that make up that index with the aim of generating a return in line with the index.

**Level of risk:** Each Sub-fund has a different level of risk. The risk scale used runs from 1-5, with 1 being used to indicate the lowest risk and 5 being used to indicate the highest risk.

Please note, the 1-5 risk scale the Portfolio Manager uses for the Sub-funds range should not be compared to those of other providers, who may measure risk in different ways. Investment in each Sub-fund involves risk. The value of any investment may go down as well as up and investors may get back less than they invest.

<b>Risk Level 1</b>	The Sub-fund aims to limit volatility over the long term to 9%.The Sub-fund will have a high exposure to lower risk assets such as fixed income assets and cash.
<b>Risk Level 2</b>	The Sub-fund aims to limit volatility over the long term to 10%.  The Sub-fund will have a bias towards lower risk assets such as fixed income assets and cash but will always have some exposure to equities.

<b>Risk Level 3</b>	<p>The Sub-fund aims to limit volatility over the long term to 12%.</p> <p>The Sub-fund will be balanced between lower risk assets, such as fixed income assets and cash, and higher risk assets, such as equities. From time to time, however, the Sub-fund may have a higher exposure to either higher risk or lower risk assets with the aim of meeting the Sub-fund's objective.</p>
<b>Risk Level 4</b>	<p>The Sub-fund aims to limit volatility over the long term to 14.5%.</p> <p>The Sub-fund will have a bias towards higher risk assets, such as equities.</p>
<b>Risk Level 5</b>	<p>The Sub-fund aims to limit volatility over the long term to 17%.</p> <p>The Sub-fund will have a high exposure towards higher risk assets, such as equities.</p>

## **APPENDIX II**

### **ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS**

#### **Eligible Securities Markets:**

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

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

#### **Europe (non-EEA States)**

Switzerland	SIX Swiss Exchange
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Turkey	Borsa Istanbul
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#### **Americas**

Brazil	B3
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Canada	Toronto Stock Exchange
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Mexico	Mexican Stock Exchange
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United States	New York Stock Exchange
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NYSE American

NYSE Arca Equities

NASDAQ BX

NYSE Chicago

NASDAQ Stock Market

#### **Africa**

South Africa	JSE Limited
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#### **Far East**

Australia	Australian Securities Exchange
China	Shanghai Stock Exchange
	Shenzhen Stock Exchange
Hong Kong	Hong Kong Exchanges and Clearing Limited
India	BSE Ltd
	National Stock Exchange of India Ltd
Japan	Tokyo Stock Exchange
Korea	Korea Exchange
Malaysia	Bursa Malaysia
New Zealand	NZX Limited
Philippines	Philippine Stock Exchange
Singapore	Singapore Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan	Taiwan Stock Exchange
	Taipei Exchange
Thailand	The Stock Exchange of Thailand

### **Middle East**

Israel	Tel Aviv Stock Exchange
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### **Eligible Derivatives Markets:**

An Eligible Derivatives Market is any of the following markets:

#### **Europe (EEA States)**

Austria	Wiener Borse AG
Belgium	Euronext Brussels

Czech Republic	Prague Stock Exchange
Denmark	NASDAQ Copenhagen A/S
Finland	NASDAQ Helsinki Ltd
France	Euronext Paris
Germany	Frankfurt Stock Exchange
Germany	EUREX Deutschland
Greece	Athens Exchange
Hungary	Budapest Stock Exchange
Italy	Borsa Italiana - Italian Derivatives Market (IDEM)
Luxembourg	Luxembourg Stock Exchange
Netherlands	Euronext Amsterdam
Norway	Oslo Bors
Poland	Warsaw Stock Exchange
Portugal	Euronext Lisbon
Spain	MEFF
Sweden	NASDAQ Stockholm AB
United Kingdom	ICE Futures Europe
United Kingdom	London Stock Exchange

### **Americas**

Canada	Montreal Exchange
United States	Chicago Board of Trade
	Cboe Options Exchange
	Chicago Mercantile Exchange
	New York Mercantile Exchange

**Africa**

South Africa	JSE Limited
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**Far East**

Australia	Australian Securities Exchange
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Hong Kong	Hong Kong Exchanges and Clearing Limited
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Japan	Tokyo Stock Exchange
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	Osaka Exchange
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Korea	Korea Exchange
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New Zealand	NZX Limited
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Singapore	Singapore Exchange
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Thailand	Thailand Futures Exchange
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## **PLACE OF ESTABLISHMENT REQUIREMENTS FOR FUND OF FUNDS**

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

WS Prudential Risk Managed Active 1

WS Prudential Risk Managed Active 2

WS Prudential Risk Managed Active 3

WS Prudential Risk Managed Active 4

WS Prudential Risk Managed Active 5

WS Prudential Risk Managed Passive Fund 1

WS Prudential Risk Managed Passive Fund 2

WS Prudential Risk Managed Passive Fund 3

WS Prudential Risk Managed Passive Fund 4

WS Prudential Risk Managed Passive Fund 5

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



## **APPENDIX III**

### **INVESTMENT AND BORROWING POWERS OF THE COMPANY**

#### **1. General**

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

The ACD's investment policy may mean that at times, where it is considered appropriate, the Scheme Property of the Sub-fund will not be fully invested and that prudent levels of liquidity will be maintained.

The Sub-funds will not maintain a direct interest in immovable or tangible moveable property or Gold but may gain indirect exposure to this asset class through investment types permitted under the investment policy and COLL.

#### **1.1 Prudent Spread of Risk**

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

#### **1.2 Cover**

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

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

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

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

#### **2. Non-UCITS Retail Schemes - General**

- 2.1 Subject to the investment objective and policy of a Sub-fund, the Scheme Property must, except where otherwise provided in COLL 5 only consist of any or all of:
  - 2.1.1 transferable securities;
  - 2.1.2 money-market instruments;
  - 2.1.3 units or shares in permitted collective investment schemes;
  - 2.1.4 permitted derivatives and forward transactions;
  - 2.1.5 permitted deposits;
  - 2.1.6 permitted immovables; and
  - 2.1.7 gold up to a limit of 10% in value of the Scheme Property of the Sub-funds.
- 2.2 Transferable securities and money-market instruments held within a Sub-fund must (subject to paragraph 2.2.4 of this Appendix) be:
  - 2.2.1 admitted to or dealt on an eligible market as described below;
  - 2.2.2 approved money-market instruments not admitted or dealt in on an eligible market below which satisfy the requirement of paragraph 8 (Investment in money-market instruments) of this Appendix;
  - 2.2.3 recently issued transferable securities provided that:
    - 2.2.3.1 the terms of issue include an undertaking that application will be made to be admitted on an eligible market; and
    - 2.2.3.2 such admission is secured within a year of issue.
  - 2.2.4 subject to a limit of 20% in value of the Scheme Property be:
    - 2.2.4.1 transferable securities which are not within 2.2.1 to 2.2.3; or
    - 2.2.4.2 money-market instruments which are liquid and have a value which can be determined accurately at any time.
- 2.3 Transferable securities held by the Sub-funds of the Company must also satisfy the criteria in COLL 5.2.7AR (UCITS schemes: permitted types of Scheme Property), COLL 5.2.7CR (Closed ended funds constituting transferable securities) and COLL 5.2.7ER (Transferable securities linked to other assets) for the purposes of investment by a UK UCITS.

Up to 5% of the Scheme Property of the Sub-funds may be invested in warrants.

### **3. Eligible Markets Regime: Purpose**

- 3.1 This section specifies criteria as to the nature of the markets in which property of a Non-UCITS retail scheme may be invested. .
  - 3.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as a breach beyond the control of the ACD.
  - 3.3 A market is eligible for the purposes of the rules if it is:
    - 3.3.1 a regulated market as defined in the FCA Handbook;
    - 3.3.2 a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or
    - 3.3.3 any market within 3.4 below.
  - 3.4 A market not falling within paragraph 3.3 of this Appendix is eligible for the purposes of COLL 5 if:
    - 3.4.1 the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
    - 3.4.2 the market is included in a list in the Prospectus; and
    - 3.4.3 the Depositary has taken reasonable care to determine that:
      - 3.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
      - 3.4.3.2 all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
  - 3.5 In paragraph 3.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
- ### **4. Spread: General**
- 4.1 This rule on spread does not apply in respect of transferable security or an approved money-market instrument to which COLL 5.6.8R (Spread: government and public securities) applies.

- 4.2 to government and public securities.
- 4.3 Not more than 20% in value of the Scheme Property of a Sub-fund is to consist of deposits with a single body.
- 4.4 Not more than 10% in value of the Scheme Property of a Sub-fund is to consist of transferable securities or money-market instruments issued by any single body subject to COLL 5.6.23R (Schemes replicating an index).
- 4.5 The limit of 10% in paragraph 4.4 above is raised to 25% in value of the Scheme Property of a Sub-fund in respect of covered bonds.
- 4.6 In applying paragraph 4.4, certificates representing certain securities are to be treated as equivalent to the underlying security.
- 4.7 COLL 5 provides that not more than 35% in value of the Scheme Property of a Sub-fund is to consist of the units or shares of any one collective investment scheme.
- 4.8 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property of a Sub-fund.
- 4.9 For the purpose of calculating the limit in paragraph 4.8, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:
  - 4.9.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
  - 4.9.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
  - 4.9.3 it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
  - 4.9.4 can be fully enforced by a Sub-fund at any time.
- 4.10 For the purposes of calculating the limits in paragraph 4.8, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
  - 4.10.1 comply with the conditions set out in Part Three, Title II, Chapter 6, Section 7 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to the Banking Consolidation Directive; and
  - 4.10.2 are based on legally binding agreements.

- 4.11 In applying this paragraph (Spread: general), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
- 4.11.1 it is backed by an appropriate performance guarantee; and
  - 4.11.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

5. **Spread: Government and Public Securities**

- 5.1 The following section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued by:
- 5.1.1 the UK;
  - 5.1.2 a local authority of the UK;
  - 5.1.3 an EEA State;
  - 5.1.4 a local authority of an EEA State;
  - 5.1.5 a non-EEA state; or
  - 5.1.6 a public international body to which the UK or one or more EEA States belong.
- 5.2 The requirements in COLL 5.2.12 R (Spread: government and public securities) apply to investment in such securities by a non-UCITS retail scheme, except for COLL 5.2.12R(3)(d), which applies to such a scheme only to the extent that it concerns the most recently published prospectus of the scheme.
- 5.3 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 5.4 The Company or any Sub-fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:
- 5.4.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of a Sub-fund;
  - 5.4.2 no more than 30% in value of the Scheme Property of a Sub-fund consists of such securities of any one issue;

- 5.4.3 the Scheme Property of a Sub-fund includes such securities issued by that or another issuer, of at least six different issues;
- 5.4.4 the disclosures in COLL 3.2.6R(8) (Table: contents of the instrument constituting the fund) and COLL 4.2.5R(3)(i) (Table: contents of the prospectus) have been made.

The Company or any Sub-fund does not invest over 35% in value of their Scheme Property in Government and other public securities.

## 6. **Investment in Collective Investment Schemes**

- 6.1 Up to 100% of the value of the Scheme Property of a Sub-fund may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that the Second Scheme satisfies all of the requirements of paragraphs 6.1.1 to 6.1.5.
  - 6.1.1 The Second Scheme must:
    - 6.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UK UCITS Rules or, in the case of an EEA UCITS Scheme, the UCITS Directive; or
    - 6.1.1.2 be authorised as a non-UCITS retail scheme; or
    - 6.1.1.3 be a recognised scheme under the provisions of s.272 of the Financial Conduct and Markets Act 2000 that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.10R are met); or
    - 6.1.1.4 be constituted outside the United Kingdom and have investment and borrowing powers which are the same or more restrictive than those of a non-UCITS retail scheme; or
    - 6.1.1.5 be a scheme not falling within paragraphs 6.1.1.1 to 6.1.1.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.
  - 6.1.2 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.
  - 6.1.3 The Second Scheme is prohibited from having more than 15% in value of the Scheme Property consisting of units or shares in collective investment schemes unless COLL 5.6.10AR applies.

- 6.1.4 The participants in the Second Scheme must be entitled to have their units or shares redeemed in accordance with the scheme at a price related to the net value of the property to which the units or shares relate and determined in accordance with the scheme.
- 6.1.5 Where the Second Scheme is an umbrella, the provisions in paragraphs 6.1.2 to 6.1.4 and section 4 (Spread: general) above apply to each Sub-fund as if it were a separate scheme.
- 6.2 The Scheme Property attributable to a Sub-fund may include Shares in another Sub-Fund of the Company (the "Second Sub-fund") subject to the requirements of paragraph 6.3 below.
- 6.3 A Sub-fund may invest in or dispose of Shares of a Second Sub-fund provided that:
  - 6.3.1 the Second Sub-fund does not hold Shares in any other Sub-fund of the Company;
  - 6.3.2 the requirements set out at paragraphs 6.5 and 6.6 below are complied with; and
  - 6.3.3 not more than 35% in value of the Scheme Property of the investing or disposing Sub-fund is to consist of Shares in the Second Sub-fund.
- 6.4 The Sub-funds may, subject to the limit set out in paragraph 6.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD or one of its Associates.
- 6.5 Investment may only be made in a Second Sub-fund or other collective investment schemes managed by the ACD or an Associate of the ACD if the Prospectus of the Company clearly states that the Sub-funds may enter into such investments and the rules on double charging contained in COLL 5 are complied with.
- 6.6 Where a Sub-fund of the Company invests in or disposes of Shares in a Second Sub-fund or units or shares in another collective investment scheme which is managed or operated by the ACD or an Associate of the ACD, the ACD must pay to that Sub-fund by the close of business on the fourth business day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- 7. **Investment in Nil and Partly Paid Securities**
  - 7.1 A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum

unpaid could be paid by a Sub-fund, at the time when payment is required, without contravening the rules in COLL 5.

## **8. Investment in Money-Market Instruments**

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

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

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

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

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

8.3.1 the instrument is an approved money-market instrument;

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

8.3.3 the instrument is freely transferable.

## **9. Derivatives: General**

**The Portfolio Manager may employ derivatives solely for the purposes of Efficient Portfolio Management ("EPM") (including hedging) with the aim of reducing the risk profile of the Sub-funds, or reducing costs, or generating additional capital or income, in accordance with Efficient Portfolio Management ("EPM").**

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

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



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

It is not intended that the use of derivatives and forward transactions for EPM purposes will cause a Sub-funds' risk profile to increase.

- 9.1 A transaction in derivatives or a forward transaction must not be effected for a Sub-fund unless the transaction is of a kind specified in paragraph 11 below (Permitted transactions (derivatives and forwards)); and the transaction is covered, as required by paragraph 20 (Cover for investments in derivatives and forward transactions).
- 9.2 Where a Sub-fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in COLL 5 in relation to spread (COLL 5.6.7R Spread: general, COLL 5.6.8R Spread: government and public securities) except for index based derivatives where the rules in 9.6 apply.
- 9.3 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 9.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
  - 9.4.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - 9.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 9.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 9.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 9.6 Where a Sub-fund invests in an index based derivative, provided the relevant index falls within COLL 5.6.23R (Schemes replicating an index) the underlying

constituents of the index do not have to be taken into account for the purposes of COLL 5.6.7R and COLL 5.6.8R.

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

## 10. **Efficient Portfolio Management**

- 10.1 The Portfolio Manager may use Scheme Property to enter into transactions for the purposes of EPM. Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. Where permitted, EPM techniques may also involve a Sub-fund entering into stock lending transactions or reverse repurchase agreements. The ACD must ensure in entering into EPM transactions that the transaction is economically appropriate to (i) the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or (ii) the reduction of the relevant costs and/or (iii) the generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the FCA's COLL Sourcebook.
- 10.2 There is no guarantee that a Sub-fund will achieve the objective for which any EPM transaction was undertaken. To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Company), the risk of loss to the Sub-fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated. EPM transactions (save to the extent that derivatives are traded on exchange) may involve a risk that a counterparty will wholly or partially fail to honour its contractual obligations.
- 10.3 In order to mitigate that risk of counterparty default, the counterparties to these transactions may be required to provide collateral to suitably cover their obligations to the Sub-fund. In the event of default by the counterparty, it will forfeit its collateral on the transaction. However, there is a risk that the collateral, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability to the Sub-fund. Securities lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in loss for a Sub-fund.
- 10.4 To assist in managing these types of risks, the ACD has a collateral management policy which sets criteria around the types of eligible collateral a Sub-fund may accept. A copy of this is available from the ACD on request.
- 10.5 Investors should note that EPM transactions may be effected in relation to a Sub-fund in circumstances where the ACD or Portfolio Manager has, either directly or indirectly, an interest which may potentially involve a conflict of their obligations

to the Sub-fund. Where a conflict cannot be avoided, the ACD and Portfolio Manager will have regard to their responsibility to act in the best interests of the Sub-fund and its Shareholders. The ACD and Portfolio Manager will ensure that the Sub-fund and its Shareholders are treated fairly and that such transactions are effected on terms which are not less favourable to the Sub-fund than if the potential conflict had not existed. For further information in relation to conflicts of interest, please see the 'conflicts of interest' section of this prospectus.

- 10.6 All revenues arising from EPM transactions (including stock lending and repurchase and reverse repurchase arrangements, if any) will be returned to the Sub-fund, net of direct and indirect operational costs and fees.

**11. Permitted Transactions (Derivatives and Forwards)**

- 11.1 A transaction in a derivative must be:

11.1.1 in an approved derivative; or

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

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

11.2.1 transferable securities;

11.2.2 money-market instruments;

11.2.3 permitted deposits;

11.2.4 derivatives and forward transactions permitted under this section;

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

11.2.6 permitted immovables;

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

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

11.2.9 interest rates;

11.2.10 foreign exchange rates; and

11.2.11 currencies.

- 11.3 The exposure to the underlyings in paragraph 11.2 above must not exceed the limits in paragraphs 4 and 5 above.
- 11.4 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A list of the current eligible derivatives markets is set out in Appendix II. Further derivatives markets may be added following consultation with the Depositary in accordance with COLL.
- 11.5 A transaction in a derivative must not cause a Sub-fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.
- 11.6 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, money-market instruments, units in collective investment schemes, or derivatives.
- 11.7 Any forward transaction must be with an Eligible Institution or an Approved Bank (as defined in the Glossary to the FCA Handbook).
- 11.8 The ACD must ensure compliance with COLL 5.3.3AR (Cover for investment in derivative and forward transactions), 5.3.3BR and 5.3.3CR (Daily calculation of global exposure) set out in section 19 below.

## 12. **Financial Indices Underlying Derivatives**

- 12.1 The financial indices referred to in paragraph 11.2 are those which satisfy the following criteria:
  - 12.1.1 the index is sufficiently diversified;
  - 12.1.2 the index represents an adequate benchmark for the market to which it refers; and
  - 12.1.3 the index is published in an appropriate manner.
- 12.2 A financial index is sufficiently diversified if:
  - 12.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
  - 12.2.2 where it is composed of assets in which a Sub-fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and
  - 12.2.3 where it is composed of assets in which a Sub-fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by

the requirements with respect to spread and concentration set out in this Appendix.

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

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

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

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

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

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

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

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

### **13. Transactions for the Purchase of Property**

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

### **14. Requirement to Cover Sales**

14.1 No agreement by or on behalf of a Sub-fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by a Sub-fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by a Sub-fund at the time of the agreement. This requirement does not apply to a deposit.

## **Guidance on Requirement to Cover Sales**

14.2 The requirement in 14.1 above could be met where:

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

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

14.2.2.1 cash;

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

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

14.3 In the asset classes referred to in 14.2, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.

## **15. OTC Transactions in Derivatives**

15.1 Any transaction in an OTC derivative under paragraph 11.1.2 must be:

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

15.1.2 with an approved counterparty; A counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange; a CCP that is authorised in that capacity for the purposes of EMIR; a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or to the extent not already covered above, a CCP supervised in a jurisdiction that has implemented the relevant reforms on over-the-counter derivatives and is identified as having done so by the Financial Stability Board in its summary report on

progress in implementation of G20 financial regulatory reforms dated 25 June 2019.

- 15.1.3 on approved terms; the terms of the transaction in derivatives are approved only if, the ACD carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty and can enter into one or more further transaction to sell, liquidate or close out that transaction at any time, at a fair value; and
- 15.1.4 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - 15.1.4.1 on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
  - 15.1.4.2 if the value referred to in paragraph 15.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- 15.1.5 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - 15.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or
  - 15.1.5.2 a department within the ACD which is independent from the department in charge of managing the Scheme Property of a Sub-fund and which is adequately equipped for such a purpose.
- 15.2 For the purposes of paragraph 15.1.3, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
- 16. **Risk Management**
  - 16.1 The ACD uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of a Sub-fund's positions and their contribution to the overall risk profile of a Sub-fund.

**17. Investments in Deposits**

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

**18. Derivative Exposure**

- 18.1 A Sub-fund may invest in derivatives and forward transactions as long as the exposure to which a Sub-fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 18.2 Cover ensures that a Sub-fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of its Scheme Property. Therefore, a Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which a Sub-fund is committed. Detailed requirements for cover of a Sub-fund are set out below.
- 18.3 A future is to be regarded as an obligation to which a Sub-fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for; a written option as an obligation to which a Sub-fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- 18.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

**19. Schemes Replicating an Index**

- 19.1 A Sub-fund may invest up to 20% in value of its Scheme Property in shares and debentures which are issued by the same body where the stated investment policy (in the most recently published prospectus) is to replicate the performance or composition of a relevant index as defined in 18.4 below.
- 19.2 The 20% limit can be raised for a particular Sub-fund up to 35% in value of its Scheme Property, but only in respect of one body and where justified by exceptional market conditions.
- 19.3 In the case of a Sub-fund replicating an index the Scheme Property of a Sub-fund need not consist of the exact composition and weighting of the underlying in the relevant index where deviation from this is expedient for reasons of poor liquidity or excessive cost to a Sub-fund in trading in an underlying investment.



- 19.4 The indices referred to above are those which satisfy the following criteria:
- 19.4.1 the composition is sufficiently diversified;
  - 19.4.2 the index is a representative benchmark for the market to which it refers;  
and
  - 19.4.3 the index is published in an appropriate manner.
20. **Cover for Investment in Derivatives and Forward Transactions**
- 20.1 A Sub-fund may invest in derivatives and forward transactions as long as the exposure to which a Sub-fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 20.2 Cover ensures that a Sub-fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of its Scheme Property. Therefore, a Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which a Sub-fund is committed. Detailed requirements for cover of a Sub-fund are set out below.
- 20.3 A future is to be regarded as an obligation to which a Sub-fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for; a written option as an obligation to which a Sub-fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- 20.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.
- 20.5 The ACD must ensure that its global exposure relating to derivatives and forward transactions held in a Sub-fund does not exceed the net value of the Scheme Property.
- 20.6 The ACD must calculate its global exposure on at least a daily basis.
- 20.7 For the purposes of this section, exposure must be calculated taking into account the current value for the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

## 21. **Borrowing**

- 21.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under section 20 of this Appendix above, except where 21.2 applies.
- 21.2 Where, for the purposes of this section a Sub-fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being on deposit with the lender (or their agent or nominee), then this section applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

## 22. **Cash and Near Cash**

- 22.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, where this may reasonably be regarded as necessary in order to enable:
  - 22.1.1 the pursuit of a Sub-fund's investment objectives; or
  - 22.1.2 the redemption of shares; or
  - 22.1.3 efficient management of a Sub-fund in accordance with its investment objectives; or
  - 22.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of a Sub-fund.

## 23. **General**

- 23.1 It is envisaged that a Sub-fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in order to enable the redemption of units, efficient management of a Sub-fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.
- 23.2 Where a Sub-fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to a Sub-fund by the close of business on the fourth business day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- 23.3 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Sub-fund but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore

compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.

**24. Underwriting**

- 24.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in COLL 5, be entered into for the account of a Sub-fund.

**25. General Power to Borrow**

- 25.1 A Sub-fund may, subject to COLL 5, borrow money from an Eligible Institution or an Approved Bank for the use of the Sub-funds on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Sub-funds to comply with any restriction in the Instrument of Incorporation.
- 25.2 Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.
- 25.3 The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of each Sub-fund.
- 25.4 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

**26. Restrictions on Lending of Money**

- 26.1 None of the money in the Scheme Property may be lent and, for the purposes of this paragraph, money is lent by a Sub-Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.
- 26.2 Acquiring a debenture is not lending for the purposes of paragraph 26.1 nor is the placing of money on deposit or in a current account.

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

- 27.1 Scheme Property other than money must not be lent by way of deposit or otherwise.
- 27.2 Transactions permitted by paragraph 30 (Stock lending) are not to be regarded as lending for the purposes of paragraph 27.1.
- 27.3 The Scheme Property of the Sub-funds must not be mortgaged.

27.4 Where transactions in derivatives or forward transactions are used for the account of a Sub-fund in accordance with COLL 5, nothing in this paragraph prevents a Sub-fund or the Depositary at the request of the Sub-fund: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

## 28. **General Power to accept or Underwrite Placings**

28.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Sub-fund.

28.2 This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

28.3 The exposure of a Sub-fund to agreements and understandings as set out above, must on any day be covered under section 20 above (Cover for investment in derivatives and forward transactions) and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL 5.

## 29. **Guarantees and Indemnities**

29.1 The Company or the Depositary for the account of the Company or a Sub-fund must not provide any guarantee or indemnity in respect of the obligation of any person.

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

29.3 Paragraphs 29.1 and 29.2 do not apply in respect of a Sub-fund to any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5, and:

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

- 29.3.2 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
- 29.3.3 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of a Sub-fund and the holders of units in that scheme become the first Shareholders in a Sub-fund.

### 30. **Stock Lending**

- 30.1 The entry into stock lending transactions or repo contracts for the account of a Sub-fund is permitted for the generation of additional income for the benefit of that Sub-fund, and hence for its Shareholders.
- 30.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover them against the risk that the future transfer back of the securities may not be satisfactorily completed.
- 30.3 The stock lending permitted by this section may be exercised by a Sub-fund when it reasonably appears to a Sub-fund to be appropriate to do so with a view to generating additional income with an acceptable degree of risk.
- 30.4 A Sub-fund or the Depositary at the request of a Sub-fund may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of a Sub-fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice, the counterparty is an authorised person or a person authorised by the FCA or a Home State regulator, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.
- 30.5 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary. This duty may be regarded as satisfied in respect of collateral the validity of which is about to

expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

- 30.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under COLL 5, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of a Sub-fund.
- 30.7 There is no limit on the value of the Scheme Property of a Sub-fund which may be the subject of stock lending transactions or repo contracts.

### 31. **Leverage**

- 31.1 This section explains in what circumstances and how the ACD may use leverage in respect of a Sub-fund where the investment policy of that Sub-fund permits its use of leverage, the different leverage calculation methods and maximum level of leverage permitted.
- 31.2 Leverage when used in this prospectus means the following sources of leverage can be used when managing a Sub-fund:
  - 31.2.1 cash borrowing, subject to the restrictions set out in paragraph 20 ("Borrowing") of this Annex;
  - 31.2.2 financial derivative instruments and reinvestment of cash collateral in the context of securities lending, subject in each case to paragraphs 9 ("Derivatives – general"), 11 ("Permitted transactions (derivatives and forwards)"), 13 ("Transactions for the purchase of property"), 14 ("Requirement to cover sales"), 15 ("OTC transactions in derivatives"), 19 ("Cover for investments in derivatives and forward transactions") and 20 ("Borrowing") of this Annex.
- 31.3 The ACD is required to calculate and monitor the level of leverage of a Sub-fund, expressed as a ratio between the exposure of the Sub-fund and its Net Asset Value (Exposure/NAV), under both the gross method and the commitment method (so for a Sub-fund with no borrowing or derivative usage the leverage ratio would be 1:1).
- 31.4 Under the gross method, the exposure of a Sub-fund is calculated as follows:
  - 31.4.1 include the sum of all assets purchased, plus the absolute value of all liabilities;
  - 31.4.2 exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Sub-fund, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in

- value and provide a return no greater than the rate of a three month high quality bond;
- 31.4.3 derivative instruments are converted into the equivalent position in their underlying assets;
- 31.4.4 exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
- 31.4.5 include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and
- 31.4.6 include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.
- 31.5 Under the commitment method, the exposure of a Sub-fund is calculated as follows:
  - 31.5.1 include the sum of all assets purchased, plus the absolute value of all liabilities;
  - 31.5.2 derivative instruments are converted into the equivalent position in their underlying assets;
  - 31.5.3 apply netting and hedging arrangements;
  - 31.5.4 calculate the exposure created through the reinvestment of borrowings where such reinvestment increases the exposure of the Company;
  - 31.5.5 include other arrangements that increase the exposure of the Company.
- 31.6 The maximum level of leverage which the Company may employ, calculated in accordance with the gross and commitment methods, is stated in Appendix 1.
- 31.7 In addition, the total amount of leverage employed by a Sub-fund will be disclosed in the Sub-fund's annual report.

## APPENDIX IV

### LIST OF AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD

**The ACD acts as Authorised Corporate Director of the following Open-ended Investment Companies:**

Aptus Investment Fund  
Asperior Investment Funds  
DMS Investment Funds ICVC III  
Heriot Investment Funds  
Ocean Investment Funds  
Packel Global Fund  
P E Managed Fund  
Purísima Investment Funds  
The Abbotsford Fund  
The Arbor Fund  
The Broden Fund  
The Circus Fund  
The Chapel Funds ICVC  
The Davids Fund  
The Monoux Fund  
The Navajo Fund  
The New Floco Fund  
The New Grande Motte Fund  
The New Jaguar Fund  
The OHP Fund  
The Sandwood Fund ICVC  
The WS Waverton Managed Investment Fund  
Trojan Investment Funds  
Windrush Fund  
WS Aegon Investments ICVC I  
WS Aegon Investments ICVC II  
WS Amati Investment Funds  
WS AVI Worldwide Opportunities Fund  
WS Bentley Investment Funds  
WS Bellevue Funds (UK) OEIC  
WS Blue Whale Investment Funds  
WS Boyer Global Fund  
WS Canada Life Investments Fund  
WS Canada Life Investments Fund II  
WS Cautela Fund  
WS Charteris UK UCITS ICVC  
[WS Chawton Investment Funds](#)  
[WS Doherty Funds](#)  
WS Eclectica Funds  
WS Enigma Funds  
WS Fulcrum LTAF  
WS General Global Investment Funds  
WS Gresham House Equity Funds  
WS Gresham House UK Micro Cap Fund  
WS Havelock London Investment Funds  
WS IM Investment Funds  
WS Investment Funds ICVC VI  
WS KH Invicta Fund



WS Kleinwort Hambros Growth Fund  
 WS Kleinwort Hambros Income Funds Umbrella  
 WS Kleinwort Hambros Multi Asset Funds Umbrella  
 WS Lancaster Fund  
 WS Lightman Investment Funds  
 WS Lindsell Train North American Equity Fund  
 WS Lindsell Train UK Equity Fund  
 WS Lyrical Value Funds (UK) ICVC  
 WS Macquarie Investment Funds  
 WS Montanaro Funds  
 WS Mellifera OEIC  
 WS Morant Wright Japan Fund  
 WS Morant Wright Nippon Yield Fund  
 WS Multi Asset Funds  
 WS Opie Street ICVC  
 WS Prudential Investment Funds (1)  
 WS Raynar Portfolio Management Funds  
 WS Resilient Investment Funds  
 WS Robin Fund  
 WS Ruffer Investment Funds  
 WS Ruffer Managed Funds  
 WS Saracen Investment Funds ICVC II  
 WS Sequel Investment Funds ICVC II  
 WS Verbatim Funds  
 WS Verbatim Multi-Index Funds  
 WS Waverton Investment Funds  
 WS Whitman OEIC  
 WS Zennor Investment Funds

**The ACD acts as Manager of the following Authorised Unit Trusts:**

The WS Prudential Qualified Investor Scheme Umbrella Unit Trust  
 WS Adam Worldwide Fund  
 WS Catalyst Trust  
 WS Guinness Global Energy Fund  
 WS Greenmount Fund  
 WS KH Ramogan Trust  
 WS New Villture Fund  
 WS Personal Pension Trust  
 WS Prudential Pacific Markets Trust  
 WS Stakeholder Pension Scheme  
 WS Stewart Ivory Investment Markets Fund  
 WS Stewart Ivory Investment Markets Fund  
 WS T. Bailey Global Thematic Equity Fund  
 WS T. Bailey Multi-Asset Dynamic Fund  
 WS T. Bailey Multi-Asset Growth Fund  
 WS T. Bailey UK Responsibly Invested Equity Fund  
 WS Waverton Charity Fund

**The ACD acts as Manager of the following Authorised Contractual Schemes:**

WS Robeco ACS Umbrella Fund  
 WS Wales Pension Partnership (Wales PP) Asset Pooling ACS Umbrella  
 The WS ACCESS Pool Authorised Contractual Scheme

**APPENDIX V**

## PAST PERFORMANCE AND INVESTOR PROFILE

### WS Prudential Risk Managed Active 1

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Please note that all performance information is at 31 December 2023. For more up-to-date performance information, please contact the ACD.

Past performance is no indication of future performance.

<b>WS Prudential Risk Managed Active 1<sup>1</sup></b>	
Year	%
2014	6.0
2015	2.1
2016	8.1
2017	7.0
2018	(3.7)
2019	10.5
2020	5.6
2021	2.4
2022	(10.8)
2023	7.0


Percentage annual performance, accumulation 'P' shares (total return) based on ACD data.

### WS Prudential Risk Managed Active 2

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Please note that all performance information is at 31 December 2022. For more up-to-date performance information, please contact the ACD.

Past performance is no indication of future performance.

<b>WS Prudential Risk Managed Active 2<sup>2</sup></b>	
Year	

<sup>1</sup> Previously known as the WS Prudential Dynamic 0-30 Portfolio, please note the investment objective of the Sub-fund was changed on 21 January 2019.

<sup>2</sup> Previously known as the WS Prudential Dynamic 10-40 Portfolio, please note the investment objective of the Sub-fund was changed on 21 January 2019.

2014	6.9
2015	1.7
2016	10.1
2017	7.0
2018	(4.6)
2019	11.5
2020	4.8
2021	4.3
2022	(10.3)
2023	6.7

Percentage annual performance, accumulation 'P' shares (total return) based on ACD data.

### WS Prudential Risk Managed Active 3

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Please note that all performance information is at 31 December 2023. For more up-to-date performance information, please contact the ACD.

Past performance is no indication of future performance.

Fund Name: WS Prudential Risk Managed Active 3 <sup>3</sup>	
Year	%
2014	6.3
2015	2.9
2016	9.9
2017	8.6
2018	(4.5)
2019	11.8
2020	4.1
2021	6.2
2022	-9.5)
2023	6.4


Percentage annual performance, accumulation 'P' shares (total return), based on ACD data.

### WS Prudential Risk Managed Active 4

<sup>3</sup> Previously known as the WS Prudential Dynamic 20-55 Portfolio, please note the investment objective of the Sub-fund was changed on 21 January 2019.

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Please note that all performance information is at 31 December 2023. For more up-to-date performance information, please contact the ACD.

Past performance is no indication of future performance.

<b>Fund Name: WS Prudential Risk Managed Active 4<sup>4</sup></b>	
Year	
2014	7.1
2015	3.5
2016	11.6
2017	9.3
2018	(5.6)
2019	13.2
2020	3.4
2021	8.5
2022	(8.5)
2023	7.3


Percentage annual performance, accumulation 'P' shares (total return), based on ACD data.

### **WS Prudential Risk Managed Active 5**

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Please note that all performance information is at 31 December 2023. For more up-to-date performance information, please contact the ACD.

Past performance is no indication of future performance.

<b>Fund Name: WS Prudential Risk Managed Active 5<sup>5</sup></b>	
Year	%
2014	6.0
2015	4.8
2016	11.8
2017	11.9
2018	(6.9)
2019	13.8

<sup>4</sup> Previously known as the WS Prudential Dynamic 40-80 Portfolio, please note the investment objective of the Sub-fund was changed on 21 January 2019.

<sup>5</sup> Previously known as the WS Prudential Dynamic 60-100 Portfolio, please note the investment objective of the Sub-fund was changed on 21 January 2019.

2020	2.3
2021	11.6
2022	(7.7)
2023	7.2


Percentage annual performance, accumulation 'P' shares (total return), based on ACD data.

### WS Prudential Risk Managed Passive Fund 1

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Please note that all performance information is at 31 December 2023. For more up-to-date performance information, please contact the ACD.

Past performance is no indication of future performance.

Fund Name: WS Prudential Risk Managed Passive Fund 1 <sup>6</sup>	
Year	%
2014	4.0
2015	0.0
2016	12.1
2017	7.1
2018	(3.3)
2019	9.6
2020	7.6
2021	0.4
2022	-11.6)
2023	8.1


Percentage annual performance, accumulation 'P' shares (total return) based on ACD data.

<sup>6</sup> Previously known as the WS Prudential Dynamic Focused 0-30 Portfolio, please note the investment objective of the Sub-fund was changed on 21 January 2019.

## WS Prudential Risk Managed Passive Fund 2

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Please note that all performance information is at 31 December 2023. For more up-to-date performance information, please contact the ACD.

Past performance is no indication of future performance.

<b>Fund Name: WS Prudential Risk Managed Passive Fund 2<sup>7</sup></b>	
Year	%
2016	11.7
2017	7.7
2018	(3.7)
2019	10.8
2020	7.4
2021	2.1
2022	(10.8)
2023	8.0


Percentage annual performance, accumulation 'P' shares (total return), based on ACD data.

## WS Prudential Risk Managed Passive Fund 3

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Please note that all performance information is at 31 December 2023. For more up-to-date performance information, please contact the ACD.

Past performance is no indication of future performance.

<b>Fund Name: WS Prudential Risk Managed Passive Fund 3<sup>8</sup></b>	
Year	%
2014	5.3
2015	1.0
2016	14.2

<sup>7</sup> Previously known as the WS Prudential Dynamic Focused 10-40 Portfolio, please note the investment objective of the Sub-fund was changed on 21 January 2019.

<sup>8</sup> Previously known as the WS Prudential Dynamic Focused 20-55 Portfolio, please note the investment objective of the Sub-fund was changed on 21 January 2019.

2017	8.7
2018	(4.1)
2019	12.3
2020	6.8
2021	4.2
2022	(9.8)
2023	8.5


Percentage annual performance, accumulation 'P' shares (total return) based on ACD data.

#### **WS Prudential Risk Managed Passive Fund 4**

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Please note that all performance information is at 31 December 2023. For more up-to-date performance information, please contact the ACD.

Past performance is no indication of future performance.

<b>Fund Name: WS Prudential Risk Managed Passive Fund 4<sup>9</sup></b>	
Year	%
2016	14.0
2017	9.7
2018	(4.3)
2019	14.1
2020	6.1
2021	6.2
2022	(8.3)
2023	8.8


Percentage annual performance, accumulation 'P' shares (total return), based on ACD data.

<sup>9</sup> Previously known as the WS Prudential Dynamic Focused 40-80 Portfolio, please note the investment objective of the Sub-fund was changed on 21 January 2019.

## WS Prudential Risk Managed Passive Fund 5

This performance information is based on the net asset value per share, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Please note that all performance information is at 31 December 2023. For more up-to-date performance information, please contact the ACD.

Past performance is no indication of future performance.

Fund Name: WS Prudential Risk Managed Passive Fund 5 <sup>10</sup>	
Year	%
2016	17.1
2017	11.2
2018	(5.0)
2019	15.5
2020	6.2
2021	9.0
2022	(7.5)
2023	9.2


Percentage annual performance, accumulation 'P' shares (total return), based on ACD data.

**NOTE: Please see Appendix I for the Sub-fund's objectives and below for an explanation of investor profile.**

<sup>10</sup> Previously known as the WS Prudential Dynamic Focused 60-100 Portfolio, please note the investment objective of the Sub-fund was changed on 21 January 2019.



## Investor Profiles

The Sub-funds are marketable to all eligible investors provided they can meet the minimum subscription levels.

The Sub-funds may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. They may be suitable for investors wishing to seek to achieve defined investment objectives.

Investors should also consider the following:

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### **WS Prudential Risk Managed Active 1**

Typically, investors should:

- ✓ wish to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a range of focussed actively managed collective investment schemes (at least 70%) and aiming to limit the volatility of their portfolio over the long term to 9%;
  - ✓ want to invest in a range of different asset classes, but with a high exposure to lower risk assets such as fixed income assets and cash.
  - ✓ have a lump sum to invest;
  - ✓ be able to accept investment losses;
  - ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term, be prepared that actual volatility may be higher or lower than the long term target and for the possibility of a fall in the value of their investment, and understand that the value of their investment may be subject to large changes in value, both up and down.
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**WS Prudential Risk Managed Active 2**

Typically, investors should:

- ✓ wish to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a range of focussed actively managed collective investment schemes (at least 70%) and aiming to limit the volatility of their portfolio over the long term to 10%;
- ✓ want to invest in a range of different asset classes, but with a bias towards lower risk assets such as fixed income assets and cash but will always have some exposure to equities;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term, be prepared that actual volatility may be higher or lower than the long term target and for the possibility of a fall in the value of their investment, and understand that the value of their investment may be subject to large changes in value, both up and down.

**WS Prudential Risk Managed Active 3**

Typically, investors should:

- ✓ wish to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a range of focussed actively managed collective investment schemes (at least 70%) and aiming to limit the volatility of their portfolio over the long term to 12%;
  - ✓ want to invest in a range of different asset classes, but with a balance between lower risk assets such as fixed income assets and cash and higher risk assets, such
-

as equities, whilst understanding that there may be a higher exposure to either from time to time;

- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term, be prepared that actual volatility may be higher or lower than the long term target and for the possibility of a fall in the value of their investment, and understand that the value of their investment may be subject to large changes in value, both up and down.

#### **WS Prudential Risk Managed Active 4**

Typically, investors should:

- ✓ wish to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a range of focussed actively managed collective investment schemes (at least 70%) and aiming to limit the volatility of their portfolio over the long term to 14.5%;
  - ✓ want to invest in a range of different asset classes, but with a bias towards higher risk assets such as equities;
  - ✓ have a lump sum to invest;
  - ✓ be able to accept investment losses;
  - ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term, be prepared that actual volatility may be higher or lower than the long term target and for the possibility of a fall in the value of their investment, and understand that the value of their
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investment may be subject to large changes in value, both up and down.

**WS Prudential Risk Managed Active 5**

Typically, investors should:

- ✓ wish to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a range of focussed actively managed collective investment schemes (at least 70%) and aiming to limit the volatility of their portfolio over the long term to 17%;
- ✓ want to invest in a range of different asset classes, but with a high exposure to higher risk assets such as equities;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term, be prepared that actual volatility may be higher or lower than the long term target and for the possibility of a fall in the value of their investment, and understand that the value of their investment may be subject to large changes in value, both up and down.

**WS Prudential Risk Managed Passive Fund 1**

Typically, investors should:

- ✓ wish to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a range of passive collective investment schemes (at least 70%) and aiming to limit the volatility of their portfolio over the long term to 9%;
  - ✓ want to invest in a range of different asset classes, but with a high exposure to lower risk assets
-

such as fixed income assets and cash;

- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term, be prepared that actual volatility may be higher or lower than the long term target and for the possibility of a fall in the value of their investment, and understand that the value of their investment may be subject to large changes in value, both up and down.

**WS Prudential Risk Managed Passive Fund 2**

Typically, investors should:

- ✓ wish to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a range of passive collective investment schemes (at least 70%) and aiming to limit the volatility of their portfolio over the long term to 10%;
  - ✓ want to invest in a range of different asset classes, but with a bias towards lower risk assets such as fixed income assets and cash but will always have some exposure to equities;
  - ✓ have a lump sum to invest;
  - ✓ be able to accept investment losses;
  - ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term, be prepared that actual volatility may be higher or lower than the long term target and for the possibility of a fall in the value of their investment, and understand that the value of their
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investment may be subject to large changes in value, both up and down.

**WS Prudential Risk Managed Passive Fund 3**

Typically, investors should:

- ✓ wish to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a range of passive collective investment schemes (at least 70%) and aiming to limit the volatility of their portfolio over the long term to 12%;
- ✓ want to invest in a range of different asset classes, but with a balance between lower risk assets such as fixed income assets and cash and higher risk assets, such as equities, whilst understanding that there may be a higher exposure to either from time to time;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term, be prepared that actual volatility may be higher or lower than the long term target and for the possibility of a fall in the value of their investment, and understand that the value of their investment may be subject to large changes in value, both up and down.

**WS Prudential Risk Managed Passive Fund 4**

Typically, investors should:

- ✓ wish to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a range of passive collective investment schemes (at least 70%) and aiming to limit the volatility of their
-

portfolio over the long term to 14.5%;

- ✓ want to invest in a range of different asset classes, but with a bias towards higher risk assets such as equities;
- ✓ have a lump sum to invest;
- ✓ be able to accept investment losses;
- ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term, be prepared that actual volatility may be higher or lower than the long term target and for the possibility of a fall in the value of their investment, and understand that the value of their investment may be subject to large changes in value, both up and down.

**WS Prudential Risk Managed Passive Fund 5**

Typically, investors should:

- ✓ wish to achieve long-term (in excess of 5 years) total return (the combination of income and growth of capital) by investing in a range of passive collective investment schemes (at least 70%) and aiming to limit the volatility of their portfolio over the long term to 17%;
  - ✓ want to invest in a range of different asset classes, but with a high exposure to higher risk assets such as equities;
  - ✓ have a lump sum to invest;
  - ✓ be able to accept investment losses;
  - ✓ plan to invest for at least five years in the knowledge that their return may suffer if they disinvest in the shorter-term, be prepared that actual volatility may be higher or lower than the long term target
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and for the possibility of a fall in the value of their investment, and understand that the value of their investment may be subject to large changes in value, both up and down.

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## **APPENDIX VI**

### **DIRECTORY**

#### **The Company and ACD Registered Office:**

WS Prudential Investment Funds (1)

Waystone Management (UK) Limited  
3rd Floor Central Square  
29 Wellington Street  
Leeds  
United Kingdom  
LS1 4DL

#### **Depository:**

The Bank of New York Mellon (International) Limited  
160 Queen Victoria Street  
London  
EC4V 4LA

#### **Portfolio Manager:**

M&G Investment Management Limited  
10 Fenchurch Avenue  
London  
ECM 5AG

#### **Registrar and Administrator:**

Waystone Transfer Agency Solutions (UK) Limited<sup>11</sup>  
(Principal Place of Business)  
3<sup>rd</sup> Floor Central Square  
29 Wellington Street  
Leeds  
United Kingdom  
LS1 4DL

(Postal address for all correspondence)  
PO Box 389  
Darlington  
DL1 9UF

#### **Auditors:**

Ernst & Young  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

#### **Custodian:**

The Bank of New York Mellon (International) Limited  
160 Queen Victoria Street  
London  
EC4V 4LA

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<sup>11</sup> Link Fund Administrators Limited changed its name to Waystone Transfer Agency Solutions (UK) Limited with effect from 30 September 2024