



Investment
Solutions

Investment Solutions
Multi-Manager OEIC

Prospectus
24 May 2010

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

Investment Solutions Fund Managers 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. Investment Solutions Fund Managers Limited accepts responsibility accordingly.

PROSPECTUS

OF

Investment Solutions Multi-Manager OEIC

(An open-ended investment company
incorporated with limited liability and
registered in England and Wales
under registered number IC000405)

This document constitutes the Prospectus for Investment Solutions Multi-Manager OEIC which has been prepared in accordance with The Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid, at 24 May 2010.

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

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

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

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 its Shareholders (who are taken to have notice of them).

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

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 The Company cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with the ACD that this is the most recently published prospectus.

1. Definitions

“ACD”	Investment Solutions Fund Managers Limited, the authorised corporate director of the company
“Administrator”	Northern Trust International Fund Administration Services (UK) Limited
“Approved Bank”	in relation to a bank account opened by the Company: (a) if the account is opened at a branch in the United Kingdom: (i) the Bank of England; or (ii) the central bank of a member state of the OECD; or (iii) a bank; or (iv) a building society; or (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or (b) if the account is opened elsewhere: (i) a bank in (a); or (ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or (c) a bank supervised by the South African Reserve Bank
“Auditor”	PricewaterhouseCoopers LLP or such other auditor as is appointed from time to time
“Class” or “Classes”	in relation to Shares, means (according to the context) all of the Shares related to a single Fund or a particular class or classes of Share related to a single Fund
“COLL”	refers to the appropriate chapter or rule in the COLL Sourcebook
“the COLL Sourcebook”	The Collective Investment Schemes Sourcebook issued by the FSA as amended from time to time
“Company”	Investment Solutions Multi-Manager OEIC
“Dealing Day”	Monday to Friday (except for (unless the ACD otherwise decides) a bank holiday in England and Wales and any other days declared by the ACD to be a company holiday) and other days at the ACD’s discretion
“Depositary”	The BNY Mellon Trust & Depositary (UK) Limited
“EEA State”	a member state of the European Union and any other state which is within the European Economic Area
“Eligible Institution”	one of certain eligible institutions as defined in the glossary of definitions to the FSA Handbook
“EPM”	efficient portfolio management, as more fully described in Appendix IV
“the FSA”	the Financial Services Authority

“the FSA Handbook”	the FSA Handbook of Rules and Guidance, as amended from time to time
“Fund” or “Funds”	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund
“Instrument of Incorporation”	the instrument of incorporation of the Company as amended from time to time
“ISA”	an individual savings account under The Individual Savings Account Regulations 1998 (as amended)
“Net Asset Value” or “NAV”	the value of the Scheme Property of the Company or of any Fund (as the context may require) less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the Instrument of Incorporation
“OEIC Regulations”	the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time
“Register”	the register of Shareholders of the Company
“Registrar”	Northern Trust International Fund Administration Services (UK) Limited, the Registrar to the ACD in respect of the Company
“Regulated Activities Order”	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544)
“Regulations”	the OEIC Regulations and the FSA Handbook
“Scheme Property”	the scheme property of the Company required under the COLL Sourcebook to be given for safekeeping to the Depositary
“SDRT”	stamp duty reserve tax
“Share” or “Shares”	a share or shares in the Company (including larger denomination shares, and smaller denomination Shares equivalent to one one thousandth of a larger denomination share)
“Shareholder”	a holder of registered Shares in the Company or, where appropriate, a holder of registered Shares in any other Investment Solutions OEIC
“Sub-Adviser”	any person appointed by the ACD from time to time to act as an investment adviser to the ACD in respect of a Fund or part of a Fund
“Switch”	the exchange of Shares of one Class or Fund for Shares of another Class or Fund
“Valuation Point”	the point, 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 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.
For the Select UK Equity Fund, the valuation point is 09:00 daily and cut off time for dealing is 12:00 (UK time), the previous business day.
For the Select World Equity Fund, the valuation point is 23:00 daily and the cut off time for dealing is 17:00 (UK time).

“VAT” value added tax

2. Details of the Company

2.1 General

2.1.1 Investment Solutions Multi-Manager OEIC is an investment company with variable capital incorporated in England and Wales under registered number IC000405 and authorised by the FSA with effect from 14 July 2005. The Company has been certified by the FSA as complying with the conditions necessary for it to enjoy rights conferred by the EC Directive on Undertakings for Collective Investment in Transferable Securities. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

2.1.2 Head Office

Ground Floor, Abacus House, 33 Gutter Lane, London EC2V 8AS.

2.1.3 Address for Service

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

2.1.4 Base Currency

The base currency of the Company is Pounds Sterling. There may be separate Classes of Shares in respect of each Fund designated in Sterling and other currencies.

2.1.5 Share Capital

Maximum £100,000,000,000
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 Funds.

2.2 The Structure of the Company

2.2.1 The Funds

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

The Company is a UCITS scheme.

The assets of each Fund will be invested in accordance with the investment objective and investment policy of that Fund. Investment of the assets of each Fund must comply with the COLL Sourcebook and the investment objective and policy of the Fund. Details of each Fund, including its investment objective and policy, are set out in Appendix I.

The eligible securities markets on which each Fund may invest are set out in Appendix II. A summary of the applicable general investment and borrowing restrictions in respect of each Fund is set out in Appendix IV.

Each Fund has a specific portfolio to which its assets and liabilities are attributable. So far as the Shareholders are concerned at such time as further Funds are established, each Fund is treated as a separate entity.

Creditors of the Company may nevertheless look to all the assets of the Company for payment regardless of the Fund in respect of which that creditor's debt has arisen.

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund, and within each 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 that 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 that Fund.

2.2.2

Shares

Classes of Share within the Funds

The Classes of Share which are currently available in each Fund are as follows:

Select UK Equity Fund

Class B Net Accumulation Shares and Class B Gross Accumulation Shares.

All Shares in the Select UK Equity Fund are denominated in Sterling.

Select World Equity Fund

Sterling Denominated:

Class A Net Accumulation Shares, Class A Gross Accumulation Shares,
Class B Net Accumulation Shares and Class B Gross Accumulation Shares.

US Dollar denominated:

Class A Net Accumulation Shares, Class A Gross Accumulation Shares,
Class B Net Accumulation Shares and Class B Gross Accumulation Shares.

Further details of the subscription and fee structure in respect of each Class are set out in Appendix I.

The Instrument of Incorporation allows gross income and gross accumulation Shares to be issued as well as net income and net accumulation Shares. Net Shares are Shares in respect of which income allocated to them is distributed periodically to the relevant Shareholders (in the case of income Shares) or credited periodically to capital (in the case of accumulation Shares), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by

the Company. Gross Shares are income or accumulation Shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Company. Currently, both gross and net accumulation Shares are available, and all references in this Prospectus to accumulation Shares are to gross and net accumulation Shares.

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 Fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

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 Fund will be adjusted accordingly.

Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in a Class for Shares of another Class within the Fund. Details of this switching facility and the restrictions are set out in paragraph 3.3 "Switching".

3. Buying, Redeeming and Switching Shares

The dealing office of the ACD is open from 9.00 am until 5.00 pm on each Dealing Day to receive requests for the purchase, redemption and switching of Shares.

For the Select UK Equity Fund, the Valuation Point is 09:00 daily and cut off time for dealing is 12:00 (UK time), the previous business day.

For the Select World Equity Fund, the Valuation Point is 23:00 daily and the cut off time for dealing is 17:00 (UK time).

3.1 Buying Shares

3.1.1 Procedure

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. Any intermediary who recommends an investment in the Company to Shareholders may be entitled to receive commission from the ACD. In addition, the ACD may from time to time make arrangements to allow Shares to be bought through other communication media.

Shares can be bought by sending a completed application form to the ACD at Investment Solutions c/o Northern Trust International Fund Administration Services (UK) Limited, PO Box 55736, 50 Bank Street, London, E14 5NT. Application forms may be obtained from the ACD. In addition, the ACD may from time to time make arrangements to allow Shares to be bought on-line or through other communication media. Applications for Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

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

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

3.1.2 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 later of receipt of the application to buy Shares and the valuation point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Settlement is due within 4 days of 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. If settlement is not made within a reasonable period, then the ACD has the right to cancel any Shares issued in respect of the application.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Statements in respect of periodic distributions on Shares will show the number of Shares held by the recipient. Individual statements of a Shareholder's Shares (or where Shares are jointly held, the first-named holder's) will be issued as at 5th April and 5th October of each year (although the dates may be changed at the ACD's discretion) and will also be issued at any time on request by the registered Shareholder.

The Company does not issue bearer Shares.

3.1.3 Minimum Subscriptions and Holdings

The minimum initial subscriptions, subsequent subscriptions and holdings for each Class of Share in each Fund are set out in Appendix I.

The ACD may at its discretion in what it considers to be special circumstances 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 a discretion to effect a redemption of that Shareholder's entire holding in that Class of Share. Where the resulting redemption monies would be £2 or less, the ACD has the discretion to pay such monies to a registered charity.

3.2 Redeeming Shares

3.2.1 Procedure

Every Shareholder has the right to require that the Company redeem his Shares on any Dealing Day, subject to the instruction being received before the cut-off time for that Dealing Day, unless the value of Shares which a Shareholder wishes

to redeem will mean that the Shareholder will hold Shares with a value less than the required minimum holding in the relevant Class, in which case the Shareholder may be required to redeem his entire holding in that Class of Share in the Fund.

Requests to redeem Shares may be made in writing to the ACD at Investment Solutions c/o Northern Trust International Fund Administration Services (UK) Limited, PO Box 55736, 50 Bank Street, London, E14 5NT. In addition, the ACD may from time to time make arrangements to allow Shares to be redeemed through other communication media.

3.2.2 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. Cheques in satisfaction of the redemption monies will be issued 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 appropriate evidence of title, and (b) the valuation point following receipt by the ACD of the request to redeem.

3.2.3 Minimum Redemption

Part of a Shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares to be redeemed is less than the minimum stated in respect of the appropriate Class in question.

3.3 Switching

A Shareholder in a Fund may at any time switch all or some of his Shares of one Class ("the Original Shares") for Shares of another Class ("the New Shares") in the Company. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the valuation point applicable at the time the Original Shares are redeemed and the New Shares are issued.

Telephone switching instructions may be given 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 switching is effected.

The ACD may at its discretion make a charge on the switching of Shares between Classes. Any such charge on switching does not constitute a separate charge payable by a Shareholder, but is only the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers. For details of the charges on switching currently payable, please see paragraph 3.6.2 "Charges on Switching".

If the 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, convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on switching on such conversion) or refuse to effect any switch of the Original Shares. Save as

otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a switch. Written instructions must be received by the ACD before the cut-off time for the specific fund to be dealt with at the prices at the next Valuation Point. Switching requests received after a cut-off time will be held over until the next day and the next Valuation Point.

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.

A Shareholder who switches between Classes of Shares will not be given a right by law to withdraw from or cancel the transaction.

Please note that a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be for the purposes of capital gains taxation. This disposal of Original Shares may give rise to a liability to tax, depending upon the Shareholder's circumstances.

3.4 Dealing Charges

The price per Share at which Shares are bought or redeemed is the Net Asset Value per Share. Any initial charge, redemption charge or dilution levy is payable in addition to the price.

3.5 Initial Charge

The ACD may impose a charge on the purchase of Shares in each Class. The current initial charge as a percentage of the amount invested by a potential Shareholder in respect of the Fund is set out in Appendix I.

The initial charge is payable by the Shareholder to the ACD.

The current initial charge of a Class may be increased in accordance with the Regulations, and after the ACD has made available a revised Prospectus showing the new rate of charge and its commencement date. The ACD may waive the initial fee at its discretion.

3.6 Redemption Charge

3.6.1 The ACD may make a charge on the redemption of Shares in each Class. At present no redemption charge is levied on Shares. Shares issued while this Prospectus is in force will not be subject to any redemption charge in the future.

The ACD may introduce a redemption charge on Shares only in accordance with the Regulations and after it has made available a revised Prospectus to reflect the introduction and the date of its commencement.

3.6.2 Charges on Switching

On the switching of Shares between Classes in the Company the Instrument of Incorporation authorises the Company to impose a charge on switching. If a redemption charge is payable in respect of the Original Shares, this may become payable instead of, or as well as, the then prevailing initial charge for the New Shares. The charge on switching is payable by the Shareholder to the ACD. An

SDRT provision may also be levied on the redemption of the Original Shares. There are currently no charges on switching between Classes.

3.7 Dilution

The basis on which the Company's investments are valued for the purpose of calculating the price of Shares as stipulated in the COLL Sourcebook and the Instrument of Incorporation is summarised in section 8 "Instrument of Incorporation". The actual cost of buying or redeeming a Fund's investments may be higher or lower than the mid-market value used in calculating the Share price - for example, due to dealing charges, or through dealing at prices other than the mid-market price. The Fund may suffer dilution (reduction) in the value of the Scheme Property as a result of the costs incurred in dealing in the underlying investments and of any spread between the buying and selling prices of those investments. It is not however, possible to predict accurately whether dilution will occur at any point in time. Under certain circumstances (for example, large volumes of deals) dilution may have a material adverse effect on the existing/continuing Shareholders' interest in the Fund.

The ACD has decided that its policy on dilution is that it may require the payment of a "dilution levy". In cases where a dilution levy is made the value of the capital of the Scheme Property of a Fund will not be adversely affected by dilution. If charged, the dilution levy will be shown in addition to (but not part of) the price of Shares when they are issued by the ACD or as a deduction when they are redeemed by the ACD. The ACD has no entitlement to the dilution levy, which will either be paid into the Fund, in the case of an issue of Shares or retained in the Fund in the case of redemption of Shares.

The need to charge a dilution levy will depend on the volume of net purchases or redemptions, as described below.

In relation to the Select UK Equity Fund, the ACD may charge a discretionary dilution levy on any purchase or redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or continuing Shareholders (for redemptions) might otherwise be materially adversely affected. A dilution levy must be imposed only in a manner, that so far as practicable is fair to all Shareholders or potential Shareholders.

In relation to the Select World Equity Fund, the ACD may charge a discretionary dilution levy on any purchase or redemption of Shares if, in its opinion, the Fund/existing Shareholders (for purchases) or the Fund/continuing Shareholders (for redemptions) might otherwise be materially adversely affected. A dilution levy must be imposed only in a manner, that so far as practicable is fair to all Shareholders or potential Shareholders.

For either Fund, in particular, the dilution levy may be charged in the following circumstances:

- (a) if the Fund experiences large levels of net purchases (i.e. purchases less redemptions) relative to its size;
- (b) if the Fund experiences large levels of net redemptions (i.e. redemptions less purchases) relative to its size;
- (c) on "large deals" (for these purposes, a large deal is defined as a purchase or a redemption of £100,000 or more);
- (d) in any other case where the ACD is of the opinion that the interests of existing/continuing Shareholders and potential Shareholders require the imposition of a dilution levy.

In order to reduce the volatility in the rate of any dilution levy, the ACD may take account of the trend of the Fund to expand or to contract; and the transactions in Shares at a particular valuation point.

As dilution is directly related to the inflows and outflows of monies from the Fund it is not possible to accurately predict whether dilution will occur at any future point in time.

As at the date of this Prospectus, the ACD has applied a dilution levy in relation to the Select UK Equity Fund on two occasions with an average rate of 0.15% of the share price. On this basis, it is expected (given the policy above) that a dilution levy will apply on at least one occasion in each twelve month period at a rate of up to 0.75% of the share price.

As at the date of this Prospectus, the ACD has applied a dilution levy in relation to the Select World Equity Fund on three occasions at an average rate of 0.33% of the share price. On this basis it is expected (given the policy above) that a dilution levy will apply on at least one occasion in each twelve month period at a rate of up to 0.50% of the share price.

3.8 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 procedures, 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 issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor.

3.9 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. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. The ACD may refuse to register a transfer unless a provision for SDRT has been paid.

3.10 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;

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 thirty days after the date of such notice transfer his affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgment is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares.

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

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

3.11 Issue of Shares in Exchange for In Specie Assets

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

3.12 In Specie Redemptions

If a Shareholder requests the redemption of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund or in some way advantageous or detrimental to the Fund, arrange, having given prior notice in writing to the Shareholder, that in place of payment for the Shares in cash, the Company transfers property or, if required by the Shareholder, the net proceeds of sale of the relevant property, to the Shareholder. Before the redemption proceeds of the Shares become payable, the ACD must give written notice to the Shareholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Shareholder so that the Shareholder can acquire the net proceeds of redemption rather than the relevant property if he so desires.

The ACD will select the property to be transferred in consultation with the Depositary. They 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.

3.13 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 Funds where due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Fund or 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 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.

Where such suspension takes place, the ACD will publish details on its website or 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 FSA 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.

3.14 Governing law

All deals in Shares are governed by English law.

4. Valuation of the Company

4.1 General

The price of a Share is calculated by reference to the Net Asset Value of the Fund. The Net Asset Value per Share of the Select UK Equity Fund is currently calculated at 09.00 on each Dealing Day. The Net Asset Value per Share of the Select World Equity Fund is currently calculated at 23:00 on each Dealing Day.

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.

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares, of each Class of the Fund and the amount of any dilution levy

applicable in respect of any purchase or redemption of Shares. There may only be a single price for any Share as determined from time to time following each valuation.

4.2 Calculation of the Net Asset Value

The value of the property of the Company or of the Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

- 4.2.1 All the property (including receivables) is to be included, subject to the following provisions.
- 4.2.2 Property which is not cash (or other assets dealt with in paragraph 4.2.3 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:
 - 4.2.2.1 units or shares in a collective investment scheme:
 - (a) if a single price for buying and redeeming units or shares is quoted, at that price; or
 - (b) if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or
 - (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
 - 4.2.2.2 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, at a value which in the opinion of the ACD, is fair and reasonable;
 - 4.2.2.3 Scheme Property other than that described in paragraphs 4.2.2.1 and 4.2.2.2 above at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price;
 - 4.2.2.4 Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.
- 4.2.3 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 property.
- 4.2.8 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) tax on chargeable gains, income tax, corporation tax, VAT, stamp duty, SDRT 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 Class

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. Any initial charge, redemption charge or dilution levy or SDRT provision is payable in addition to that price.

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

4.4 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.

4.5 Publication of Prices

The most recent price of Shares will appear daily on the Financial Express website (endorsed by the Investment Management Association) at www.fundlistings.com and will be available between the hours of 09:00 to 17:30 on 0870 870 8068.

5. Risk Factors

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

5.1 General

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. Currency fluctuations may adversely affect the value of a Fund's investments and the income thereon and depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment. 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 investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of the Fund will actually be achieved and no warranty or representation is given to this effect. The level of any yield for the Fund may be subject to fluctuations and is not guaranteed.

5.2 Effect of Initial Charge or Redemption Charge

Where an initial charge or redemption charge is imposed, an investor who realises his Shares after a short period 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, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares.

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

5.3 Dilution and SDRT Provision

Investors should note that in certain circumstances a dilution levy may be applied on their purchase or redemption of Shares (see paragraph 3.7 "Dilution") or a provision for SDRT may be applied on the purchase, redemption or transfer of Shares (see paragraph 10.4 "Stamp Duty Reserve Tax"). Where a dilution levy is not applied, the Fund may incur dilution, which may constrain capital growth.

5.4 Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended (see paragraph 3.13 "Suspension of dealings in the Company").

5.5 Liabilities of the Company

Although the Fund so far as possible will be treated as bearing the liabilities, expenses, costs and charges attributable to it, in the unlikely event that its assets are not sufficient to meet these the ACD may re-allocate assets, liabilities, expenses, costs and charges appropriately and at such time that additional Funds are added; between the Funds of the Company in a manner which it believes is fair to the Shareholders generally. The ACD would normally expect any such re-allocation to be effected on a pro rata basis having regard to the Net Asset Values of the relevant Funds. If there is any such re-allocation the ACD will advise Shareholders of it in the next succeeding annual or half yearly report to Shareholders.

Notwithstanding the above, however, Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the Shares.

5.7 Derivatives

The Funds will not invest in derivatives except for the purposes of EPM.

5.8 Political Risks

The value of the Company's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Company may invest.

5.9 Emerging Markets

Investment in emerging markets may involve a higher risk than that inherent in established markets.

Where the Fund invests in some overseas markets these investments may carry risk associated with failed or delayed settlement of market transactions and with the registration and custody of securities.

Companies in emerging markets may not be subject:

- (a) to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;
- (b) to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

Restrictions on foreign investment in emerging markets may preclude investment in certain securities by the Fund and, as a result, limit investment opportunities for the Fund.

Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.

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

Investors should consider whether or not investment in the Fund is either suitable for or should constitute a substantial part of an investor's portfolio.

5.10 Smaller Companies

Where the Fund invests in smaller companies it will invest in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

5.11 Currency Risks

The Company's investments may be acquired in a wide range of currencies and changes in exchange rates between currencies may cause the value of an investment in the Company to fluctuate. The Company may use hedging, cross-hedging and other techniques and instruments within the limits laid down, from time to time, by the FSA. A Fund may issue Classes denominated in a currency other than the Base Currency of that Fund. In addition, a Fund may invest in assets that are denominated in a currency other than the Base Currency of that Fund.

Accordingly, the value of a Shareholder's investment may be affected favourably or unfavourably by fluctuations in the rates of the different currencies.

5.12 Risks associated with investment in other collective investment schemes

Each Fund may invest in one or more collective investment schemes including schemes managed by the ACD or their affiliates. Each Fund is entitled to invest all or part of its assets in collective investment schemes, subject to the FSA Handbook and the OEIC Regulations, and as otherwise provided herein. Investors should be aware of such potential exposure to the asset classes of those underlying collective investment schemes in the context of all their investments.

As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its *pro rata* portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations. The maximum level of management fees that may be charged to a Fund by collective investment schemes in which it invests is set out in Appendix IV.

5.13 Risks associated with Performance Fees

Performance fees may be payable in relation to management of segregated portfolios. As this is a multi-manager scheme, the investment management of each Fund will be carried out by a number of Sub-Advisers each managing separate portfolios of assets within the Fund. A performance fee is payable only on the performance of that part of the portfolio for which a Sub-Adviser is responsible. It is therefore possible that performance fees in respect of the performance achieved by one or more of those Sub-Advisers may be payable by the Fund to one or more of the Sub-Advisers even though the overall Net Asset Value of the Fund, representing the aggregate performance of all the Sub-Advisers, may not have increased. There is a risk that the accrual of performance fees in the Fund may not be entirely equitable between different Shareholders. It is possible that, for example, a Shareholder may benefit if he or she invests and subsequently one of the Sub-Advisers outperforms the benchmark, but whose performance is below the relevant index. In these circumstances a performance fee would not be accrued for that Sub-Adviser until the Sub-Adviser makes up this underperformance and exceeds the relevant index. In these circumstances the Shareholder may benefit from a period of outperformance during which the Sub-Adviser does not earn a performance fee and hence the Fund does not accrue a performance fee in respect of that Sub-Adviser.

In the instances where a performance fee may be paid it should be noted that a performance fee is based on net realised and net unrealised gains and losses as at the end of each calculation period. As such, performance fees may be paid on unrealised gains which may subsequently never be realised.

5.14 Stocklending

The ACD may request the Depositary to enter into stocklending transactions in respect of a Fund when it reasonably appears to the ACD to be economically appropriate with a view to creating additional income with no or an acceptable degree of risk. Briefly, such transactions are those in which the Depositary delivers securities which are the subject of the transaction in return for which it is agreed that securities of the same kind and amount should be re-delivered back at a later date. The Depositary at the time of delivery receives assets as collateral (whether in the form of cash, near cash, Government and other Public Securities, Certificates of Deposit, Deliveries by Value which match the currency of the borrowed securities, are part of any major index and are subject to a concentration limit, etc.) to cover against the risk of the future re-delivery not being completed.

6. Management and Administration

6.1 Regulatory Status

The ACD, the Depositary and the Administrator are authorised and regulated by the Financial Services Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.

6.2 Authorised Corporate Director

6.2.1 General

The ACD is Investment Solutions Fund Managers Limited which is a private company limited by shares incorporated in England and Wales on 26 March 1965 with registered number 842763.

Registered Office: 5th Floor, Leon House, 233 High Street, Croydon, Surrey CR9 9AF

Head Office: Ground Floor, Abacus House, 33 Gutter Lane, London EC2V 8AS

Share Capital: Issued: £100,000, which is fully paid up

The ACD is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook. The ACD may delegate its management and administration functions to third parties, including associates subject to the rules in the COLL Sourcebook.

The ACD has delegated certain administrative and registration services to Northern Trust International Fund Administration Services (UK) Limited.

The ACD may also delegate the investment management of a Fund to a number of Sub-Advisers. Information concerning the Sub-Advisers will be provided by the ACD, free of charge, upon a Shareholder's request.

At the date of this prospectus, the directors of the ACD are:

David de Bruin	-	Chief Executive Officer
Andrew Newton	-	Chief Operating Officer
Grant Stobart	-	Director
Michael Christophers	-	Non-Executive Director
Tim Morgan	-	Non-Executive Director

6.2.2 Terms of Appointment

The appointment of the ACD has been made under an agreement dated 19th August 2005 between the Company and the ACD, as amended from time to time, (the "ACD Agreement").

The ACD Agreement provides that the appointment of the ACD may be terminated on 12 months' written notice being given to the other by either the ACD or the Company, provided that the notice period does not expire prior to the third anniversary of the ACD Agreement or immediately in certain circumstances, by notice in writing being given by the ACD to the Company, or by the Depositary or the Company to the ACD. Termination cannot take effect until the FSA has approved the change of authorised corporate director.

The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily incurred in settling or realising any outstanding obligations. No compensation for loss of office is provided for in the ACD Agreement. The ACD Agreement provides indemnities (to the extent

permitted by the Regulations) to the ACD except in the case of any matter arising as a direct result of its negligence, fraud or wilful default in the performance of its duties and obligations.

The ACD is under no obligation to account to the Depositary or the Shareholders for any profit it makes on the issue or reissue of Shares or cancellation of Shares which it has redeemed. The fees to which the ACD is entitled are set out in paragraph 7.2 "Charges payable to the ACD".

6.3 The Investment Managers

Each of the Funds will invest wholly or predominantly in investments in Collective Investment Schemes and/or by direct investment through Segregated Accounts, as defined in paragraph 7.4 below.

Each of the Segregated Accounts will be managed by one or more Sub-Advisers appointed by the ACD. Information concerning the Sub-Advisers will be provided by the ACD, free of charge, upon a Shareholder's request. Information concerning the Sub-Advisers is also contained in the Company's latest annual and half-yearly reports. The ACD will monitor each Fund's characteristics in detail with the Sub-Adviser(s) at least quarterly and in some cases monthly. This review may include as appropriate a review of country allocations, country weights, capitalisation, distribution, industry sector weights, price/book levels, currency exposure, portfolio maturity, portfolio duration, sector exposure and quality exposure and other key risk measures.

The selection and appointment of Sub-Advisers is conducted at the discretion of the ACD and may be changed without notice to the investor.

6.4 The Depositary

6.4.1 General

The Depositary of the Company is The BNY Mellon Trust & Depositary (UK) Limited, a company incorporated in England and Wales.

Registered Head Office: 160 Queen Victoria Street, London, EC4V 4LA

Principal Business Activity: trustee and depositary services for collective investment schemes

The Depositary is responsible for the safekeeping of all the Scheme Property of the Company and has a duty to take reasonable care to ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of the COLL Sourcebook relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Funds.

6.4.2 Terms of Appointment

The appointment of the Depositary has been made under an agreement dated 19th August 2005 between the Company, the ACD and the Depositary which came into effect on 19th August 2005 (the "Depositary Agreement").

Subject to the COLL Sourcebook, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) all or any part of its duties as Depositary. The depositary also acts as custodian of

the Company. The Depositary Agreement may be terminated by the Company on not less than three month's written notice and by the Depositary on not less than six month's written notice or immediately by either party in certain circumstances.

The Depositary Agreement provides indemnities (to the extent permitted by the Regulations) to the Depositary in the discharge of its functions save that the Depositary shall not be indemnified in respect of any actions, claims, losses, liabilities, costs, expenses, demands, taxes, levies, imposts or duties arising out of its failure or that of its agents to exercise due care and diligence in the performance of its duties under the Depositary Agreement or out of the negligence, fraud or wilful default of the Depositary or its agents or their connected persons (as defined in the Depositary Agreement) or breach of the Agreement or breach of the Regulations insofar as they relate to the Depositary. The Depositary also indemnifies the Company against any losses, liabilities, costs, expenses and demands arising from its performance or purported performance of its duties under the Agreement to the extent that the Depositary or its agents have been negligent, fraudulent, are in wilful default or breach of contract. The fees to which the Depositary is entitled are set out in paragraph 7.5 "Depositary's Fee".

6.5 The Administrator

The ACD has appointed Northern Trust International Fund Administration Services (UK) Limited, the Administrator to provide certain administration services. Northern Trust International Fund Administration Services (UK) Limited's registered office is 50 Bank Street, London, E14 5NT. The ACD is entitled to give further instructions to the Administrator and may terminate the agreement with immediate effect in certain circumstances.

6.6 The Registrar

6.6.1 General

The ACD has appointed Northern Trust International Fund Administration Services (UK) Limited as Registrar to the company.

The registered office of the Registrar is 50 Bank Street, London, E14 5NT. The ACD is entitled to give further instructions to the Registrar and may terminate the agreement with immediate effect in certain circumstances.

6.6.2 Register of Shareholders

The Register of Shareholders will be maintained by the Registrar at Northern Trust International Fund Administration Services (UK) Limited, 50 Bank Street, London, E14 5NT and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

6.7 The Auditors

The auditors of the Company are PricewaterhouseCoopers LLP of Hay's Galleria, 1 Hay's Lane, London SE1 2RD.

6.8 Legal Advisers

The Company is advised by Eversheds LLP of One Wood Street, London EC2V 7WS.

6.9 Conflicts of Interest

The ACD and other companies within the Investment Solutions Group may, from time to time, act as investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Fund. It is therefore possible that the ACD may in the course of their business have potential conflicts of interest with the Company or the Fund. The ACD will, however, have regard in such event to its obligations under the ACD Agreement and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise.

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

7. Fees and Expenses

7.1 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 Company and may be paid out of the property of the Company.

Each Fund formed after the initial Prospectus is superseded may bear its own direct establishment costs.

The Company may pay out of the property of the Company any liabilities arising under a scheme of arrangement relating to the Company or of any Fund.

All fees or expenses payable by a Shareholder or out of Scheme Property are set out in this section.

The Company may also pay out of the 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 and other disbursements which it is necessary to incur in effecting transactions for the Fund and which are normally shown in contract notes, confirmation notes and difference accounts, as appropriate;
- 7.1.3 fees and expenses of the Administrator and Registrar in respect of establishing and maintaining the Register of Shareholders (and any plan sub-register). For each share class a minimum fee of £250 per month will be charged.

- 7.1.4 fees and expenses payable to the Administrator will be made in relation to the administration of the Company for functions including fund accounting. The fees currently charged for the administration is as follows:

For the Select UK Equity Fund:

£0 - £100m

0.07% of the Net Asset Value of the Fund

£100 - £200m

0.05% of the Net Asset Value of the Fund

£200m+

0.03% of the Net Asset Value of the Fund

For the Select World Equity Fund will be:

£0 - £100m

0.09% of the Net Asset Value of the Fund

£100 - £200m

0.06% of the Net Asset Value of the Fund

£200- £250m

0.04% of the Net Asset Value of the Fund

£250 - £350m

0.02% of the Net Asset Value of the Fund

£350m+

0.01% of the Net Asset Values of the Fund

Subject to a minimum fee of £110,000 per annum.

- 7.1.5 expenses incurred in acquiring and disposing of investments;
- 7.1.6 expenses incurred in producing, collecting, distributing and dispatching income and other payments to Shareholders;
- 7.1.7 fees in respect of the publication and circulation of details of the Net Asset Value and prices;
- 7.1.8 taxation and duties payable by the Company;
- 7.1.9 interest on and charges incurred in borrowings;
- 7.1.10 fees of the FSA under the Financial Services and Markets Act 2000 and the corresponding periodic fees of any regulatory authority in a country or territory outside the country in which Shares are or may lawfully be marketed;
- 7.1.11 the fees and expenses of the auditors and tax, legal and other professional advisers of the Company and preparing information and materials required by such advisers;
- 7.1.12 the costs and expenses of convening and holding Shareholder meetings and of preparing associated documentation (including meetings of Shareholders in any particular Fund, or any particular Class within the Fund from time to time);
- 7.1.13 costs incurred in taking out and maintaining any insurance policy in relation to the Company and/or its Directors;
- 7.1.14 expenses incurred in company secretarial duties, including attending Shareholder meetings (if required), the cost of minute books, and other documentation required to be maintained by the Company;

- 7.1.15 the costs of printing and distributing reports, accounts, statements, contract notes and other like documentation, any prospectuses (including simplified prospectuses), any instrument of incorporation and any costs incurred as a result of periodic updates of or changes to any prospectus or instrument of incorporation and any other administrative expenses;
- 7.1.16 any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;
- 7.1.17 any payments otherwise due by virtue of the COLL Sourcebook.

VAT is payable on these charges where appropriate.

It is not currently proposed to seek a listing for the Shares on any stock exchange, but if a listing is sought in the future the fees connected with the listing will be payable by the Company.

Expenses are allocated between capital and income in accordance with the Regulations.

7.2 Charges Payable to the ACD

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of each Fund as set out in Appendix I. The annual management charge will accrue on a daily basis in arrears by reference to the Net Asset Value of the Fund and the amount due for each month is payable shortly after the start of each month. The current management charges for each Fund (expressed as a percentage per annum of the Net Asset Value of the Fund) are set out in Appendix I.

7.3 Sub-Adviser's Fee

The remuneration of each Sub-Adviser will be paid by the ACD from its annual management fee. The Sub-Advisers may also be paid a performance fee as further described at paragraph 7.4 below, which will be paid out of the property of the Fund.

7.4 Performance Fee

A performance fee is payable only in respect of the Select World Equity Fund. The ACD may introduce a performance fee to the Select UK Equity Fund only in accordance with the Regulations and having received the prior consent of Shareholders.

In addition to the management fee payable to each Sub-Adviser as described in paragraph 7.3, each Fund may also pay the ACD a performance fee (the "**Performance Fee**") on a quarterly basis (the "**Performance Period**") that is equal to the sum of the performance fees which may be paid to the Sub-Advisers of a Fund, as described more fully below.

Any Performance Fee paid to the ACD shall be paid in its entirety to those Sub-Advisers for the respective part(s) of the Fund that they manage, and which is/are entitled to a Performance Fee.

A Performance Fee is payable to a Sub-Adviser only with respect to the amount by which that part of the Fund in respect of which the Sub-Adviser is responsible (the "**Segregated Account**") outperforms a benchmark (as agreed by the ACD and the Sub-Adviser from time to time), measured as the value in money weighted terms above the Sub-Adviser's performance benchmark during a Performance Period.

For calculating the Performance Fee, the relevant benchmark for each Fund is as follows:

Fund	Fund Benchmark
Select World Equity Fund	MSCI World Equity Index Net Return

In no event will a Sub-Adviser be paid a Performance Fee for any Performance Period in which the performance of the Segregated Account against the benchmark during the Performance Period is negative ("**Accrued Underperformance**"). Any Accrued Underperformance must be clawed back before the Sub-Adviser can accrue a Performance Fee for future performance.

The Performance Fee will be calculated and accrued daily during the Term of Appointment and for each Performance Period.

Upon the termination of a Sub-Adviser's appointment, any Performance Fees owed will be paid in full. In no event will a Performance Fee calculated and accrued in respect of a Segregated Account exceed 20 per cent. of the outperformance of the portfolio during a Performance Period.

As a Performance Fee is calculated and paid to a Sub-Adviser in respect of its respective Segregated Account, it is possible that a Sub Fund could pay a Performance Fee (as the sum of any Performance Fees paid to Sub-Advisers in respect of a Performance Period) to a Sub-Adviser when the overall performance of the Fund is negative. This would occur where, for example, during a Performance Period one Sub-Adviser outperforms the benchmark in respect of its Segregated Account but the other Sub-Adviser underperforms the benchmark with respect to their respective Segregated Accounts. Please see below for possible scenarios.

To illustrate the potential application of the performance fee, and by way of example only, three possible scenarios are set out below:

- (a) Between 1 January and 31 March, the Index goes up by 3% and in that same period the performance of an individual Sub-Adviser's Segregated Account goes up by 5%.

A Performance Fee will be paid as the Sub-Adviser has outperformed the index during the Performance Period. The Performance Fee will be calculated as follows:

The Performance Fee is based on the performance of the Sub-Adviser's Segregated Account less the performance of the index $(5\% - 3\%) = 2\%$. A Performance Fee of 0.4% is paid as a result of multiplying the Performance Fee rate (assume 20%) by the 2%.

Note the Fund may have underperformed the index, but due to the individual Sub-Advisers performance a Performance Fee will still be paid.

- (b) Between 1 January and 31 March, the Index goes down by 5% and in that same period the performance of an individual Sub-Adviser's Segregated Account goes down by 3%.

A Performance Fee will be paid even though the performance of the Sub-Adviser's Segregated Account has been negative, as the Segregated Account has nevertheless outperformed the index during the Performance Period. The Performance Fee will be calculated as follows:

The Performance Fee is based on the performance of the Sub-Adviser's Segregated Account less the performance of the index $(-3\% - (-5\%)) = 2\%$. A Performance Fee of 0.4% is paid as a result of multiplying the Performance Fee rate (assume 20%) by the 2%.

- (c) Between 1 January and 31 March, the Index goes down by 3% and in that same period the performance of an individual Sub-Adviser's Segregated Account goes down by 5%.

A Performance Fee will not be paid as the performance of the Sub-Adviser's Segregated Account has been less than the index during the Performance Period. There will therefore be Accrued Underperformance which will be calculated as follows:

The Accrued Underperformance is based on the performance of the Sub-Adviser's Segregated Account less the performance of the index $(-5\% - (-3\%)) = -2\%$. Accrued Underperformance of -2% will need to be clawed back before any future performance fee can be paid to that Sub-Adviser.

To illustrate the Accrued Underperformance, consider the 2 following examples for the period between 1 April to 30 June.

- (i) The Index goes up by 1% and in that same period the performance of an individual Sub-Adviser's Segregated Account goes up by 4%.

A Performance Fee will be paid as the Sub-Adviser has clawed back the Accrued Underperformance and has outperformed the index during the Performance Period. The Performance Fee will be calculated as follows:

The Performance Fee is based on the performance of the Sub-Adviser's Segregated Account plus the Accrued Underperformance less the performance of the index $(4\% + (-2\%) - 1\%) = 1\%$. A performance fee of 0.2% is paid as a result of multiplying the Performance Fee rate (assume 20%) by the 1%.

- (ii) The Index goes up by 2% and in that same period the performance of an individual Sub-Adviser's Segregated Account goes up by 4%.

A Performance Fee will not be paid even though the Sub-Adviser has clawed back the Accrued Underperformance; the Sub-Adviser has not outperformed the index during the Performance Period once the Accrued Underperformance has been taken into account.

The Performance Fee calculation is based on the performance of the Sub-Adviser's Segregated Account plus the Accrued Underperformance less the performance of the index $(4\% + (-2\%) - 2\%) = 0\%$.

The first Performance Fee period will commence for the World Equity Fund on its inception, and a pro rata Performance Fee for the period to 31 December 2007, may accrue or be paid in respect of performance of the Fund.

As the Performance Fee depends on the outperformance over the index, there is in effect no maximum Performance Fee that could be taken, particularly as it is impossible to quantify any outperformance in advance. Of course whilst the Sub-Adviser may be entitled to up to 20% of the outperformance, investors will benefit from at least 80% of the outperformance.

7.5 Depositary's Fee

The remuneration of the Depositary will be paid out of the property of the Fund and will consist of a periodic charge, calculated on the value of the property of the Fund on the last valuation point of any calendar month (the "Calculation Date") in respect of accrual periods beginning on that date and ending on the day before the next Calculation Date. The charge will accrue due monthly in advance on each Calculation Date and be payable on or as soon as practicable after the last day of the relevant accrual period. The periodic charge will be at such annual percentage rate (before Value Added Tax) of the value of the property of the Fund as the Company and Depositary may from time to time agree. Subject to a minimum annual payment of £5,000 per Fund, the Depositary's periodic fee is based on the Net Asset Value of the Fund as per below:

First £50,000,000	0.05%
Next £50,000,000	0.04%
Next £50,000,000	0.03%
Balance	0.02%

In addition, the Depositary will be paid transaction fees from the property of the Fund which range from £6 to £70 per transaction determined by the territory or country the transaction is effected in, and custodian fees which range from 1 basis point to 50 basis points calculated on the value of the property of the Fund. The transaction and custodian fees are payable monthly in arrears.

All charges are subject to an addition for Value Added Tax.

The current rate of the Depositary's remuneration may only be increased or a new type of remuneration introduced in accordance with the rules in the COLL Sourcebook and after the ACD has revised and made available the Prospectus to reflect the new rate and the date of its commencement.

The Depositary will be reimbursed by the Company for expenses or disbursements (plus VAT) properly incurred in performing or arranging for the performance of functions conferred on it by the Depositary Agreement or by general law. These functions may (without limitation of the foregoing) include custody, insurance, acquisition and dealing with assets of the Company; making deposits or loans, dealing with borrowings, effecting foreign currency dealings and effecting efficient portfolio management transactions, as permitted by the FSA Handbook; collection of income or capital; submission of tax returns and handling tax claims; preparation of the Depositary's annual report; calling shareholders' meetings and communicating with shareholders; preparing, clearing and despatching distribution warrants; obtaining professional advice; conducting legal proceedings; carrying out administration relating to the Company; and supervision of certain of the activities of its authorised corporate director.

7.6 Registrar's Fee

An annual fee of £12 per investor will be charged to the Fund. This fee is invoiced on a monthly basis and is subject to minimum charges per share class.

7.7 Administrator's Fee

The fees charged by the Administrator (detailed above) are charged to the Fund monthly in arrears. Fee levels are normally reviewed annually commencing on the first anniversary of the Administration Agreement.

7.8 Additional Charges

The Depositary will also charge the Fund for money transfers, account maintenance and communications fees.

7.9 Allocation of Fees and Expenses between Funds

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Fund. In the event that further Funds are added these will be charged to the Fund in respect of which they were incurred. Where an expense is not considered to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the value of the Net Asset Value of the Funds, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

8. Instrument of Incorporation

The Instrument of Incorporation (which is available for inspection at the ACD's offices at Ground Floor, Abacus House, 33 Gutter Lane, London EC2V 8AS) contains provisions to the following effect:

8.1 Share Capital

8.1.1 The Company may from time to time issue Shares of different Classes in respect of each Fund, and the Directors may by resolution from time to time create additional Classes in respect of each Fund (whether or not falling within one of the Classes in existence on incorporation).

8.1.2 The Directors may by resolution from time to time create additional Funds with such investment objectives and such restrictions as to geographic area, economic sector, monetary zone or category of transferable security, and denominated in such currencies, as the Directors from time to time determine.

8.1.3 The special rights attaching to a Class are not (unless otherwise expressly provided by the conditions of issue of such Shares) deemed to be varied by:

8.1.3.1 the creation, allotment or issue of further Shares of any Class ranking pari passu with them;

8.1.3.2 the switch of Shares of any Class into Shares of another Class;

- 8.1.3.3 the creation, allotment, issue or redemption of Shares of another Class within that Fund, provided that the interests of that other Class in that Fund represent fairly the financial contributions and benefits of Shareholders of that Class;
- 8.1.3.4 the exercise by the Directors of their powers to re-allocate assets, liabilities, expenses, costs or charges not attributable to the Funds only or to terminate the Funds.

8.2 Transfer of Shares

- 8.2.1 All transfers of registered Shares must be effected by transfer in writing in any usual or common form or in any other form as may be approved by the Directors.
- 8.2.2 A single instrument of transfer may not be given in respect of more than one Class.
- 8.2.3 In the case of a transfer to joint holders, the number of joint holders to whom a Share is to be transferred may not exceed four.
- 8.2.4 The Company may refuse to register a transfer of Shares unless a provision for SDRT has been paid.

8.3 Income

The following provisions apply in respect of Shares in issue in a Fund:

- 8.3.1 An allocation of income (whether annual or interim) to be made in respect of each Share issued by the Company or sold by the ACD during the accounting period in respect of which that income allocation is made shall be of the same amount as the allocation to be made in respect of the other Shares of the same Class issued in respect of the Fund. This may include a capital sum (“income equalisation”) representing the ACD’s best estimate of the amount of income included in the price of that Share. This may be either the actual amount of income included in the issue price of that Share or an amount arrived at by taking the aggregate of the amounts of income included in the price in respect of all Shares of that Class bought or redeemed by Shareholders in the accounting period in question and dividing that aggregate amount by the number of such Shares and applying the resultant average to each of the Shares in question.
- 8.3.2 Each allocation of income made in respect of the Fund at a time when more than one Class is in issue in respect of the Fund shall be done by reference to the relevant Shareholders’ proportionate interests in the property of the Fund. These will be ascertained for each Class as follows:
- 8.3.3 A notional account will be maintained for each Class. Each account will be referred to as a “Proportion Account”.
- 8.3.4 The word “proportion” in this context means the proportion which the balance on a Proportion Account at the relevant time bears to the balance on all the Proportion Accounts of the Fund at that time. The proportionate interest of a Class of Share in the assets and income of Fund is its “proportion”.
- 8.3.5 There will be credited to a Proportion Account:
- the subscription money (excluding any initial charges or dilution levy) for the issue of Shares of the relevant Class;

- that Class's proportion of the amount by which the Net Asset Value of the Fund exceeds the total subscription money for all Shares in the Fund;
- that Class's proportion of the Fund's income received and receivable; and
- any notional tax benefit under paragraph 8.3.7 below.

8.3.6 There will be debited to a Proportion Account:

- the redemption payment for the cancellation of Shares of the relevant Class;
- the Class's proportion of the amount by which the Net Asset Value of the Fund falls short of the total subscription money for all Shares in the Fund;
- all distributions of income (including equalisation) made to Shareholders of that Class;
- all costs, charges and expenses incurred solely in respect of that Class;
- that Class's share of the costs, charges and expenses incurred in respect of that Class and one or more other Classes in the Fund, but not in respect of the Fund as a whole;
- that Class's proportion of the costs, charges and expenses incurred in respect of or attributable to the Fund as a whole;
- any SDRT charge; and
- any notional tax liability under paragraph 8.3.7.

8.3.7 Any tax liability in respect of the Fund and any tax benefit received or receivable in respect of the Fund will be allocated between Classes in order to achieve, so far as possible, the same result as would have been achieved if each Class were itself a Fund so as not to materially prejudice any Class. The allocation will be carried out by the ACD after consultation with the Company's auditors.

8.3.8 Where a Class is denominated in a currency which is not the base currency of the Company, the balance on the Proportion Account shall be converted into the base currency of the Company in order to ascertain the proportions of all Classes. Conversions between currencies shall be at a rate of exchange decided by the ACD as being a rate that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

8.3.9 The Proportion Accounts are memorandum accounts maintained for the purpose of calculating proportions. They do not represent debts from the Company to Shareholders or vice versa.

Each credit and debit to a Proportion Account shall be allocated to that account on the basis of that Class's proportion immediately before the allocation. All such adjustments shall be made as are necessary to ensure that on no occasion on which the proportions are ascertained is any amount counted more than once.

The Company may adopt a method of calculating the amount of income to be allocated between the Shares in issue which is different to that set out in paragraph 8.3.1 above provided that the ACD is satisfied that such method is fair to Shareholders and that it is reasonable to adopt such method in the given circumstances.

8.4 Number of Directors

Unless otherwise determined by an extraordinary resolution of Shareholders the number of Directors shall not at any time exceed one.

8.5 Removal of ACD

The Company may by ordinary resolution remove the ACD before the expiry of its period of office, notwithstanding any provisions in the Instrument of Incorporation or in any agreement between the Company and the ACD, but the removal will not take effect until the FSA has approved the ACD's removal and a new authorised corporate director approved by the FSA has been appointed.

8.6 Proceedings at General Meetings

8.6.1 A duly authorised representative of the ACD will preside as chairman at general meetings of the Company once nominated by the Depositary. If the representative is not present or declines to take the chair, the Shareholders may choose one of their number to be chairman.

8.6.2 The chairman of any quorate general meeting may with the consent of the general meeting, adjourn the meeting from time to time (or without date) and from place to place, and if he is directed by the general meeting to adjourn he must do so. No business can be transacted at an adjourned general meeting which might not lawfully have been transacted at the meeting from which the adjournment took place.

8.6.3 The Shareholders have rights under the COLL Sourcebook to demand a poll. In addition to these rights, a poll may be demanded by the chairman of the meeting or by the ACD on any resolution put to the vote of a general meeting.

8.6.4 Unless a poll is required, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book or computer record of proceedings will be conclusive evidence of that fact. If a poll is required, it shall be taken in such manner as the chairman may direct.

8.6.5 The chairman may take any action he reasonably considers appropriate and not in contravention of any of the provisions of the Prospectus or the Instrument of Incorporation for, for example, the safety of people attending a general meeting, the proper and orderly conduct of the general meeting or in order to reflect the wishes of the majority.

8.7 Corporations Acting by Representatives

8.7.1 Any corporation which is a Shareholder may by resolution of its directors or other governing body and in respect of any Share or Shares of which it is the holder authorise such individual as it thinks fit to act as its representative at any general meeting of the Shareholders or of any Class meeting or Fund meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such Share or Shares if it were an individual Shareholder.

8.7.2 Any corporation which is a Director may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any general meeting of the Shareholders, or of any Class meeting or Fund meeting or at any meeting of the Directors. The person so authorised shall be entitled to exercise the same powers at such meeting on behalf of such corporation as the corporation could exercise if it were an individual Director.

8.8 Class Meetings and Fund Meetings

The provisions of the Instrument of Incorporation relating to meetings shall apply to Class meetings and Fund meetings in the same way as they apply to general meetings.

8.9 Instrument of Incorporation

The Instrument of Incorporation may be amended by resolution of the ACD to the extent permitted by the COLL Sourcebook.

In the event of any conflict arising between any provision of the Instrument of Incorporation and the Regulations, the Regulations will prevail.

8.10 Indemnity

The Instrument of Incorporation contains provisions indemnifying the Directors, other officers and the Company's auditors 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.

9. Shareholder Meetings and Voting Rights

9.1 Notices

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

9.2 Annual General Meeting

In accordance with The Open-Ended Investment Companies (Amendment) Regulations 2005, the ACD has elected not to hold annual general meetings of the Company.

9.3 Class and Fund Meetings

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of the Fund as they apply to general meetings of the Company, but by reference to Shares of the Class concerned and the Shareholders and value and prices of such Shares.

9.4 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.

9.5 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 Shareholder present in person or by proxy. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

9.6 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 are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price(s) of all the Shares in issue at the date seven days before the notice of meeting is sent out.

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

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.

"Shareholders" in this context means Shareholders on the date seven days before the notice of the relevant meeting was sent out but excludes Shareholders who are known to the ACD not to be Shareholders at the time of the meeting.

9.7 Variation of Class Rights

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

10. Taxation

10.1 General

The information below is a general guide based on current United Kingdom law and HM Revenue and Customs practice, both of which are subject to change,

and does not constitute legal or tax advice. It summarises the tax position of the Company and of investors who are United Kingdom resident and hold Shares as investments. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

10.2 The Company

Each Fund is treated as a separate OEIC for tax purposes.

Each Fund is generally exempt from United Kingdom tax on capital gains accruing to it on the disposal of its investments (including interest-paying securities and derivatives).

The Funds will be subject to corporation tax at the current rate of 20% on their taxable income but after deducting allowable management expenses (including the agreed fees and expenses of the ACD and the Depositary). The taxable income does not include any dividends or other qualifying distributions received from United Kingdom resident companies nor that part of dividend distributions from United Kingdom open-ended investment companies and authorised unit trusts that represents such income. Any income derived by the Funds from foreign sources will be included within the taxable income but where that Fund suffers foreign withholding tax on income received, credit or a deduction may be available against the United Kingdom tax liability.

10.3 Shareholders

10.3.1 Income

The Funds will pay any distributable income as dividend distributions. The making of a distribution, for this purpose, includes both paying an amount in respect of a holding of income Shares to the Shareholder concerned and also investing an amount within the relevant Fund in respect of a holding of accumulation Shares on behalf of the Shareholder concerned. Any reference to a distribution in this section should be construed accordingly.

Any dividend distribution made by a Fund will be treated as if it were a UK dividend paid to the Shareholder in that Fund. No deduction by way of withholding tax is required to be made from any dividend distribution.

United Kingdom resident individual shareholders will be entitled to a tax credit in respect of any dividend distribution made by the Fund. The amount of the tax credit will be equal to one-ninth of the distribution and will therefore correspond to 10% of the aggregate of the distribution and the tax credit. Individual shareholders who are liable to income tax at the basic rate will have no further liability to tax in respect of the dividend. Higher rate taxpayers will be liable to an additional amount of income tax of 22.5% of the aggregate of the distribution and related tax credit (i.e. 25% of the dividend). Shareholders who are non-taxpayers, or whose liability to income tax on the aggregate of the distribution and the related tax credit is less than the amount of the tax credit may not reclaim the any part of the tax credits.

Corporate Shareholders who receive dividend distributions will receive their distributions 'streamed' into franked and unfranked components depending on the underlying income of the Fund. The proportions will be indicated on the tax voucher. The franked stream, representing dividends received from a United Kingdom company will be treated as franked investment income in the hands of

the corporate Shareholder and will not form part of their taxable income. The unfranked stream will be treated as an annual payment received after deduction of income tax at the lower rate. This tax is repayable only to the extent of the Shareholder's proportion of the Fund's net United Kingdom corporation tax liability although all of it is available for offset against the Shareholder's United Kingdom corporation tax liability.

10.3.2 **Income Equalisation**

Equalisation will not be applied to the Funds.

10.3.3 **Gains**

Shareholders who are resident, or if applicable, ordinarily resident in the United Kingdom for tax purposes may, depending on their personal circumstances, be liable to capital gains tax, or, if a corporate Shareholder, corporation tax on gains arising from the redemption, transfer or other disposal of Shares (but not on switches between Classes within a Sub-fund).

Part of any increase in value of accumulation Shares represents the accumulation of income excluding tax credits. These amounts may be added to the acquisition cost when calculating the capital gain realised on their disposal.

10.4 **Stamp Duty Reserve Tax ("SDRT")**

10.4.1 **The SDRT System for Each Fund**

SDRT arises on the surrender (i.e. the redemption or switching) and transfers on the register of Shares in a Fund. The charge is 0.5% of the value of surrenders and transfers in each Fund each week reduced proportionately to the extent that during that week and the following week the:

- investments held by the Fund are exempt assets that is, broadly, any assets other than United Kingdom equities (this will reduce the charge to nil where a Fund is invested entirely in exempt assets); and
- purchases of Shares are less by number than surrenders of Shares.

Any SDRT payable by a Fund is technically the liability of the Company and there are various ways in which it may recover the cost. It may be borne by the Fund or the ACD may charge an SDRT provision as an addition to (but not as part of) the price of Shares when they are issued or purchased and as a deduction when they are cancelled or redeemed.

10.4.2 **SDRT Policy on Surrenders of Shares**

The ACD has decided that any SDRT will normally be borne by the Fund in question. The ACD considers that paying SDRT out of the Fund will not have a significant effect on performance. However, the ACD reserves the right to require the payment of an SDRT provision in relation to Shares in the Fund (up to a maximum of 0.5% of the value of Shares involved in the transaction) whenever it considers that circumstances have arisen which make such imposition fair to all Shareholders and potential Shareholders. The ACD may impose an SDRT provision of up to a maximum rate of 0.5% on large deals where no SDRT provision is imposed on smaller deals or which is larger than that imposed on

smaller deals. A large deal is a purchase or redemption of 0.5% or more of the value of the Fund.

10.4.3 **SDRT Policy for Third Party Transfers of Shares**

Where the ACD handles the transfer and alters the register such a transfer counts as both a surrender and corresponding issue. The ACD has decided that any SDRT triggered will normally be paid by the fund in question. However, the ACD reserves the right to require the payment of an SDRT provision in relation to Shares in the Funds (up to a maximum of 0.5% of the value of Shares involved in the transaction) whenever it considers that circumstances have arisen which make such imposition fair to all Shareholders and potential Shareholders. The ACD may impose an SDRT provision on large deals where no SDRT provision is imposed on smaller deals or which is larger than that imposed on smaller deals. A large deal is a purchase or redemption of 0.5% or more of the value of the Fund.

Where the transfer is effected not through the ACD but through a common nominee, the legal ownership of the share remains the same and the ACD is not required to change the register or other records and no liability arises on the Fund. However, the transferee is subject to the 0.5% SDRT charge.

11. Winding Up of the Company or the Fund

The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under Chapter 7.3 of the COLL Sourcebook. The Fund may only be wound up under the COLL Sourcebook.

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

The Company may be wound up or a 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 Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or Fund is to be wound up (for example, if the share capital of the Company or (in relation to the Fund) the Net Asset Value of the 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 Fund); or
- 11.3 on the date stated in any agreement by the FSA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the 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 Fund;
- 11.5 the Company will cease to issue and cancel Shares in the Company or the 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 Fund;
- 11.6 no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- 11.7 where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- 11.8 the corporate status and powers of the Company and subject to 11.4 to 11.7 above, the powers of the ACD shall continue until the Company is dissolved.

The ACD shall, as soon as practicable after the Company or the Fund falls to be wound up, realise the assets and meet the liabilities of the Company and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the property of the Company or the Fund. In the case of the Company the ACD shall also publish notice of the commencement of the winding up of the Company in the London Gazette. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the property to be realised and all of the liabilities of the Company or the 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 Fund.

As soon as reasonably practicable after completion of the winding up of the Company or the Fund, the ACD shall notify the FSA that the winding up has been completed.

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

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

As the Company is an umbrella company, any liabilities attributable or allocated to the Fund under the COLL Sourcebook shall be met first out of the property attributable or allocated to that Fund. However, at such time as there is more than one Fund in existence, and if the liabilities of a particular Fund are greater than the proceeds of the realisation of the property attributable or allocated to the Fund, the deficit shall be met out of the property attributable or allocated to the

solvent Funds in respect of which the proceeds of realisation exceed liabilities and will be divided between those Funds in a manner which is fair to Shareholders in those solvent Funds.

12. General Information

12.1 Accounting Periods

The annual accounting period of the Company ends each year on 31 March (the accounting reference date). The interim accounting period ends each year on 30 September.

12.2 Income Allocations

Allocations of income are made in respect of the income available for allocation in each annual accounting period and, where indicated for a Fund in Appendix 1, each interim accounting period. Distributions of income for a Fund in which income Shares are issued are paid by cheque or BACS directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in Appendix I.

Where accumulation Shares are issued, income will become part of the capital property of the 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 remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Fund in question (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 Fund in respect of that period, and deducting the charges and expenses of the 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 Company's auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

12.3 Annual Reports

The annual report of the Company will normally be published within two months of each annual accounting period although the ACD reserves the right to publish the annual report at a later date but not later than four months from the end of each annual accounting period and the half yearly report will be published within two months of each interim accounting period. Shareholders will receive copies of short reports on publication and copies of the long report will be available on request.

12.4 Documents of the Company

The following documents may be inspected free of charge during normal business hours on any business day at the offices of the ACD at Ground Floor, Abacus House, 33 Gutter Lane, London EC2V 8AS:

- 12.4.1 the most recent annual and half yearly reports of the Company;
- 12.4.2 the Instrument of Incorporation; and
- 12.4.3 the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents.

12.5 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:

- 12.5.1 the ACD Agreement dated 19th August 2005 between the Company and the ACD; and
- 12.5.2 the Depositary Agreement dated 19th August 2005 between the Company the Depositary and the ACD.

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

12.6 Provision of Investment Advice

All information concerning the Company and about investing in Shares of the Company is available from the ACD at Ground Floor, Abacus House, 33 Gutter Lane, London EC2V 8AS. The ACD is not authorised to give investment advice and persons requiring such advice should consult an Independent Financial Adviser. All applications for Shares are made solely on the basis of the current Prospectus of the Company, and investors should ensure that they have the most up to date version.

12.7 Telephone Recordings

Please note that the ACD may record telephone calls for training and monitoring purposes.

12.8 Complaints

Complaints concerning the operation or marketing of the Company may be referred to the Complaints Officer of the ACD at Ground Floor, Abacus House, 33 Gutter Lane, London EC2V 8AS or, if you subsequently wish to take your complaint further, direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

12.9 Risk Management

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

- 12.9.1 the quantitative limits applying in the risk management of the Fund;
- 12.9.2 the methods used in relation to 12.9.1; and

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

12.10 Investor Profile

The Select UK Equity Fund is suitable for investors seeking capital growth over a longer-term time horizon and who are prepared to accept a moderate level of volatility.

The Select World Equity Fund is suitable for investors seeking capital growth over a longer-term time horizon and who are prepared to accept a moderate level of volatility.

12.11 Overseas Transfers

We may transfer your personal information to countries located outside of the European Economic Area (the EEA).

This may happen when our servers, suppliers and / or service providers are based outside of the EEA. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the EEA. In these instances we will take steps to ensure that your privacy rights are respected. Details relevant to you may be provided upon request.

Appendix I

Fund Details

Name	Select UK Equity Fund												
Type of Fund	UCITS Scheme												
Investment objective and policy	<p>The Fund aims to achieve a long-term return, in excess of the long-term return that is typically achieved from UK equities.</p> <p>The Fund invests wholly or predominantly in UK equities by investment in collective investment schemes and/or by direct investment in such equities through Segregated Accounts.</p>												
Benchmark	FTSE All Share Total Return Index.												
Valuation Point	09:00 daily												
Cut-off time for dealing	12:00 (UK time), the previous business day.												
Final accounting date	31 March												
Interim accounting date	30 September												
Final income allocation date (accumulation shares)	31 March												
ISA status	Qualifying investment for stocks and shares component												
Share Classes available	Class B Sterling Gross Accumulation Shares and Class B Sterling Net Accumulation Shares												
Charges	<table><thead><tr><th></th><th>Class B Gross and Net Accumulation Shares</th></tr></thead><tbody><tr><td>Initial charge:</td><td>5%</td></tr><tr><td>Redemption charge</td><td>Nil</td></tr><tr><td>Annual ACD fee</td><td>1.00%</td></tr></tbody></table>		Class B Gross and Net Accumulation Shares	Initial charge:	5%	Redemption charge	Nil	Annual ACD fee	1.00%				
	Class B Gross and Net Accumulation Shares												
Initial charge:	5%												
Redemption charge	Nil												
Annual ACD fee	1.00%												
Investment minima	<table><thead><tr><th></th><th>Class B Gross and Net Accumulation Shares</th></tr></thead><tbody><tr><td>Lump sum</td><td>£100,000</td></tr><tr><td>Holding</td><td>£100,000</td></tr><tr><td>Top-up</td><td>£10,000</td></tr><tr><td>Monthly saving</td><td>N/A</td></tr><tr><td>Redemption</td><td>N/A</td></tr></tbody></table>		Class B Gross and Net Accumulation Shares	Lump sum	£100,000	Holding	£100,000	Top-up	£10,000	Monthly saving	N/A	Redemption	N/A
	Class B Gross and Net Accumulation Shares												
Lump sum	£100,000												
Holding	£100,000												
Top-up	£10,000												
Monthly saving	N/A												
Redemption	N/A												
Past performance	Past performance information where available is set out in Appendix III												

Name	Select World Equity Fund		
Type of Fund	UCITS Scheme		
Investment objective and policy	<p>The Fund aims to achieve a long-term return, in excess of the long-term return that is typically achieved through investment in equities worldwide.</p> <p>The Fund invests wholly or predominantly in equities worldwide by investment in collective investment schemes and/or by direct investment in such equities through Segregated Accounts.</p>		
Benchmark	MSCI World Equity Index Net Return		
Valuation Point	23:00 daily		
Cut-off time for dealing	17:00 (UK time)		
Final accounting date	31 March		
Interim accounting date	30 September		
Final income allocation date (accumulation shares)	31 March		
Initial price	100p for Sterling denominated Shares 100cents for US Dollar denominated Shares		
Launch date	7 December 2007		
ISA status	Qualifying investment for stocks and shares component		
Share Classes available	Class A US Dollar Gross and Net Accumulation Shares, Class A Sterling Gross and Net Accumulation Shares, Class B US Dollar Gross and Net Accumulation Shares, Class B Sterling Gross and Net Accumulation Shares		
Charges		Class A US Dollar Gross and Net Accumulation Shares	Class A Sterling Gross and Net Accumulation Shares
	Initial charge:	Nil	Nil
	Redemption charge	Nil	Nil
	Annual ACD fee	0.65%	0.65%

	Class B US Dollar Gross and Net Accumulation Shares	Class B Sterling Gross and Net Accumulation Shares
Initial charge:	5%	5%
Redemption charge	Nil	Nil
Annual ACD fee	1.00%	1.00%

A performance fee may also be chargeable - please see paragraph 7.4 above.

Investment minima

	Class A US Dollar Gross and Net Accumulation Shares	Class A Sterling Gross and Net Accumulation Shares
Lump sum	\$2,000,000	£1,000,000
Holding	\$2,000,000	£1,000,000
Top-up	\$200,000	£100,000
Monthly saving	N/A	N/A
Redemption	N/A	N/A

	Class B US Dollar Gross and Net Accumulation Shares	Class B Sterling Gross and Net Accumulation Shares
Lump sum	\$200,000	£100,000
Holding	\$200,000	£100,000
Top-up	\$20,000	£10,000
Monthly saving	N/A	N/A
Redemption	N/A	N/A

Past performance

Past performance information where available is set out in Appendix III.

Sub-Advisers

T. Rowe Price Global Investment Services Limited
60 Queen Victoria Street
London
EC4V 4TX
United Kingdom
(Authorised and regulated by the Financial Services Authority)

Pzena Investment Management, LLC
120W 45th Street, 20th Floor
New York
New York 10036
United States
(Regulated by the SEC)

Axiom International Investors, LLC
55 Railroad Avenue
Greenwich
Connecticut 06830-6378
United States
(Regulated by the SEC)

Altrinsic Global Advisors, LLC
100 First Stamford Place
Stamford, Connecticut 06902
United States
(Regulated by the SEC)

Walter Scott & Partners Limited
One Charlotte Square
Edinburgh
EH2 4DR
United Kingdom]
(Authorised and Regulated by the Financial Services
Authority)

The selection and appointment of Sub-Advisers is conducted at the discretion of the ACD and may be changed without notice to the investor.

Appendix II

Eligible Securities and Derivatives Markets

1. Eligible Securities Markets

Each Fund may deal through any eligible securities market, which are markets established in an EEA State on which transferable securities admitted to official listing in the EEA State are dealt in, and the Alternative Investment Market (“AIM”) of the London Stock Exchange.

Select UK Equity Fund

The Select UK Equity Fund may deal only through those securities markets described above.

Select World Equity Fund

With the exception of permitted investments in unlisted securities, the Fund will be restricted to deal in the following stock exchanges and markets:

- any stock exchange in the European Union and the EEA
- the market conducted by listed money market institutions as described in the Financial Services Authority publication “The regulation of the wholesale cash and OTC derivative markets: The Grey Paper” (as amended from time to time);
- AIM, the Alternative Investment Market in the U.K. regulated and operated by the London Stock Exchange;
- the market organised by the International and Capital Markets Association which was created on 1 July 2005 following the merger of the International Primary Market Association with the International Securities Markets Association;
- NASDAQ in the U.S.; KOSDAQ in South Korea, SESDAQ in Singapore, TAISAQ/Gretai Market in Taiwan, RASDAQ in Romania;
- the market in U.S. government securities which is conducted by primary dealers regulated by the Federal Reserve Bank of New York and the U.S. Securities and Exchange Commission;
- the over-the-counter market in the United States conducted by primary and second dealers regulated by the U.S. Securities and Exchange Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- the French market for Titres de Créance Négociable (over-the-counter market in negotiable debt instruments);
- the market in Irish government bonds conducted by primary dealers recognised by the National Treasury Management Agency of Ireland;
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

- the over-the-counter market in Canadian government bonds regulated by the Investment Dealers Association of Canada;

In addition to those securities markets described above, the Select World Equity Fund may also deal through the following:

Australia	Australian Stock Exchange
Bahrain	Bahrain Stock Exchange
Bangladesh	Chittangong Stock Exchange, Dhaka Stock Exchange
Brazil	BM&FBOVESPA S.A,
Canada	Montreal Exchange, Toronto Stock Exchange
Chile	Santiago Stock Exchange, Valparaiso Stock Exchange, Bolsa Electronica
China	Shenzhen Stock Exchange (SZSE), Shanghai Stock Exchange (SSE)
Colombia	Bolsa de Valores de Colombia
Costa Rica	Bolsa Nacional de Valores
Croatia	Zagreb Stock Exchange
Ecuador	Quito Stock Exchange, Guayaquil Stock Exchange
Egypt	Cairo and Alexandra Stock Exchange
Hong Kong	Hong Kong Stock Exchange
India	National Stock Exchange of India, Bombay Stock Exchange
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Jamaica	Jamaica Stock Exchange
Japan	Fukuoka Stock Exchange, Nagoya Stock Exchange, Sapporo Securities Exchange, Tokyo Stock Exchange, Osaka Securities Exchange
Jordan	Amman Stock Exchange
Kenya	Nairobi Stock Exchange
Lebanon	Beirut Stock Exchange
Malaysia	Kuala Lumpur Stock Exchange
Mauritius	Stock Exchange of Mauritius
Mexico	Bolsa Mexicana de Valores

Morocco	Casablanca Stock Exchange
New Zealand	New Zealand Stock Exchange
Nigeria	Nigerian Stock Exchange
Oman	Muscat Securities Market
Pakistan	Karachi Stock Exchange
Panama	Panama Stock Exchange
Peru	Lima Stock Exchange
The Philippines	Philippines Stock Exchange,
Qatar	Doha Stock Exchange
Russia	RTS Stock Exchange, MICEX (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange)
Singapore	Singapore Stock Exchange
South Africa	Johannesburg Stock Exchange
South Korea	Korea Exchange
Sri Lanka	Colombo Stock Exchange
Switzerland	SIX Swiss Exchange, EUREX
Taiwan	Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand
Trinidad & Tobago	The Trinidad & Tobago Stock Exchange
Tunisia	Tunis Stock Exchange
Turkey	Istanbul Stock Exchange
United States	NYSE Alternext U.S., National Stock Exchange, NYSE Euronext, NASDAQ, Chicago Board Options Exchange, Chicago Mercantile Exchange, Chicago Board of Trade, GLOBEX
Uruguay	Montevideo Stock Exchange

2. Eligible Derivatives Markets

Select UK Equity Fund

- LIFFE

Select World Equity Fund

- the market organised by the International Capital Markets Association;
- the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the National Association of Securities Dealers, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- the market conducted by listed money market institutions as described in the Financial Services Authority publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as amended or revised from time to time);
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- AIM – the Alternative Investment Market in the UK, regulated by the London Stock Exchange;
- the French Market for Titres de Créance Négociable (over-the-counter market in negotiable debt instruments);
- the over-the-counter market in Canadian government bonds regulated by the Investment Dealers Association of Canada; and
- American Stock Exchange;
Australian Stock Exchange;
Bolsa Mexicana de Valores;
Chicago Board of Trade;
Chicago Board Options Exchange;
Chicago Mercantile Exchange;
Copenhagen Stock Exchange (including FUTOP);
Eurex Deutschland;
Euronext Amsterdam;
Hong Kong Stock Exchange;
Kansas City Board of Trade;
Financial Futures and Options Exchange;
Euronext Paris;
Montreal Stock Exchange;
New York Futures Exchange;
New York Mercantile Exchange;

New York Stock Exchange;

New Zealand Futures and Options Exchange;

EMX London;

OM Stockholm AB;

Philadelphia Board of Trade;

Philadelphia Stock Exchange;

Singapore Stock Exchange;

South Africa Futures Exchange (SAFEX);

Sydney Futures Exchange;

The National Association of Securities Dealers Automated Quotations System (NASDAQ);

Tokyo Stock Exchange; and

Toronto Stock Exchange.

Appendix III

Past Performance

Select UK Equity Fund

	Launch Date	Inception to 31/12/05	31/12/05 to 31/12/06	31/12/06 to 31/12/07	31/12/07 to 31/12/08	31/12/08 to 31/12/09	Inception to 31/12/09 (p.a.)
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Share class A *This share class was closed on 4 August 2008*

23/11/2005

Share class B	£1.00	3.40%	14.80%	0.93%	-32.17%	32.13%	1.71%
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Source: Northern Trust NAV price history total return, net income reinvested.

Note:

Past performance is no guarantee of future performance and may not be repeated.

Select World Equity Fund

	Launch Date	31/12/07 to 31/12/08	31/12/08 to 31/12/09	Inception to 31/12/09 (p.a.)
Share Class A GBP	07/12/2007			
	£0.95	-23.08%	18.85%	-3.67%
Share Class A USD	07/12/2007			
	\$1.00	-44.30%	33.69%	-14.23%

Source: Northern Trust NAV price history total return, net income reinvested.

Note:

Past performance is no guarantee of future performance and may not be repeated.

Appendix IV

Investment and Borrowing Powers of the Company

1. General rules of investment

1.1 The Scheme Property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits set out in the Fund's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5"). These limits apply to each Fund, subject to its investment policy, as summarised below.

1.2 Prudent spread of risk

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

2. Treatment of obligations

2.1.1 Where the COLL Sourcebook 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 the Funds under any other of those rules has also to be provided for.

2.1.2 Where a rule in the COLL Sourcebook 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:

2.1.2.1 it must be assumed that in applying any of those rules, each Fund must also simultaneously satisfy any other obligation relating to cover; and

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

3. UCITS schemes: permitted types of scheme property

The Scheme Property of a Fund must, subject to its investment objective and policy and except where otherwise provided by COLL 5, consist solely of any or all of:

3.1 transferable securities;

3.2 approved money-market instruments;

3.3 units in collective investment schemes;

- 3.4 derivatives and forward transactions;
 - 3.5 deposits; and
 - 3.6 movable and immovable property that is necessary for the direct pursuit of the Company's business;
- in accordance with the rules in COLL 5.2.
- 3.7 The requirements on spread do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of a Fund (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk is complied with.
 - 3.8 It is not intended that the Funds will have an interest in any immovable property or tangible movable property.

4. Transferable Securities

- 4.1 A transferable security is an investment falling within article 76 (Shares etc), article 77 (instruments creating or acknowledging indebtedness), article 78 (government and public securities), article 79 (instruments giving entitlement to investments) and article 80 (certificates representing certain securities) of the Regulated Activities Order.
- 4.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 4.3 In applying paragraph 4.2 to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc) or 77 (instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 4.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

5. Investment in transferable securities

- 5.1 A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
 - 5.1.1 the potential loss which a Fund may incur with respect to holding the transferable security is limited to the amount paid for it;

- 5.1.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying Shareholder (see COLL 6.2.16R(3));
- 5.1.3 reliable valuation is available for it as follows:
 - 5.1.3.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - 5.1.3.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- 5.1.4 appropriate information is available for it as follows:
 - 5.1.4.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
 - 5.1.4.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- 5.1.5 it is negotiable; and
- 5.1.6 its risks are adequately captured by the risk management process of the ACD.
- 5.2 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
 - 5.2.1 not to compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying Shareholder; and
 - 5.2.2 to be negotiable.
- 5.3 Not more than 5% in value of a Fund is to consist of warrants.

6. Closed end funds constituting transferable securities

6.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Fund, provided it fulfils the criteria for transferable securities set out in paragraph 5 (investment in transferable securities), and either:

6.1.1 where the closed end fund is constituted as an investment company or a unit trust:

6.1.1.1 it is subject to corporate governance mechanisms applied to companies; and

6.1.1.2 where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

6.1.2 where the closed end fund is constituted under the law of contract:

6.1.2.1 it is subject to corporate governance mechanisms equivalent to those applied to companies; and

6.1.2.2 it is managed by a person who is subject to national regulation for the purpose of investor protection.

7. Transferable securities linked to other assets

7.1 A Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Fund provided the investment:

7.1.1 fulfils the criteria for transferable securities set out in paragraph 5 (investment in transferable securities) above; and

7.1.2 is backed by or linked to the performance of other assets, which may differ from those in which a Fund can invest.

7.2 Where an investment in 7.1 contains an embedded derivative component (see COLL 5.2.19R(3A)), the requirements of COLL 5 with respect to derivatives and forwards will apply to that component.

8. Approved Money Market Instruments

8.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

8.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:

- 8.2.1 has a maturity at issuance of up to and including 397 days;
 - 8.2.2 has a residual maturity of up to and including 397 days;
 - 8.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
 - 8.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 8.2.1 or 8.2.2 or is subject to yield adjustments as set out in 8.2.3.
- 8.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem units at the request of any qualifying Shareholder (see COLL 6.2.16R(3)).
- 8.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
- 8.4.1 enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
 - 8.4.2 based either on market data or on valuation models including systems based on amortised costs.
- 8.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

9. Transferable securities and money market instruments generally to be admitted or dealt in on an Eligible Market

- 9.1 Transferable securities and approved money market instruments held within a Fund must be:
- 9.1.1 admitted to or dealt on an eligible market (as described in paragraph 10.3); or
 - 9.1.2 dealt on an eligible market as described (in paragraph 10.3.2).
 - 9.1.3 for an approved money market instrument not admitted to or dealt in on an eligible market, within 11.1; or
 - 9.1.4 recently issued transferable securities provided that:

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

9.1.4.2 such admission is secured within a year of issue.

9.2 However, a Fund may invest no more than 10% of its value in transferable securities and approved money-market instruments other than those referred to in 9.1

10. Eligible markets regime: purpose and requirements

10.1 To protect investors the markets on which investments of a Fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.

10.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

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

10.3.1 a regulated market (as defined for the purposes of COLL);

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

10.3.3 any market within 10.4

10.4 A market not falling within paragraph 10.3 is eligible for the purposes of COLL 5 if:

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

10.4.2 the market is included in a list in this prospectus (see Appendix II); and

10.4.3 the Depositary has taken reasonable care to determine that:

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

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

10.5 In paragraph 10.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self regulatory organisation by an overseas regulator, is open to the public, and is

adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

10.6 The eligible markets in which the Funds may invest are set out in Appendix II.

11. Money-market instruments with a regulated issuer

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

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

11.1.2 the instrument is issued or guaranteed in accordance with paragraph 12 (issuers and guarantors of money market instruments).

11.2 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:

11.2.1 the instrument is an approved money-market instrument;

11.2.2 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 paragraph 13 (appropriate information for money market instruments); and

11.2.3 the instrument is freely transferable.

12. Issuers and guarantors of money-market instruments

12.1 A Fund may invest in an approved money-market instrument if it is:

12.1.1 issued or guaranteed by any one of the following:

12.1.1.1 a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;

12.1.1.2 a regional or local authority of an EEA State;

12.1.1.3 the European Central Bank or a central bank of an EEA State;

12.1.1.4 the European Union or the European Investment Bank;

12.1.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;

- 12.1.1.6 a public international body to which one or more EEA States belong; or
- 12.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
- 12.1.3 issued or guaranteed by an establishment which is:
 - 12.1.3.1 subject to prudential supervision in accordance with criteria defined by European Community law; or
 - 12.1.3.2 subject to and complies with prudential rules considered by the FSA to be at least as stringent as those laid down by European Community law.
- 12.2 An establishment shall be considered to satisfy the requirement in 12.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
 - 12.2.1 it is located in the European Economic Area;
 - 12.2.2 it is located in an OECD country belonging to the Group of Ten;
 - 12.2.3 it has at least investment grade rating;
 - 12.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by Community law.

13. Appropriate information for money-market instruments

- 13.1 In the case of an approved money-market instrument within 12.1.2 or issued by a body of the type referred to in COLL 5.2.10E(G); or which is issued by an authority within 12.1.1.2 or a public international body within 12.1.1.6 but is not guaranteed by a central authority within 12.1.1.1, the following information must be available:
 - 13.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
 - 13.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 13.1.3 available and reliable statistics on the issue or the issuance programme.

- 13.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within 12.1.3, the following information must be available:
- 13.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
 - 13.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 13.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 13.3 In the case of an approved money-market instrument:
- 13.3.1 within 12.1.1.1, 12.1.1.4 or 12.1.1.5; or
 - 13.3.2 which is issued by an authority within 12.1.1.2 or a public international body within 12.1.1.6 and is guaranteed by a central authority within 12.1.1.1;

information must be available on both the issue or the issuance programme, and on the legal and financial situation of the issuer prior to the issue of the instrument.

14. Spread: general

- 14.1 This paragraph 14 on spread does not apply to government and public securities.
- 14.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.
- 14.3 Not more than 20% in value of the Scheme Property of a Fund is to consist of deposits with a single body.
- 14.4 Not more than 5% in value of the Scheme Property of a Fund is to consist of transferable securities or approved money market instruments issued by any single body.
- 14.5 The limit of 5% in paragraph 14.4 is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not to be taken into account for the purpose of applying the limit of 40%.
- 14.6 The limit of 5% in 14.4 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a Fund invests more than 5% in covered

bonds issued by a single body. The total value of covered bonds held must not exceed 80% in value of the Scheme Property.

- 14.7 In applying paragraphs 14.4 and 14.5 certificates representing certain securities are treated as equivalent to the underlying security.
- 14.8 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.
- 14.9 Not more than 20% in value of the Scheme Property of a Fund is to consist of transferable securities and approved money market instruments issued by the same group (as referred to in paragraph 14.2).
- 14.10 Not more than 20% in value of the Scheme Property of a Fund is to consist of the units of any one collective investment scheme.
- 14.11 In applying the limits in paragraphs 14.3, 14.4, 14.5, 14.7 and 14.8 and subject to 14.6, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
- 14.11.1 transferable securities (including covered bonds) or approved money market instruments issued by; or
 - 14.11.2 deposits made with; or
 - 14.11.3 exposures from OTC derivatives transactions made with a single body.
- 14.12 For the purpose of calculating the limits in 14.8 and 14.11, 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 conditions specified in 14.13.
- 14.13 The conditions referred to in 14.12 are that the collateral:
- 14.13.1 is marked-to-market on a daily basis and exceeds the value of the amount at risk;
 - 14.13.2 is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
 - 14.13.3 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
 - 14.13.4 can be fully enforced by the Funds at any time.
- 14.14 For the purpose of calculating the limits in 14.8 and 14.11, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:

14.14.1 comply with the conditions set out in Section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to Directive 2000/12/EC; and

14.14.2 are based on legally binding agreements.

14.15 In applying this rule, 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:

4.14.1 it is backed by an appropriate performance guarantee; and

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

15. Spread: Government and public securities

15.1 The above restrictions do not apply to government and public securities ("such securities"). The restrictions in relation to such securities are set out below.

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

15.3 Any Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

15.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Funds;

15.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;

15.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues; and

15.3.4 the disclosures required by COLL have been made.

15.4 In relation to such securities:

15.4.1 issue, issuer and guarantor include guarantee, guaranteed and guarantor; and

15.4.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

15.5 Notwithstanding paragraph 14.1 above, and subject to paragraphs 15.2 and 15.3, in applying the 20% limit in 14.11 with respect to a single body, government and public securities issued by that body shall be taken into account.

16. Investment in collective investment schemes

16.1 A Fund may invest in other collective investment schemes (“second schemes”) provided that no more than 30% of the value of that second scheme is invested in collective investment schemes within 16.1.2, 16.1.3 and 16.1.4 and only if the second scheme complies with the following requirements:

16.1.1 it is a scheme which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

16.1.2 is recognised under the provisions of section 270 of the Financial Services and Markets Act 2000 (the Act) (Schemes authorised in designated countries or territories); or

16.1.3 is authorised as a non-UCITS retail scheme (provided the requirements of article 19(1)(e) of the UCITS Directive are met); or

16.1.4 is authorised in another EEA State (provided the requirements of article 19(1)(e) of the UCITS Directive are met);

16.1.5 it is a scheme which complies where relevant with paragraph 16.5 (Investment in associated collective investment schemes) below; and

16.1.6 it is a scheme which has terms which prohibit more than 10% in value of the Scheme Property consisting of units in collective investment schemes.

16.2 For the purposes of paragraphs 16.1 each sub-fund of an umbrella scheme is to be treated as if it were a separate scheme but no sub-fund of an umbrella scheme may invest in another sub-fund of that umbrella scheme.

16.3 Investment may only be made in other collective investment schemes managed by the ACD or an associate of the ACD if the Fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with. The Company may invest in collective investment schemes managed or operated by or whose authorised corporate director is Investment Solutions Fund Managers Limited or an associate thereof.

16.4 As described above, the Select UK Equity Fund will invest wholly or partially in collective investment schemes and accordingly the Fund will invest a substantial proportion of its assets in other collective investment schemes. The maximum level of management fees that may be charged to the Fund and to the collective investment schemes in which it invests will not exceed 5%.

Investment in associated collective investment schemes

- 16.5 A Fund must not invest in or dispose of units in another collective investment scheme if that collective investment scheme is managed or operated by (or, if it is an open-ended investment company has as its authorised corporate director) the ACD of the Company or an associate of the ACD, unless the prospectus of the investing authorised fund clearly states that the property of that investing fund may include such units; and the following rules are complied with.
- 16.6 In accordance with COLL 5.2.15R each of the Funds may include units in collective investment schemes managed or operated by (or, if it is an open-ended investment company has as its authorised corporate director), the ACD or an Associate of the ACD.

Investment in other group schemes

- 16.7 The Funds must not invest in or dispose of units in another collective investment scheme (the second scheme), which is managed or operated by (or in the case of an open-ended investment company has as its authorised corporate director), the ACD, or an Associate of the ACD, unless:
- 16.7.1 there is no charge in respect of the investment in or the disposal of units in the second scheme; or
 - 16.7.2 the ACD is under a duty to pay to a Fund by the close of business on the fourth business day next after the agreement to buy or to sell the amount referred to in paragraphs 16.7.3 and 16.7.4;
 - 16.7.3 on investment, either:
 - 16.7.3.1 any amount by which the consideration paid by a Fund for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or
 - 16.7.3.2 if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units in the second scheme;
 - 16.7.4 on disposal, the amount of any charge made for the account of the authorised fund manager or operator of the second scheme or an Associate of any of them in respect of the disposal; and
 - 16.7.5 In paragraphs 16.7.1 to 16.7.4 above:

16.7.5.1 any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy or SDRT provision, is to be treated as part of the price of the units and not as part of any charge; and

16.7.5.2 any switching charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

17. Investment in nil and partly paid securities

17.1 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 Fund, at the time when payment is required, without contravening the rules in COLL 5.

18. Derivatives

18.1 Under the COLL Sourcebook derivatives are permitted for UCITS schemes for investment purposes and derivative transactions may be used for the purposes of hedging or meeting the investment objective or both. The Funds do not currently intend to use Scheme Property to invest in derivatives and forward transactions under the COLL Sourcebook, other than for the purposes of EPM techniques (see paragraph 19, "Efficient Portfolio Management" below) which is not expected to have a detrimental effect on the risk profile of the Funds.

18.2 As set out in paragraph 16 above, the Funds may invest in other collective investment schemes. Such collective investment schemes may invest in derivatives for the purposes of hedging or meeting the investment objective of that scheme or both (ie, investment in derivatives by these schemes may be wider than for the purposes of EPM). However, the Funds may only invest in such schemes to the extent that those schemes comply with the terms set out in paragraph 16.

19. Efficient Portfolio Management

The Company may use its property to enter into transactions for the purposes of EPM (as set out below).

19.1 Permitted EPM transactions (excluding stock lending arrangements) are transactions in derivatives (i.e. options, futures forward transactions or contracts for differences) dealt in or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in

certain circumstances. Eligible derivatives markets are those which the ACD after consultation with the Depositary has decided are appropriate for the purpose of investment of or dealing in the Scheme Property with regard to the relevant criteria set out in the COLL Sourcebook and the formal guidance on eligible markets issued by the FSA as amended from time to time.

- 19.2 The eligible derivatives markets are set out in Appendix II.
- 19.3 Any forward transactions must be with an approved counter-party (eligible institutions, money market institutions etc). A derivatives or forward transaction which would or could lead to delivery of Scheme Property to the Depositary in respect of the Company may be entered into only if such Scheme Property can be held by the Company, and the ACD reasonably believes that delivery of the property pursuant to the transaction will not lead to a breach of the COLL Sourcebook.
- 19.4 There is no limit on the amount of the Scheme Property which may be used for EPM but the transactions must satisfy three broadly-based requirements:
 - 19.4.1 A transaction must be reasonably believed by the ACD to be economically appropriate to the efficient portfolio management of the Company. This means that, for transactions undertaken to reduce risk or cost (or both), the transaction alone or in combination will diminish a risk or cost of a kind or level which it is sensible to reduce.
 - 19.4.2 EPM must not include speculative transactions.
 - 19.4.3 The purpose of an EPM transaction for the Company must be to achieve one of the following in respect of the Company:
 - 19.4.3.1 Reduction of risk. This allows for the use of the technique of cross-currency hedging in order to switch all or part of the Scheme Property away from a currency the ACD considers unduly prone to risk, to another currency. This aim also permits the use of tactical asset allocation.
 - 19.4.3.2 Reduction of cost. The aims of reduction of risk or cost, together or separately, allow the ACD on a temporary basis to use the technique of tactical asset allocation. Tactical asset allocation permits the ACD to undertake a switch in exposure by use of derivatives, rather than through the sale and purchase of Scheme Property. If a transaction for the Company relates to the acquisition or potential acquisition of transferable securities, the ACD must intend that the Company should invest in transferable securities within a reasonable time and the ACD must thereafter ensure that,

unless the position has itself been closed out, that intention is realised within that reasonable time.

- 19.4.3.3 The generation of additional capital or income for the Company (so called “enhancement strategies”) with no, or an acceptably low level of, risk. There is an acceptably low level of risk in any case where the ACD reasonably believes that the Company is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit.

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

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

- 19.4.4 Each EPM transaction must be fully covered “individually” by Scheme Property of the right kind (i.e. in the case of exposure in terms of property, appropriate transferable securities or other property; and, in the case of exposure in terms of money, cash, “near cash”, borrowed cash or transferable securities which can be easily sold to realise the appropriate cash). It must also be covered “globally” (i.e. after providing cover for existing EPM transactions there is adequate cover for another transaction within the Scheme Property, so there can be no gearing). Scheme Property and cash can easily be used only once for cover and, generally, Scheme Property is not available for cover if it is the subject of a stocklending arrangement. The lending transaction in a back to back currency borrowing does not require cover.

20. Risk management

- 20.1 The ACD must use a risk management process as reviewed by the Depositary, enabling it to monitor and measure as frequently as appropriate the risk of a Fund’s positions and their contribution to the overall risk profile of a Fund.

21. Investment in deposits

- 21.1 The Funds 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.

22. Significant influence

- 22.1 The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

22.1.1 immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power to significantly influence the conduct of business of that body corporate; or

22.1.2 the acquisition gives the Company that power.

- 22.2 For the purposes of paragraph 22.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

23. Concentration

A UCITS scheme:

- 23.1 must not acquire transferable securities (other than debt securities) which:

23.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

23.1.2 represent more than 10% of those securities issued by that body corporate;

- 23.2 must not acquire more than 10% of the debt securities issued by any single body;

- 23.3 must not acquire more than 25% of the units in a collective investment scheme;

- 23.4 must not acquire more than 10% of the approved money market instruments issued by any single body; and

- 23.5 need not comply with the limits in paragraphs 23.2 to 23.4 if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

24. Schemes replicating an index

- 24.1 Notwithstanding paragraph 14 (spread: general) a Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.
- 24.2 Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of EPM.
- 24.3 The 20% limit in 24.1 can be raised for a particular Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.
- 24.4 In the case of a fund replicating an index the Scheme Property 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 the scheme in trading in an underlying investment.
- 24.5 The indices referred to above are those which satisfy the following criteria:
- 24.5.1 the composition is sufficiently diversified;
 - 24.5.2 the index represents an adequate benchmark for the market to which it refers; and
 - 24.5.3 the index is published in an appropriate manner.
- 24.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.
- 24.7 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- 24.8 An index is published in an appropriate manner if:
- 24.8.1 it is accessible to the public;
 - 24.8.2 the index provider is independent from the index-replicating Fund; this does not preclude index providers and the Funds from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

25. Cover for transactions in derivatives and forward transactions

- 25.1 A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the scheme is or may be committed by another person is covered globally.
- 25.2 Exposure is covered globally if adequate cover from within the Scheme Property is available to meet the scheme's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.
- 25.3 Cash not yet received into the Scheme Property but due to be received within one month is available as cover.
- 25.4 Property the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.
- 25.5 The total exposure relating to derivatives held in a Fund may not exceed the net value of the Scheme Property.

26. Cover and borrowing

- 26.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under the previous paragraph 25 (Cover for transactions in derivatives and forward transactions) as long as the normal limits on borrowing (see below) are observed.
- 26.2 Where, for the purposes of this paragraph the Company borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or his agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property, and the normal limits on borrowing under paragraph 28 (General power to borrow) do not apply to that borrowing.

27. Cash and near cash

- 27.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, this may reasonably be regarded as necessary in order to enable:
- 27.1.1 the pursuit of a Fund's investment objectives; or
- 27.1.2 redemption of units; or

- 27.1.3 efficient management of a Fund in accordance with its investment objectives; or
 - 27.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of a Fund.
- 27.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

28. General power to borrow

- 28.1 The Funds may, in accordance with this paragraph 28 (General power to borrow), borrow money for the use of a Fund on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of a Fund to comply with any restriction in the instrument constituting the Fund.
- 28.2 The Funds may borrow under paragraph 28.1 only from an Eligible Institution or an Approved Bank.
- 28.3 The ACD must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the ACD must have regard in particular to:
- 28.3.1 the duration of any period of borrowing; and
 - 28.3.2 the number of occasions on which resort is had to borrowing in any period.
- 28.4 The ACD must ensure that no period of borrowing exceeds three months, without the consent of the Depositary.
- 28.5 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes.
- 28.6 The Funds must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraph 28.1 to 28.5.

29. Borrowing limits

- 29.1 The ACD must ensure that a Fund's borrowing does not, on any business day, exceed 10% of the value of the Scheme Property of a Fund.
- 29.2 In this paragraph 29, "borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.

- 29.3 For each Fund, borrowing does not include any arrangement for a Fund to pay to a third party (including the ACD) any set up costs which a Fund is entitled to amortise and which were paid on behalf of a Fund by the third party.

30. Restrictions on lending of money

- 30.1 None of the money in the Scheme Property of a Fund may be lent and, for the purposes of this prohibition, money is lent by a Fund if it is paid to a person (“the payee”) on the basis that it should be repaid, whether or not by the payee.
- 30.2 Acquiring a debenture is not lending for the purposes of paragraph 30.1; nor is the placing of money on deposit or in a current account.
- 30.3 Paragraph 30.1 does not prevent a Fund from providing an officer of a Fund with funds to meet expenditure to be incurred by him for the purposes of a Fund (or for the purposes of enabling him properly to perform his duties as an officer of a Fund) or from doing anything to enable an officer to avoid incurring such expenditure.

31. Restrictions on lending of property other than money

- 31.1 The Scheme Property of a Fund other than money must not be lent by way of deposit or otherwise.
- 31.2 Transactions permitted by paragraph 34 (stocklending) are not lending for the purposes of paragraph 31.1.
- 31.3 The Scheme Property of a Fund must not be mortgaged.
- 31.4 Paragraph 29.1 does not prevent a Fund from providing an officer of the Fund with funds to meet expenditure to be incurred by him for the purposes of the Fund (or for the purposes of enabling him properly to perform his duties as an officer of the Fund) or from doing anything to enable an officer to avoid incurring such expenditure.

32. General power to accept or underwrite placings

- 32.1 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.
- 32.2 This section applies, subject to paragraph 32.3, to any agreement or understanding which:
- 32.2.1 is an underwriting or sub-underwriting agreement; or
 - 32.2.2 contemplates that securities will or may be issued or subscribed for or acquired for the account of a Fund.

- 32.3 Paragraph 32.2 does not apply to:
- 32.3.1 an option; or
 - 32.3.2 a purchase of a transferable security which confers a right to:
 - 32.3.2.1 subscribe for or acquire a transferable security; or
 - 32.3.2.2 convert one transferable security into another.
 - 32.3.3 The exposure of the Funds to agreements and understandings within paragraph 32.2 must, on any business day:
 - 32.3.3.1 be covered in accordance with the requirements of rule 5.3.3R of the COLL Sourcebook; and
 - 32.3.3.2 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.

33. Guarantees and indemnities

- 33.1 The Funds or the Depositary for the account of a Fund must not provide any guarantee or indemnity in respect of the obligation of any person.
- 33.2 None of the Scheme Property of the Funds may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 33.3 Paragraphs 33.1 and 33.2 do not apply in respect of a Fund to:
- 33.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FSA Handbook;
 - 33.3.2 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
 - 33.3.3 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
 - 33.3.4 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 the Funds and the holders of units in that scheme become the first shareholders in a Fund.

34. Stock lending

- 34.1 The entry into stocklending arrangements or repo contracts for the account of a Fund is permitted for the generation of additional income for the benefit of a Fund, and hence for its investors.
- 34.2 The stock lending permitted by this section may be exercised by a Fund when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for a Fund with an acceptable degree of risk.
- 34.3 The Company or the Depositary at the request of Company may enter into a repo contract, or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:
- 34.3.1 all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
 - 34.3.2 the counterparty is:
 - 34.3.2.1 an authorised person; or
 - 34.3.2.2 a person authorised by a Home State regulator; or
 - 34.3.2.3 a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
 - 34.3.2.4 a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and the Office of Thrift Supervision; and
 - 34.3.3 collateral is obtained to secure the obligation of the counterparty under the terms referred to in 34.3.1 and the collateral is:
 - 34.3.3.1 acceptable to the Depositary;
 - 34.3.3.2 adequate ; and
 - 34.3.3.3 sufficiently immediate.

- 34.4 The counterparty for the purpose of paragraph 34.3 is the person who is obliged under the agreement referred to in paragraph 34.3.1 to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.
- 34.5 Paragraph 34.3.3 does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.
- 34.6 There is no limit on the value of the Scheme Property which may be the subject of stock lending transactions.

35. Treatment of collateral

- 35.1 Collateral is adequate for the purposes of this paragraph only if it is:
- 35.1.1 transferred to the Depositary or its agent;
 - 35.1.2 at least equal in value, at the time of the transfer to the Depositary, to the value of the securities transferred by the Depositary; and
 - 35.1.3 in the form of one or more of:
 - 35.1.4 cash; or
 - 35.1.5 a certificate of deposit; or
 - 35.1.6 a letter of credit; or
 - 35.1.7 a readily realisable security ; or
 - 35.1.8 commercial paper with no embedded derivative content; or
 - 35.1.9 a qualifying money market fund.
- 35.2 Where the collateral is invested in units in a qualifying money market fund managed or operated by (or, for an ICVC, whose authorised corporate director is) the ACD or an associate of the ACD, the conditions in paragraph 16.5 must be complied with.
36. Collateral is sufficiently immediate for the purposes of this paragraph if:
- 36.1.1 it is transferred before or at the time of the transfer of the securities by the Depositary; or
 - 36.1.2 the Depositary takes reasonable care to determine at the time referred to in paragraph 36.1.1 that it will be transferred at the latest by the close of business on the day of the transfer.
- 36.2 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.

- 36.3 The duty in paragraph 36.2 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.
- 36.4 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) under this paragraph may be regarded, for the purposes of valuation and pricing of the Company or this Appendix, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the Scheme Property of the authorised fund.
- 36.5 Collateral transferred to the Depositary is part of the Scheme Property for the purposes of the rules in the COLL Sourcebook, except in the following respects:
- 36.5.1 it does not fall to be included in any calculation of NAV or this Appendix, because it is offset under paragraph 36.4 by an obligation to transfer; and
 - 36.5.2 it does not count as Scheme Property for any purpose of this Appendix other than this paragraph.

Paragraphs 36.4 and 36.5.1 not apply to any valuation of collateral itself for the purposes of this paragraph.

Appendix V

Directory

The Company and Head Office	Investment Solutions Multi Manager OEIC Ground Floor Abacus House 33 Gutter Lane London EC2V 8AS
Authorised Corporate Director	Investment Solutions Fund Managers Limited Ground Floor Abacus House 33 Gutter Lane London EC2V 8AS
Depository	BNY Mellon Trust & Depository (UK) Limited 160 Queen Victoria Street London EC4V 4LA
Administrators	Northern Trust International Fund Administration Services (UK) Limited 50 Bank Street London E14 5NT
Registrar	Northern Trust International Fund Administration Services (UK) Limited 50 Bank Street London E14 5NT
Legal Advisers to the Company	Eversheds LLP One Wood Street London EC2V 7WS
Auditors	PricewaterhouseCoopers LLP Hay's Galleria 1 Hay's Lane London SE1 2RD

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