THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU ARE RECOMMENDED TO CONSULT YOUR FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

N.F.U. Mutual Unit Managers Limited, the authorised corporate director of the Company (ACD), 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. N.F.U. Mutual Unit Managers Limited accepts responsibility accordingly.

PROSPECTUS OF THE NFU MUTUAL PORTFOLIO FUNDS OEIC

(An investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC000745)

This document constitutes the Prospectus for The NFU Mutual Portfolio Funds OEIC which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at, 1st October 2026.

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

NFU Mutual
INSURANCE | PENSIONS | INVESTMENTS

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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 this 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 invitation by anyone in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such offer or invitation.

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

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).

The UK has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including the United States provisions commonly known as "FATCA". As a result, the ACD may need to disclose information including the name, address, taxpayer identification number and information about the investment and payments relating to certain investors in the Company to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

By signing the application form to subscribe for Shares, each prospective Shareholder is agreeing to provide information upon request to the ACD or its agent. If a Shareholder does not provide the necessary information, the ACD will be required to report it to HM Revenue & Customs.

This Prospectus has been approved for the purpose of Section 21 of the Financial Services and Markets Act 2000 by N.F.U. Mutual Unit 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.

DEFINITIONS

"ACD"	N.F.U. Mutual Unit Managers Limited - the Authorised Corporate Director of the Company;
"Administrator"	The Bank of New York Mellon (International) Limited;
"Asset Allocation"	a financial and investment management strategy for dividing investment assets among markets to achieve diversification and/or a combination of expected return and risk consistent with the investor's objectives;
"Benchmark"	the measure used against which to reference the Fund's performance. Over time, a fund will aim to achieve a level of annualised performance net of fees in excess of this benchmark;
"Business Day"	any weekday excluding UK Bank Holidays, other public holidays in the UK or any day or part of a day on which the London Stock Exchange is not open for trading;
"Class" or "Classes"	in relation to Shares, means all of the Shares (according to the context) related to a single Fund or a particular class or classes of Share related to a single Fund;
"Client Money"	money and assets belonging to clients, held separately from the ACD's own money and assets and held in a Client Money Bank Account;
"Client Money Bank Account"	an account held under trust on behalf of Shareholders, separately from the ACD's own assets in accordance with the FCA Handbook;
"the COLL Sourcebook"	the Collective Investment Schemes sourcebook issued by the FCA as amended or re-issued from time to time;
"Conversion"	the conversion of Shares in one Class in a Fund to Shares of another Class in the same Fund and "convert" shall be construed accordingly unless the context admits otherwise;
"Company"	The NFU Mutual Portfolio Funds OEIC;
"Dealing Day"	any Business Day on which Shares may be bought and sold through the ACD;
"Depositary"	The Bank of New York Mellon (International) Limited, the depositary of the Company;
"Director" or "Directors"	the directors of the Company from time to time (including the ACD);
"Distributable Income"	the amount of natural investment income that is transferable to Shareholders on a quarterly, half-yearly or annualised basis;
"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 to the FCA Handbook;
"Efficient Portfolio Management" or "EPM"	Efficient Portfolio Management – techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria: (a) they are economically appropriate in that they are realised in a cost effective way; (b) they are entered into for one or more of the following specific aims: (i) reduction of risk; (ii) reduction of cost; (iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL; For further information, please see Appendix III

"Forward Looking Volatility"	a measure of the implied volatility of a financial instrument over a period in the future. The implied volatility shows the view of financial markets of where volatility should be in the future. Since implied volatility is forward-looking, it helps to gauge the sentiment about the volatility of an asset class;
"Fraction"	a smaller denomination Share (on the basis that one thousand smaller denomination Shares make one larger denomination Share);
"the FCA"	the Financial Conduct Authority;
"the FCA Handbook"	the FCA Handbook of Rules and Guidance;
"the FCA Rules"	the rules contained in the COLL Sourcebook published by the FCA as part of the FCA Handbook of Rules made under the Act which shall, for the avoidance of doubt, not include guidance or evidential requirements contained in the said Sourcebook;
"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;
"GBP"	Great British Pound (£) or Sterling;
"Instrument of Incorporation"	the instrument of incorporation of the Company as amended from time to time;
"ISA"	Individual Savings Account;
"Manager"	N.F.U. Mutual Unit Managers Limited - the Authorised Corporate Director of the Company;
"Net Asset Value (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;
"NURS UK"	Non-UK UCITS Retail Scheme (NURS) as defined in the COLL Sourcebook;
"OEIC"	Open-Ended Investment Company;
"OEIC Regulations"	The Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time;
"Proportionate Interest"	the interest of Shareholders of a Class in the net assets or income of the relevant Fund;
"Register"	the register of Shareholders of the Company;
"Registrar"	The Bank of New York Mellon (International) Limited;
"Regulations"	the OEIC Regulations, the FCA Handbook, and the UK UCITS Directive and Alternative Fund Managers Regulations 2013;
"Risk Parameter"	the Fund is designed to map to NFU Mutual's risk profile approach and aligns to a defined band, or range of volatility. The Fund is managed with an aim to remain within this band of volatility as determined in the investment policy of the Fund;
"Scheme Property"	the property of the Company required under the COLL Sourcebook to be given for safe-keeping to the Depositary;
"Share" or "Shares"	a share or shares in the Company (including larger denomination Shares and fractions);
"Shareholder"	a holder of registered Shares in the Company;

"Strategic Asset Allocation"	a portfolio strategy that involves setting target allocations for various asset classes, and periodically rebalancing the portfolio back to the original allocations when they deviate significantly from the initial settings due to differing returns from various assets;
"Structured Products"	a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuance or foreign currencies, and to a lesser extent, swaps;
"Supra National"	a body formed by two or more central governments through international treaties, to promote economic development for member countries. The International Bank for Reconstruction and Development (World Bank) is an example of a supra national;
"Switch"	the exchange of Shares of one Fund for Shares of another Fund;
"UK UCITS"	UK Undertakings for Collective Investment in Transferable Securities;
"UK Base Rate"	the official UK interest rate set by the Bank of England's Monetary Policy Committee;
"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 may be issued, redeemed or cancelled. The time of this periodic valuation point is currently 9.00 pm daily but this may be subject to change in exceptional circumstances if agreed in advance between the ACD and the Depositary and prior notice is provided to investors;
"VAT"	Value Added Tax;
"Volatility"	a measure which describes the fluctuation of a fund's price over time. Higher volatility is generally considered to equate to higher risk.

DETAILS OF THE COMPANY

GENERAL

The NFU Mutual Portfolio Funds OEIC is an investment company with variable capital incorporated in England and Wales under registered number IC000745 and product reference number 496718 and authorised by the FCA with effect from 22 May 2009. The Company became a UK UCITS scheme on 30 April 2018 and has an unlimited duration.

Registered and Head Office:

Tiddington Road, Stratford-upon-Avon, Warwickshire CV37 7BJ.

Address for Service:

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

Base Currency:

The base currency of the Company and each Fund is Pounds Sterling.

Share Capital:	Maximum	£100,000,000,000
	Minimum	£1,000,000

Shares have no par value. The share capital of the Company will at all times equal the sum of the Net Asset Values of each of the Funds.

THE STRUCTURE OF THE COMPANY

The Funds:

The Company is a UK UCITS scheme which complies with COLL 5 and is structured as an umbrella company, in that different Funds may be established from time to time by the ACD with the approval of the FCA and the agreement of the depositary. On the introduction of any new Fund or Class, a revised or supplemental Prospectus will be prepared setting out the relevant details of each Fund or Class.

The assets of each Fund are separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. There are currently three Funds available, details of which are given in Appendix I.

Each Fund has a specific portfolio to which that Fund's assets and liabilities are attributable. The Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Fund and shall not be available for any such purpose.

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

Shareholders are not liable for:

- the debts of the Company.
- research costs associated with dealing which will be paid for by the Company.

General Information about the Funds

The eligible securities markets and eligible derivatives markets in which the Funds may invest are set out in Appendix II. A detailed statement of the general investment and borrowing restrictions in respect of each fund and the extent to which the Company may employ efficient portfolio management (EPM) techniques is set out in Appendix III.

ISA Eligibility

The Funds are qualifying investments for ISAs.

CLASSES OF SHARE WITHIN THE FUNDS

The Company has the power to issue different Classes of Share in respect of each Fund. At present, Class C Shares are available for all of the funds and Class I Shares are only available for the NFU Mutual Mixed Portfolio 20-60% Shares Fund. In addition, the ACD may at its discretion at a future date create different Classes of Share which may be distinguished by their criteria for subscription and fee structure. Class C Shares are only available to the following:

- the NFU Mutual group company that operates the NFU Mutual Select Investments service from time to time (or its nominee, where the nominee will invest on your behalf); or
- any other firm that complies with the following criteria (or its nominee, where the nominee will invest on your behalf): (a) it is authorised by the FCA or an equivalent overseas regulator to provide custody and dealing services or fund link arrangements to retail investors, (b) it holds the relevant Class C Shares for such a purpose, and (c) it has a written platform, distribution, fund link or similar agreement in place with the ACD.

The Funds of the Company, together with the share classes available in the Fund, are shown below. Please see Appendix I for each Fund's launch date and first day of dealing.

NFU Mutual Mixed Portfolio 20-60% Shares Fund	
Class C Shares:	Annual Management Charge: 0.70% of fund value Initial Charge: 0% of each net amount invested
Class I Shares:	Annual Management Charge: 0% of fund value Initial Charge: 0% of each net amount invested
NFU Mutual Mixed Portfolio 40-85% Shares Fund	
Class C Shares:	Annual Management Charge: 0.70% of fund value Initial Charge: 0% of each net amount invested
NFU Mutual Mixed Portfolio Max 100% Shares Fund	
Class C Shares:	Annual Management Charge: 0.70% of fund value Initial Charge: 0% of each net amount invested

In addition, each Fund may make available both income Shares and accumulation Shares. The types of Share presently available for each Fund are set out in Appendix I.

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

If a Fund has different Classes, each Class may attract different charges and so monies may be deducted from Classes in unequal proportions. In these circumstances the proportionate interests of the Classes within a Fund would be adjusted accordingly. Shareholders will be entitled (subject to certain restrictions) to convert or switch all or part of their Shares in a Class for Shares of the same Class within a different Fund of the Company. Details of the conversion and switching facilities and the restrictions are set out on pages 13 & 14.

GLOSSARY OF INVESTMENT TERMS

"100%"	the fund will invest up to 100% of its assets in equities (either directly or indirectly) either in the UK or internationally;
"20 – 60%"	the fund will invest between 20% and 60% of its assets in equities (either directly or indirectly) listed either in the UK or internationally;
"40 – 85%"	the fund will invest between 40% and 85% of its assets in equities (either directly or indirectly) listed either in the UK or internationally;
"Alternative Assets"	investment in assets that fall outside of the more traditional asset classes such as publicly traded equities, bonds and cash;
"Capital Risk/Risk"	the potential of loss of part or all of an investment. It applies to any assets that are not subject to a guarantee of full return of original capital. Investors face capital risk when they invest in equities, non-government bonds, real estate, commodities and other alternative assets;
"Collective Investment Schemes (Funds)"	a Collective Investment Scheme (CIS), which is sometimes referred to as a 'pooled investment', is a fund that several people contribute to. A fund manager will invest the pooled money in one or more types of asset, such as stocks, bonds or property;
"Compatible Objectives"	the objectives of different funds, or other investment that can be achieved in the same/similar outcome as targeted within this fund;
"Constraint/Constrained"	an index or similar factor that fund managers use to limit or constrain how they construct the fund's portfolio;
"Depositary Receipts (Within Transferable Securities)"	a negotiable financial instrument issued by a bank to represent a foreign company's publicly traded securities. The depositary receipt trades on a local stock exchange;
"Directly"	investment into the equity or other investment, without the use of a collective investment scheme (fund) to gain exposure;
"Emerging Markets"	countries which are becoming developed nations and are determined through many socio-economic factors;
"Equities/Equity Securities"	the stock market allows investors to purchase equity interest in companies in the form of stock shares, enabling them to share in a company's profits (income through dividends) and share price/market capitalisation. Both income and capital value can increase and decrease depending on the success of the company;
"Equity Related Investment"	investments into equities potentially via other investment vehicles including Collective Investment Schemes (funds) and investments allowable within the Fund prospectus and FCA rules;
"Financial Derivatives"	a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indices and stocks;
"Fixed Income Stocks"	a type of investment whose return is usually fixed or predictable and is paid at a regular frequency like yearly, half-yearly, quarterly or monthly;
"Fixed Interest Investments"	usually issued by corporations, government and semi-government bodies (a body which is both public and private) and financial institutions such as banks to raise funds. Examples of fixed interest investments include: corporate bonds, government, and semi-government bonds;

“Foreign Currency Exposure”	the risk associated with foreign exchange rates that change frequently and can have an adverse effect on financial transactions denominated in a foreign currency rather than the domestic currency of the Fund;
“Hedging”	a transaction that reduces the risk of an investment;
“Indices/Index”	a measurement of a section of the stock market. It is computed from the prices of selected stocks (typically a weighted average). It is a tool used by investors and financial managers to describe the market, and to compare the return on specific investments;
“Indirectly”	investment into equities or other investment through an internally (within NFU Mutual) or externally managed collective investment scheme (fund);
“International Equities/Investments”	International Equities are often companies not registered and traded through the London Stock Exchange. Some international companies are listed through the London Stock Exchange;
“Investment Association (IA)”	the trade body that represents UK investment managers;
“Mainly”	around or in excess of 50%;
“Mixed Portfolio”	a fund with a Mixed Portfolio invests primarily in a mix of bonds and equities. Mixed assets portfolio funds have different risk levels, depending on the allocation between equities and bonds, and generally lie somewhere between the risk of a bond fund and an equity fund, with higher risks associated with greater investment in equities;
“NFU Mutual Risk Rating Framework”	the ACD has defined a number of risk categories ranging from Risk Level 1 (Low Risk) to Risk Level 6 (High Risk). Each fund offered is given a rating on this scale reflecting the expected amount of variation in volatility over time, which can be used in helping to assess suitability;
“Peer Group/Sector”	a group of fund and/or other investments that share similar characteristics and investment objectives;
“REIT”	a Real Estate Investment Trust (REIT) is a company that owns, and in most cases operates, income-producing real estate;
“Risk”	see Capital Risk;
“Sector”	see Peer Group;
“Third-Party Funds”	funds/investments not directly managed and/or controlled by NFU Mutual;
“Usually”	on a more frequent basis than not and under normal circumstances.
“Volatility”	a measure which describes the fluctuation of a fund’s price over time. Higher volatility is generally considered to equate to higher risk.

BUYING, SELLING AND SWITCHING SHARES

The dealing office of the ACD is open from 8.30am until 5.30pm London time on each Dealing Day to receive requests for the issue, redemption and switching of Shares.

BUYING SHARES

Procedure

Shares can be bought through NFU Mutual Select Investment Limited or directly from the ACD, through an NFU Mutual Financial Adviser or Non-Advised Sales Consultant. Requests to buy Shares received after 3pm London time on a Dealing Day will be dealt with at the valuation point on the next Dealing Day.

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as FATCA), the ACD (or its agent) will collect and report information about Shareholders and their investments where required for this purpose, including information to verify their identity and tax status.

If requested to do so by the ACD or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and to any relevant overseas tax authorities.

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 has 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. Remittances should be in Sterling. Other Currencies will only be acceptable at the Company's discretion.

An applicant has the right to cancel his application to buy Shares at any time within 14 days of receiving written confirmation from the ACD that the cancellation period has started. 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. Applicants only get the right to cancel when they first apply to buy shares, it will not apply to future applications to buy further shares.

In relation to subscriptions, the ACD makes use of the "delivery versus payment" (DvP) exemption as permitted by the FCA Handbook, which provides for a one day window during which money given to the ACD to buy Shares is not treated as client money. If the ACD has not passed subscription money to the Depositary at the end of the one day window, it will place the subscription money in a client money bank account until it can make the transfer. Subscriptions from an affiliated company of the ACD, which is not notified as being client money, will not be placed in a client money bank account.

Money which is not held as client money will not be protected on the insolvency of the ACD.

By agreeing to subscribe for Shares in the Funds, Shareholders consent to the ACD operating the DvP exemption on subscription as explained above. The ACD is also entitled to use a DvP exemption when it uses commercial settlement systems and by subscribing for Shares, Shareholders are agreeing that the ACD may use such systems in this way.

Documents that a buyer will receive

A contract note 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 or 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 on receipt by the buyer of the contract note. 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 on or before the settlement date reasonably set by the ACD, then the ACD has the right to cancel any Shares issued in respect of the application. The Company may seek reimbursement from the applicant for any losses incurred as a result.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. It should be noted that, as is standard practice, there may be a period of time between the date Shares are purchased and the date such Shares are formally entered 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 automatically within 25 Business Days of 5 April and 5 October. They will also be issued at any time on request by the registered Shareholder.

Minimum subscriptions and holdings

For Class C the minimum initial subscription is £1,000 or £50 per month if you invest regularly in any Fund. Any subsequent subscription must be not less than £1,000 in that Fund.

Shareholders must maintain a minimum holding of Shares of £500 in value for each Fund held.

The minimum initial subscription for Class I is £50,000. The subsequent subscription for Class I is not less than £1,000 overall.

The ACD may at its discretion accept subscriptions and/or holdings lower than the minimum amount(s) in relation to any Class of Shares.

If, following a redemption, a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has a discretion to require redemption of that Shareholder's entire holding in that Class of Share.

SELLING SHARES

Procedure

Every Shareholder has the right to require the Company to redeem his/her Shares on any 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/her entire holding in that Class of Share in the relevant Fund. Requests to sell Shares received after 3pm London time on a Dealing Day will be dealt with at the valuation point on the next Dealing Day.

Requests to redeem Shares may be made in writing to N.F.U. Mutual Unit Managers Limited, PO Box 375, Darlington DL1 9RS or by telephone on 0344 892 2502. In addition the ACD may from time to time make arrangements to allow Shares to be redeemed online or through other electronic media.

The ACD also makes use of the delivery versus payment (DvP) exemption as referred to above when it redeems Shares. Money due to be paid to Shareholders following a redemption need not be treated as client money provided the redemption proceeds are paid to the Shareholder within a one day window. If the ACD is not able for any reason to pay a Shareholder in that timeframe it will place the redemption money in a client money bank account until it can make the payment. Redemptions due to an affiliated company of the ACD, which is not notified as being client money, will not be placed in a client money bank account.

Money which is not held as client money will not be protected on the insolvency of the ACD.

By agreeing to subscribe for Shares in the Funds, Shareholders consent to the ACD operating the DvP exemption on redemption as explained above. The ACD is also entitled to use a DvP exemption when it uses commercial settlement systems and by subscribing for Shares, Shareholders are agreeing that the ACD may use such systems in this way.

Documents that a Seller will receive

A contract note 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. Settlement of the redemption monies will be issued within four Business Days of the later of (a) receipt by the Administrator 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, or (b) the valuation point following receipt by the ACD of the request to redeem.

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 of any Fund to be redeemed is less than £500 in respect of any Class of Shares.

CONVERSIONS AND SWITCHING

A Shareholder in a Fund may, subject to meeting the relevant criteria in respect of the new Shares, at any time: (i) convert all or part of their Shares in one Class for another Class of Shares in the same Fund or (ii) switch all or some of his/her Shares of one Class in a Fund ("the Original Shares") for Shares of the same Class in another Fund ("the New Shares") in the Company.

Conversions will be effected by the ACD recording the change of Class on the Register.

Conversions may not be effected at the next valuation point and may be held over and processed with the conversion instructions given with other Shareholders.

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.

Conversions and switches may be effected by writing to N.F.U. Mutual Unit Managers Limited, PO Box 375, Darlington DL1 9RS or, in the case of switches, by telephone on 0344 892 2502 or by electronic media acceptable to the ACD. The Shareholder may be required to complete an instruction form (which, in the case of joint Shareholders must be signed by all the joint Shareholders). Forms for conversions and switches may be obtained from the Administrator.

The ACD may at its discretion make a charge on the switching of Shares between Funds. For details of the charges on switching please see **"Charges on Switching and Conversions"** on page 14.

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, switch the whole of the applicant's holding of Original Shares to New Shares (and make a charge on that switch) or refuse to effect any switch of the Original Shares.

No switch will be allowed during any period when the right of Shareholders to require the redemption of their Shares is suspended. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a switch, in particular this means that the ACD reserves the right to refuse a switch request if the value of the Shares of any Fund to be switched is less than £500 in respect of any Class of Shares. A duly completed switching form must be received by the Administrator before the valuation point on a Dealing Day in the Fund or Funds concerned to be dealt with at the prices at the valuation point on that Dealing Day, or at such other date as may be approved by the ACD. Switching requests received after 3pm London time on a Dealing Day will be held over until the next Business Day which is a Dealing Day in each of the relevant Fund or Funds.

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

Please note that a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to United Kingdom taxation, be a realisation for capital gains tax purposes.

Conversions will not be treated as a disposal for capital gains tax purposes and no stamp duty will be payable on the conversion.

A Shareholder who switches Shares in one Fund for Shares in any other Fund or who converts from one Class to another Class in a Fund will not be given a right by law to withdraw from or cancel the transaction.

DEALING CHARGES

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

Initial Charge

The ACD may impose a charge on the sale of Shares. The initial charge in respect of all Class C Shares and all Class I Shares is currently 0.0% of the amount invested by the prospective Shareholder. The maximum charge permitted in every case is 5% of the amount invested by the prospective Shareholder. The initial charge is payable to the ACD. At the ACD's discretion, this charge may be discounted in any particular circumstance.

Redemption Charge

The ACD may make a charge on the redemption of Shares in each Class. At present no redemption charge is levied on Shares in any Class. The ACD may not introduce a redemption charge unless, not less than 60 days before the introduction, it has given to regular savers notice in writing of that introduction and has made available a revised prospectus to reflect the introduction and the date of its commencement. Any redemption charge introduced will apply only to Shares sold since its introduction but not to shares previously in issue.

Charges on Switching and Conversions

On the switching of Shares between Funds in the Company, the Instrument of Incorporation authorises the Company at its discretion to impose a charge on switching. The charge will not exceed an amount equal to the then prevailing initial charge for the New Shares. 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 and the ACD reserves the right to discount switching charges at its complete discretion.

There is no charge on a conversion.

OTHER DEALING INFORMATION

Dilution adjustment policy

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. The actual cost of buying or selling 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. Under certain circumstances (for example, large volumes of net purchases or redemptions) this may have a material adverse effect on the existing/continuing Shareholders' interest in the Fund. In order to prevent this effect, called "dilution", and in order to protect the interests of existing/continuing Shareholders, the ACD may adjust the price of Shares when the impact of dealing and other costs are deemed to be significant. This price movement is known as making a "dilution adjustment" or operating "single swinging pricing".

On any Dealing Day the net asset value per Share of a Fund may be adjusted upwards or downwards as applicable to reflect the costs that may be deemed to be incurred in liquidating or purchasing investments to satisfy net daily transactions at Fund level. The ACD reserves the right to make such an adjustment taking into account factors such as the estimated dilution costs (such as underlying dealing spreads, commissions and other trading expenses) and the size of the Funds. In deciding whether to make such an adjustment the ACD will have regard to the interests of existing, continuing and potential shareholders in the Fund.

Where a Fund is experiencing net purchases of its Shares the dilution adjustment would increase the price of Shares above their mid-market value. Where a Fund is experiencing net redemptions of its Shares, the effect of the dilution adjustment would be to decrease the price of Shares to below their mid-market value. If a dilution adjustment is made to the price of Shares it will be applied to all transactions in the relevant Fund on the relevant Dealing Day so that all transactions on that day will be dealt at a price inclusive of the dilution adjustment.

As dilution is directly related to the inflows and outflows of monies from a Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Any such price adjustment will be in response to significant net cash flows in and out of the Fund rather than normal volumes and the investments in the Fund. The frequency of adjustments will be dependent on the Fund size and the volumes of large transactions.

The ACD does not apply a price adjustment to Shares within the NFU Mutual Portfolio Funds OEIC. However the price of Shares within the NFU Mutual Portfolio Funds OEIC could be impacted indirectly by dilution adjustments if one of the funds in which it invests applies a dilution adjustment.

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 Administrator in order for the transfer to be registered by the ACD.

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 at 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 ("Relevant Shares"):

(i) 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

(ii) 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

(iii) 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 Relevant Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer his/her Relevant Shares to a person qualified to own them or submit a written request for their redemption to the Administrator or establish to the satisfaction of the ACD (whose judgement is final and binding) that he/she or the beneficial owner is qualified and entitled to own the Relevant Shares, he/she 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 Relevant Shares in accordance with the COLL Sourcebook.

A Shareholder who becomes aware that he/she is holding or owns Relevant Shares shall immediately, unless he/she has already received a notice as set out above, either transfer all his/her Relevant Shares to a person qualified to own them or submit a request in writing to the Administrator for the redemption of all his/her Relevant Shares in accordance with the COLL Sourcebook.

MANDATORY CONVERSION

The ACD may from time to time impose a mandatory conversion in relation to one or more Share classes ("Converting Classes") provided that:

(i) such mandatory conversion is in the best interests of the Shareholders holding Shares in the Converting Classes;

(ii) the Shareholders holding Shares in the Converting Classes have been given at least 60 days' notice of any intended mandatory conversion to enable them to redeem their Shares and alerting them to any available alternative options, if applicable;

(iii) the only material effect of such mandatory conversion is that Shareholders in "Converting Class" will be moved to a cheaper but otherwise identical class.

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 ACD and Depositary are satisfied 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 any Fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Fund.

IN SPECIE REDEMPTIONS

If a Shareholder requests the redemption or cancellation of Shares the ACD may (at its complete discretion), where it considers the deal to be substantial in relation to the total size of the Fund concerned arrange, having given prior written notice to the Shareholder, that in place of payment of the price of 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/she 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.

MONEY LAUNDERING

As a result of legislation in force in the United Kingdom to prevent money laundering, the ACD is responsible for ensuring that dealings in Shares are in compliance with the Money Laundering Regulations 2007. Accordingly investors may be asked to provide proof of identity when buying or selling Shares. Achieving satisfactory verification of identity may involve us undertaking electronic identity checks to satisfy regulatory requirements. 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, pay income on Shares to the investor or transfer the beneficial ownership of shares. Further, if additional administration is required to complete the registration of an investment as a result of the anti-money laundering checks and procedures, the ACD reserves the right to make an administrative charge in connection with the same.

AUTOMATIC EXCHANGE OF INFORMATION

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including European Union directives, the international Common Reporting Standard and the United States provisions commonly known as FATCA), the ACD (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status. When requested to do so by the ACD or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

Prospective Shareholders who do not supply the requisite information when they apply for Shares will not be issued with any, and any Shareholders subsequently refusing to provide the information requested will be reported to HMRC and, by them, to other relevant tax authorities including, where applicable, the United States.

SUSPENSION OF DEALINGS IN THE SHARES

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 or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA State where any or all of the Funds are offered for sale.

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

Where such suspension takes place, the ACD will publish on the website **nfumutual.co.uk**, or by other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.

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

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

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

MARKET TIMING

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

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

VALUATION OF THE COMPANY AND PRICING OF SHARES

The price of a Share is calculated by reference to the Net Asset Value of the Fund to which it relates. The Net Asset Value per Share of a Fund is currently calculated at 9.00pm on each Dealing Day and shall be expressed as a single price and may be subject to a dilution adjustment (see **"Other Dealing Information"** on pages 14 & 15).

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 must inform the Depositary of any decision to carry out such an additional valuation.

CALCULATION OF THE NET ASSET VALUE

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

1. All the scheme property (including receivables) is to be included, subject to the following provisions;
2. Scheme property which is not cash (or other assets dealt with in paragraph 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:

   (a) units or shares in a collective investment scheme:

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

   (ii) 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

   (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;

   (b) any other transferable security:

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

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

   (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which in the opinion of the ACD, is fair and reasonable;

   (c) scheme property other than that described in (a) and (b) above at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
3. Cash and amounts held in current and deposit accounts and in other time related deposits are valued at their nominal values.
4. Scheme property which is a contingent liability transaction will be treated as follows:

   (a) 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;

   (b) 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;

   (c) 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.
5. In determining the value of the scheme property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
6. Subject to paragraphs 7 and 8 below, agreements for the unconditional sale or purchase of scheme property which are in existence but uncompleted will 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.

7. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options will not be included under paragraph 6.
8. All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property.
9. Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) income tax, corporation tax, VAT , stamp duty, and any foreign taxes or duties.
10. Deduct an estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day.
11. Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
12. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
13. Add any other credits or amounts due to be paid into the scheme property.
14. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
15. 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.

PRICE PER SHARE IN EACH FUND AND EACH CLASS

The price per Share at which Shares are bought or redeemed is the Net Asset Value per Share (subject to any dilution adjustment). The Net Asset Value per Share is obtained by dividing the proportionate interest of the Class in the Net Assets of the Fund by the number of Shares of that Class. Any initial charge or redemption charge is payable in addition to that price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

FAIR VALUE POLICY

Where the ACD has reasonable grounds to believe that

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

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

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

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

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

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing; and
- the basis and reliability of the alternative price used.

The Company may invest in collective investment schemes which have a different valuation point than the Valuation Point of the Company.

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.

PUBLICATION OF PRICES

The most recent price of Shares will appear daily on the ACD's website at **nfumutual.co.uk**.

Prices are also available from the ACD or the Administrator on request, telephone number 0344 892 2502.

As the ACD deals on a forward pricing basis, the price that appears on the website will not reflect the one at which investors can currently deal. The ACD does not accept responsibility for the accuracy of the prices published on the website or for the non-publication of prices for reasons beyond the control of the ACD.

RISK FACTORS

Potential investors should consider the following risk factors before investing in the Company (or, in the case of specific risks applying to specific Funds, in those Funds). Where a risk is specific to a fund rather than generic this is highlighted below..

1. MARKET FLUCTUATIONS

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may get back less than the original amount they have invested in the Company. There is no certainty that the investment objective of any Fund will actually be achieved and no warranty or representation is given to this effect.

2. EFFECT OF INITIAL CHARGE OR REDEMPTION CHARGE

Where an initial charge or redemption charge is imposed, an investor who realises his/her 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 will be 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.

3. DILUTION ADJUSTMENT

The ACD does not apply a price adjustment to Shares within the NFU Mutual Portfolio Funds OEIC. However the price of Shares within the NFU Mutual Portfolio Funds OEIC could be impacted indirectly by dilution adjustments if one of the Funds in which it invests applies a dilution adjustment.

Where a dilution adjustment is not applied in one of the Funds in which it invests, the Fund in question may incur dilution which may constrain capital growth. This will happen when the dilution adjustment is not applied to the net asset value of the Fund but will dilute the underlying assets of the Fund due to inflows and outflows of monies, and it is not deemed in the interests of all shareholders to impose the dilution adjustment. (see **"Other Dealing Information"** on pages 14 & 15).

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 **"Suspension of Dealings in the Shares"** on page 17).

5. LIABILITIES OF THE COMPANY AND THE FUNDS

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

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/she has paid the price on purchase of the Shares.

6. CURRENCY EXCHANGE RATES

Currency fluctuations may adversely affect the value of a Fund's investments and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his/her investment in Shares.

7. INVESTMENT IN SMALLER COMPANIES

Smaller companies' securities may be less liquid than the securities of larger companies as a result of inadequate trading volume or restrictions on trading. Smaller companies may possess greater potential for growth, but can also involve greater risks, such as limited product lines and markets, and financial or managerial resources. Trading in such securities may be subject to more abrupt price movements and greater fluctuations in available liquidity than trading in the securities of larger companies.

8. INVESTMENT IN EMERGING MARKETS

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

9. CREDIT RISK

Where the investment objective of a Fund is to invest in securities of governments or corporations, it is possible that the issuers may not be able to honour their payment obligations under the terms of the securities.

10. CHARGES TAKEN FROM CAPITAL

Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee may be charged against capital instead of against income. This may constrain capital growth.

11. DIVERSIFICATION OF INVESTMENTS

Although the Funds will adhere to all requirements of the FCA on the spreading of risk and the diversification of investments, these Funds invest in a range of underlying asset classes and consequently these Funds will have greater diversification than a single asset class Fund, although this does not necessarily mean that the risks associated with these Funds are lower than a single asset class.

12. INVESTMENT PERFORMANCE

The costs of N.F.U. Mutual Unit Managers Limited may be higher or investment growth may be lower than you had hoped for or have been projected for your investment.

If regular investments are being made, and you stop or reduce them, you may not meet any target amount that has been projected.

The investment performance of any Fund will depend on the success of N.F.U. Mutual Unit Managers Limited in the selection of investments, and the timing of any purchase or disposal of such investments. There is no assurance that any investment which is acquired by any of the Funds will perform at a specified level or increase in value.

13. TRANSFERRING INVESTMENTS TO THE COMPANY

If you transfer your investment to The NFU Mutual Portfolio Funds OEIC, there will be a period, whilst the transfer is administered, when it will not be invested in Shares, during which time the price may rise or fall. Should the price of Shares rise, you will not be able to buy as many Shares as you may have expected.

14. WITHDRAWALS

If you make withdrawals, the amount of your capital will reduce if the growth of your investment in the Company does not exceed the level of withdrawals taken.

The capital value of any Shares may be reduced and impaired by:

(i) Shareholders cashing in Shares at a time when the Fund does not have the distributable profits to fund such sales, which may result in the Fund liquidating part or all of its portfolio of investments to pay for such sales; and/or

(ii) distributions made by a Fund in excess of its investment returns.

15. ECONOMIC FACTORS

Future inflation may make the value of your investment in the Company worth less than it would be today.

Changes in economic conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political and diplomatic events and trends, tax laws and other factors can substantially and adversely affect the Company's prospects. There are no guarantees that any such factors existing at the date of this document will persist.

16. DERIVATIVES/EFFICIENT PORTFOLIO MANAGEMENT

Under the Regulations, derivatives can be used for the purposes of Efficient Portfolio Management ("EPM") as well as to meet the investment objective of the Funds. Derivatives can be exchange traded or Over the Counter ("OTC") derivatives.

The Funds may invest in derivatives for the purposes of EPM, which is not expected to have an effect on the risk profile of each of the Funds. Please see Appendix III for further details.

The use of derivative instruments and hedging transactions may or may not achieve their intended objective and involves special risks. There is no guarantee that the performance of financial derivative instruments (or other EPM techniques) will result in a positive effect for the Funds. Performance and value of derivative instruments depend on the performance or value of the underlying asset. Derivative instruments involve cost, may be volatile, and may involve a small investment relative to the risk assumed.

Their successful use may depend on the ACD's ability to predict market movements. Risks include delivery failure, default by another party or the inability to close out a position because the trading market becomes illiquid. Some derivative instruments are particularly sensitive to changes in interest rates. The risk of loss to a Fund for a swap transaction on a net basis depends on which party is obliged to pay the net amount to the other party. If the counterparty is obliged to pay the net amount to the Fund, the risk of loss to the Fund is the loss of the entire amount that the Fund is entitled to receive; if the Fund is obliged to pay the net amount, the Fund's risk of loss is limited to the net amount due. OTC derivative instruments involve a higher degree of risks as OTC markets are less liquid and regulated.

Other EPM techniques such as securities lending may not involve use of derivatives but may nonetheless involve similar risks with regard to exposure to a counterparty to that arrangement and that counterparty's default. The funds may engage in securities lending activities on either a direct or indirect basis. Securities lending transactions may, in the event of default by the counterparty, result in the securities lent by the Fund being recovered late or only in part. This may result in losses for the affected Fund. The Fund has indemnities in place to help mitigate any loss.

Where relevant, a counterparty to a derivative or other EPM technique will forfeit its collateral if it defaults on the transaction with the Fund. However, if the collateral is in the form of securities, there is a risk that when it is sold, it will realise insufficient cash to settle the counterparty's debt to the Fund or to purchase replacement securities that were lent to the counterparty. This may result in losses for the affected Fund.

Where the counterparties to derivative and other EPM transactions with the Funds are related to the ACD or the Depositary or an associate of the ACD or the Depositary, such transaction may involve a conflict of interest. Where a conflict cannot be avoided the ACD will have regard to its obligation to act in the best interest of the Funds and their Shareholders. The ACD will ensure that Shareholders are treated fairly and that such transactions are not effected on terms which are less favourable to the Fund than if the potential conflict had not existed. For further details on the conflicts policy of the ACD please see **"Conflicts of Interest"** (on pages 27, 28 & 29).

17. COUNTERPARTY CREDIT RISK

In conducting its trading activities, the Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Most of the Fund's investments are in listed securities where settlement is on a delivery-versus-payment basis, however there may still be circumstances where the Fund would incur a loss if a counterparty failed to perform its contractual obligations.

18. INVESTMENT IN OTHER COLLECTIVE INVESTMENT SCHEMES

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

19. LIQUIDITY

Liquidity risk materialises when particular investments become difficult to buy or sell. Illiquid market conditions may reduce the returns achieved by a Fund because assets held by the relevant Fund may not be realisable at their true value or the ACD has to sell other more liquid assets at an inappropriate time.

20. EXCHANGE TRADED FUNDS

A Fund may invest in exchange traded funds, which are a type of index fund that can be bought and sold on a stock exchange. Exchange traded funds are subject to the following risks: (i) the performance of an exchange traded fund may not replicate the performance of the underlying index that it is designed to track; (ii) the price of an exchange traded fund's shares may trade at a premium or a discount to its net asset value; (iii) a secondary market for an exchange traded fund may not develop or be maintained; (iv) there is no assurance that the requirements of an exchange necessary to maintain the listing of the exchange traded fund will continue to be met or remain unchanged; (v) there is no assurance that each index will continue to be calculated and published on the basis described in the exchange traded fund's prospectus or that the index will not be amended significantly, and the past performance of each index is not a guide to its future performance. In the event of market disruptions affecting an exchange traded fund, the liquidity and/or the value of an exchange traded fund could also be affected.

21. VOLATILITY RISK

The target investments of a Fund may be volatile, which could affect the volatility of that Fund's Share price. Price movements of assets in which the Fund may be invested are influenced by, for example, interest rates, changing supply and demand relationships, trade and fiscal policies, monetary and exchange control programmes and policies of governments, international political and economic events and policies, and government intervention.

Certain investments may have greater price volatility, for example "start-ups" or smaller companies, as they are generally more vulnerable to adverse market factors such as (for example) a change in government policy, unfavourable economic reports and market downturns.

Share prices in equity markets fluctuate, exposing a Fund to the risk of potentially higher volatility. The volatility of equity markers has, historically, been greater than that of fixed income markets. Should the price of the equity shares (or equity-related investments) within a Fund's portfolio fall, the Share price of the Fund will also fall.

22. HIGH YIELD SECURITIES

A Fund may have exposure to high yield securities. High yield securities are medium or lower rated securities and unrated securities of comparable quality, sometimes referred to as "junk bonds" or sub-investment grade.

Generally, medium or lower rated securities and unrated securities of comparable quality offer a higher current yield than is offered by higher rated securities but also: (i) will likely have some quality and protective characteristics that, in the judgment of the rating organisations, are outweighed by large uncertainties or major risk exposures to adverse conditions; and (ii) are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. The market values of some of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality bonds.

MANAGEMENT AND ADMINISTRATION

REGULATORY STATUS

The ACD is regulated by the Financial Conduct Authority of 12 Endeavour Square, London E20 1JN. The Administrator is regulated by the FCA and the Prudential Regulation Authority of 20 Moorgate, London EC2R 6DA, while the Depositary is authorised by the Prudential Regulation Authority and is regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

AUTHORISED CORPORATE DIRECTOR

The ACD is N.F.U. Mutual Unit Managers Limited, which is a company limited by shares incorporated in England and Wales on 31 July 1984.

Registered Office and Head Office: Tiddington Road, Stratford-upon-Avon, Warwickshire CV37 7BJ

Share Capital: Issued: £566,666

Paid up: £566,666

Ultimate Holding Company: The National Farmers Union Mutual Insurance Society Limited, incorporated in England.

The ACD is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook. Administration duties have been delegated to the Administrator which also acts as Registrar to the Company.

The ACD is also responsible for The NFU Mutual OEIC registered in England under reference IC000220.

Directors of the ACD

P. A. Glover

J. Priestley

B. Green

N. Bryan

J. Bailie

A. Fairhead

Mr Bailie is a Non-Executive Director and Chairman of CCLA Fund Managers Limited.

Other than this neither Mr Bailie or any of the other Directors have any other relevant UK directorships or any significant business activities not directly connected with the business of the Manager or the Ultimate Holding Company.

Terms of Appointment:

The ACD was appointed under an agreement dated 1 June 2009 between the Company and the ACD as replaced by an agreement dated 30 April 2018 ("the ACD Agreement").

The ACD Agreement provides that the appointment of the ACD may be terminated upon 12 months' written notice by the Company, or immediately upon notice by the ACD, although in certain circumstances the agreement may be terminated forthwith by notice in writing by the ACD to the Company or the Depositary, or by the Depositary or the Company to the ACD. Termination cannot take effect until the FCA has approved the change of director.

The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling outstanding transactions. No compensation for loss of office is provided for in the agreement. The ACD Agreement provides indemnities to the ACD other than for matters arising by reason of its fraud, negligence, wilful default, breach of duty or bad faith 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 re-issue of Shares or cancellation of Shares which it has redeemed. The fees to which the ACD is entitled are set out on pages 30 & 31.

Whilst the ACD has no intention of doing so, if in the future, the ACD transfers its business to another authorised corporate director, manager or third party it may transfer any client money it holds at that time to that other authorised corporate director, manager or third party (without obtaining Shareholders' specific consent at that time) provided the ACD complies with its duties under the client money rules which are set out in the FCA Handbook at the time of the transfer.

Remuneration Policy

The ACD has established a remuneration policy (the "Remuneration Policy") that is in accordance with the requirements of SYSC 19 E of the FCA Handbook.

The Remuneration Policy is designed to ensure that the ACD's remuneration practices, for those staff caught by the applicable rules, are:

- consistent with and promote sound and effective risk management;
- do not encourage risk taking and are consistent with the risk profiles, or the Instrument of Incorporation or Prospectus of the UK UCITS funds it manages;
- do not impair the ACD's compliance with its duty to act in the best interests of the Funds; and
- include fixed and variable components of remuneration including salaries and discretionary pension benefits.

When applying the Remuneration Policy, the ACD will comply with the applicable rules in a way, and to the extent, that is appropriate to the size, internal organisation and the nature, scope and complexity of the ACD's activities.

The Remuneration Policy must be in line with the business strategy, objectives, values and interests of:

- the ACD;
- the UK UCITS funds it manages; and
- the Shareholders; and

include measures to avoid conflicts of interest.

Up-do-date details of a description of how remuneration and benefits are calculated; and the identities of the persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such committee exists will be available on the ACD's website: **nfumutual.co.uk**

A paper copy of the information provided on this website is available free of charge following a request to the ACD.

THE DEPOSITARY

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

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

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

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

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

The ACD and the Company is required to enter into a written contract with the Depositary to evidence its appointment. The Depositary was appointed under an agreement dated 23 March 2016 and amended on 1 December 2017 (the "Depositary Agreement").

In general terms, the Depositary Agreement provides for the exemption of the Depositary from liability to the Company and for the indemnification of the Depositary by the Company in each case in respect of liabilities incurred as a consequence of its acting as Depositary except (in either case) any liability in respect of any failure by the Depositary to exercise due care and diligence in the discharge of its functions in respect of the Company or where necessary from another person.

The agreement may be terminated by three months' notice given by the Company or the Depositary, provided that the Depositary may not voluntarily retire except on the appointment of a new Depositary. Subject to the FCA Handbook, the Depositary has full power under the Depositary Agreement to delegate (and authorise its sub-delegates to sub-delegate) all or any part of its duties as Depositary. The Depositary is entitled to the fees, charges and expenses detailed under "Depositary's Fees, Charges and Expenses" on page 31 & 32.

Delegation of Safekeeping Functions

The Depositary acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation). The Depositary has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon (the "Global Sub-Custodians").

The Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Company may invest to various sub-delegates. A list of the sub-delegates is given in Appendix V. Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of sub-delegates is updated only at each Prospectus review.

THE ADMINISTRATOR AND REGISTRAR

The ACD has appointed The Bank of New York Mellon (International) Limited of 160 Queen Victoria Street, London, EC4V 4LA to provide administration services and to act as registrar of the Company by an agreement dated 1 June 2009 which was amended and restated on 11 May 2026.

THE AUDITORS

The auditors of the Company are Deloitte LLP of 1 New Street Square, London EC4A 3HQ. They are responsible for auditing the annual accounts of the Company and expressing an opinion on certain matters relating to the Company in the annual report including whether its accounts have been prepared in accordance with International Standards on Auditing (UK & Ireland), the Regulations and the Instrument of Incorporation.

LEGAL ADVISERS

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

REGISTER OF SHAREHOLDERS

The Register of Shareholders may be inspected at the offices of The Bank of New York Mellon (International) Limited at One Piccadilly Gardens, Manchester, M1 1RN during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

CONFLICTS OF INTEREST

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

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

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

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

as it forms part of the law of the UK by virtue of the EU Withdrawal Act 2018, as amended, modified and reinstated from time to time, and any succeeding UK law or regulation which becomes enforceable by law from time to time.

Company, ACD and investors

The following conflicts of interests may arise between the Depositary, the Company and the ACD:

A Group Link exists where the ACD has delegated certain administrative functions, including but not limited to Transfer Agency and Fund Accounting to The Bank of New York Mellon (International) Limited or any BNY Mellon Affiliate.

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

If a Link exists between the Depositary and any investors in the Company, the Depositary shall take all reasonable steps to avoid conflicts of interests arising from such Link and ensure that its functions comply with Article 23 of the UCITS V Regulations as applicable.

Depositary Conflicts of interest

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

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

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

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

(a) identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;

(b) specifies the procedures or measures which should be followed or adopted by the Depositary in order to prevent or manage and report those conflicts of interest;

(c) sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;

(d) includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of the Depositary;

(e) includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;

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

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

Disclosure of conflicts of interest to clients is a measure of last resort to be used by the Depositary to address its regulatory obligations only where the organisational and administrative arrangements established by the

Depositary (and any BNY Mellon Affiliates where applicable) to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

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

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

Delegation

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

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

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

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

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

UPDATED INFORMATION

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

EXERCISE OF VOTING RIGHTS

The ACD has strategies for determining when and how voting rights attached to ownership of scheme property are to be exercised for the benefit of each Fund. A summary of these strategies is available from the ACD on request as are the details of the actions taken on the basis of the strategies in relation to each Fund.

BEST EXECUTION

The ACD's execution policy sets out the basis upon which the ACD will effect transactions and place orders in relation to the Company whilst complying with its obligations under the handbook of rules issued by the FCA to obtain the best possible result for the Company. Details of the best execution policy are available from the ACD on request.

LIQUIDITY RISK MANAGEMENT

The Funds are managed so that the liquidity profile of the Fund is aligned with the requirement in relation to each Fund to meet redemption requests from Shareholders on each Dealing Day. In normal circumstances, redemption requests will be processed as set out in the "Selling Shares" section. However, in exceptional circumstances, if there is insufficient liquidity in a Fund to meet redemption requests, the ACD may ultimately need to temporarily suspend dealing in that Fund (see **"Suspension of dealings in the Shares"** above).

The ACD has other tools to deal with temporary liquidity constraints in relation to a Fund. A Fund may (i) borrow cash to meet redemptions within the limits in Appendix III; or (ii) apply the in specie redemption provisions outlined above.

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

FEES AND EXPENSES

GENERAL

The fees, costs and expenses relating to the preparation and printing of this Prospectus will be borne by the ACD.

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

The Company may pay out of the property of the Company any liabilities arising on the amalgamation or reconstruction of the Company or of any Fund to the extent permitted by the regulations.

The Company may also pay out of the property of the Company charges and expenses incurred by the Company on an ongoing basis, which will include the following expenses:

1. the fees and expenses payable to the ACD (which will include the fees and expenses payable to any sub-adviser and the Administrator) and to the Depositary (which will include custody fees and expenses);
2. fees and expenses in respect of establishing and maintaining the Register of Shareholders (and any Fund sub-register) and related functions;
3. expenses incurred in acquiring and disposing of investments; although this will not include associated research costs which will be paid by the company out of its own resources;
4. expenses incurred in distributing income and other payments to Shareholders;
5. fees in respect of the publication and circulation of details of the Net Asset Value and prices;
6. the fees and expenses of the auditors and tax, legal and other professional advisers of the Company;
7. the costs of convening and holding Shareholder meetings and associated documentation (including meetings of Shareholders in any particular Fund, or any particular Class within a Fund);
8. costs incurred in taking out and maintaining any insurance policy in relation to the Company and/or its Directors;
9. the costs of printing and distributing reports, accounts, any prospectuses, the Instrument of Incorporation and any costs incurred as a result of periodic updates of any prospectus and any other administrative expenses. The cost of printing key investor information documents may also be paid for out of company property;
10. any costs incurred in modifying the Instrument of Incorporation, including costs incurred in respect of meetings of shareholders convened for the purpose, where the modification is:
    (i) necessary to implement any change in the law (including changes in the Regulations), or
    (ii) necessary as a direct consequence of any change in the law (including changes in the Regulations), or
    (iii) expedient having regard to any fiscal enactment and which the ACD and the Depositary agree is in the interests of shareholders, or
    (iv) to remove obsolete provisions from the Instrument of Incorporation;
11. taxation and duties payable by the Company;
12. interest on and charges incurred in borrowings;
13. 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;
14. fees of the FCA under the Financial Services and Markets Act 2000 and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may lawfully be marketed;
15. any payments otherwise due by virtue of the COLL Sourcebook;
16. fees and expenses associated with administration of the Funds, pricing of the Shares and valuation of the assets of the Company;

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.

The ACD or its associate may use certain goods and services, which assist the management of the investments of its customers, which are offered by various brokers. These services may include, for example, research and analysis of the relative merits of individual shares or markets or the use of computer and other information facilities. These brokers will also assist in transactions related to the Funds. Each of these services is distinctly separate and are paid for separately. Investors will not pay the costs associated with research which will be paid for by the company out of its own resources. The ACD or its associate has satisfied itself that it obtains best execution on behalf of its clients.

The ACD may, in addition to the use of derivatives, make use of other techniques for efficient portfolio management purposes to reduce risk and/or costs in the Funds and from time to time to produce additional capital or income in the Funds, as the ACD may at its discretion consider appropriate. Such other techniques include stock lending, underwriting, borrowing and the use of cash and near cash. Any income or capital generated by efficient portfolio management techniques will be paid into the scheme property of the relevant Fund.

Expenses are allocated to income and/or capital in accordance with the COLL Sourcebook, all charges that can be allocated to income are allocated to income. Overall this policy may result in constraining income or put greater constraints on capital growth where expenses are allocated to capital. Details of where charges are taken from are set out in the Fund Details (Appendix I).

CHARGES PAYABLE TO THE ACD

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual charge out of each Fund, not exceeding 2% per annum of the relevant Net Asset Value of the Fund. The current charge is:

Class C Shares 0.70% per annum

Class I Shares 0% per annum

The annual management charge accrues daily and is payable monthly. The ACD is also entitled to all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties.

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

This treatment of the ACD's charge will decrease the amount of income available for distribution to Shareholders in the Funds concerned.

The ACD may not increase the current rate or amount of its remuneration payable out of the scheme property of the Company or the initial charge within the relevant maximum unless, not less than 60 days before the introduction or increase, the ACD gives notice in writing of the introduction or increase and the date of its commencement to all Shareholders and has revised and made available the Prospectus to reflect the introduction or new rate and the date of its commencement.

In order to increase its annual charge above the relevant maximum, the ACD would require the approval of an ordinary resolution of Shareholders at an Extraordinary General Meeting.

DEPOSITARY'S FEES, CHARGES AND EXPENSES

The Depositary receives for its own account a periodic fee which will accrue on each Business Day in respect of that day and the period since the previous Business Day and is payable as soon as practicable after it has accrued (and in any event within seven days after the last Business Day of the month on which it accrues due). The fee is calculated by reference to the value of each Fund at the previous valuation point except for the first accrual which is calculated by reference to the first valuation point of each Fund. The fee is payable out of the property attributable to each Fund. The rate of the periodic fee is agreed between the Manager and the Depositary. The current charge is calculated on a sliding scale for each Fund on the following basis:

0.0155% per annum of the first £50m of the Scheme Property

0.014% per annum of the next £50m of the Scheme Property

0.013% per annum of the balance.

The first accrual in relation to any Fund will take place in respect of the period beginning on the day on which the first valuation of that Fund is made and ending on the last Business Day on which that day falls.

The total remuneration payable to the Depositary out of the Property attributable to each Fund for its services also includes transaction charges and custody charges. Transaction charges vary from country to country, dependent on markets and the value of the stock involved, they currently range from £7 to £110 per transaction and accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges again vary from country to country depending on the markets and the value of stock involved, they currently range from 0.0065% to 0.45% and accrue and are payable as agreed from time to time by the ACD and the Depositary.

The Depositary will also be reimbursed by the Company out of the property attributable to each Fund, expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Depositary Agreement, the COLL Sourcebook, the OEIC Regulations or by the general law to the extent that such expenses are attributable to a Fund.

The amount or rate of any of the Depositary's fees and charges referred to above shall (unless otherwise stated) be determined by reference to the scale or tariff or other basis from time to time agreed between the ACD and the Depositary and notified to the ACD by the Depositary.

The Depositary shall be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Depositary and the Company or the ACD.

On a winding-up of the Company, the termination of a Fund or the redemption of a class of shares, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of the commencement of the winding-up the termination or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the agreement with the Depositary. Any VAT on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

Expenses not directly attributable to a particular Fund will be allocated between Funds in a manner which the ACD believes is fair to Shareholders of the OEIC generally. This will normally be across all Funds pro-rata to the value of the Net Assets of the Funds. In each such case such expenses and disbursements will also be payable if incurred by any person (including the ACD or an associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Depositary.

REGISTRAR FEES AND CHARGES

The Registrar is responsible for providing registration services, (including establishing and maintaining sub-registers where applicable). For this activity there are charges payable to the Registrar out of Scheme Property, including the cost of placing deals.

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 respect of which they were incurred. However, where an expense is not considered to be attributable to any one Fund, the expense will be allocated on a basis which the ACD considers is fair to Shareholders generally and this will normally be across all Funds pro-rata to the value of the Net Assets of the Funds.

INSTRUMENT OF INCORPORATION

The Instrument of Incorporation is available for inspection at the ACD's offices at Tiddington Road, Stratford-upon-Avon, Warwickshire CV37 7BJ.

SHAREHOLDER MEETINGS, VOTING RIGHTS AND SERVICE OF NOTICE ON SHAREHOLDERS

SERVICE OF NOTICE ON SHAREHOLDERS

Any notice or document will be served on Shareholders in writing by post to the Shareholders' postal address as recorded in the Register.

REQUISITIONS OF MEETINGS

The Company does not hold Annual General Meetings, however, 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 8 weeks after receipt of such requisition.

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 2 Shareholders, present in person or by proxy. The quorum for an adjourned meeting is 1 Shareholder present in person or by proxy. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses. Notices of meetings will be sent to those Shareholders appearing on the Register on the relevant record date chosen by the ACD. Shareholders should note that, as is standard practice, there may be a period of time between the date Shares are acquired and the date such Shares are entered on the Register.

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 determined by the ACD to be a reasonable period before the notice of meeting is sent out.

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

Except where the COLL Sourcebook or the Instrument of Incorporation of the Company requires 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 who the ACD or associate has received voting instructions. Shareholders in this context means Shareholders on the day determined by the ACD to be a reasonable period 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.

PROXIES

An instrument appointing a proxy must be in writing in any usual or common form or in any other form which the ACD may approve. It must, in the case of an individual, be signed by the appointor or his attorney or, in the case of a corporation, be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. In order to be effective, an instrument appointing a proxy must be received by the Company not later than 48 hours before the meeting or adjourned meeting at which it is to be used.

A Shareholder shall be entitled to appoint more than one proxy to attend on the same occasion. A proxy need not be a Shareholder.

CLASS AND FUND MEETINGS

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

TAXATION

GENERAL

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

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including the United States provisions commonly known as FATCA), the ACD (or its agent) will collect and report information about Shareholders and their investments where required for this purpose, including information to verify their identity and tax status.

If requested to do so by the ACD or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

THE COMPANY/FUNDS

The Funds are sub-funds of an open-ended investment company to which the Authorised Investment Funds (Tax) Regulations 2006 apply. Each Fund will be treated as a separate entity for United Kingdom income and capital gain tax purposes and will be taxed as though it were itself an open-ended investment company. The Funds are exempt from United Kingdom tax on capital gains realised on the disposal of investments (including interest-paying securities) held within them.

The Funds should be exempt from tax, subject to certain anti-avoidance provisions, on dividends and similar distributions from United Kingdom companies. Payments received by the Funds from transactions in futures or options contracts are also exempt from tax. The Funds will each be subject to corporation tax at a rate equal to the basic rate of income tax, currently 20%, on other types of income but after deducting allowable expenses.

To the extent that a Fund receives income from, or realises gains on investments issued in foreign countries, it may be subject to withholding tax or other taxation in those jurisdictions.

Dividend Income – Individuals

The Funds will pay any distributable income as dividend distributions. No tax is deducted from dividend distributions.

Dividend distributions: United Kingdom resident individuals benefit from a tax free dividend allowance, which means that no tax is payable on the first £500 of dividend income each tax year. Any dividend income in excess of the £500 dividend allowance will be taxed at the following rates:

10.75% on dividend income within the basic rate band

35.75% on dividend income within the higher rate band

39.35% on dividend income within the additional rate band

Shareholders will be sent tax vouchers showing the amount of dividend income distributed to them.

Dividend Income – Exempt Shareholders

For United Kingdom pension funds and other United Kingdom exempt shareholders, there will be no additional tax on dividend distributions.

Distributions and Accumulations made to Corporations

Any corporate Shareholders who are not exempt from tax on income who receive distributions or accumulations may have to divide them between dividend and interest distributions (in which case the division will be indicated on the tax voucher). Any part representing dividends received from a United Kingdom company will be treated as dividend income and, subject to certain anti-avoidance provisions, no tax will be due on it. Any part representing interest income will be received with no tax deducted. This income will be subject to the loan relationship rules which take into account both the interest received and the change in the value of the investment during the accounting period.

Dividend Income – Non-Residents

Non United Kingdom resident Shareholders will generally not be liable to United Kingdom tax on dividend distributions.

Gains

Individual Shareholders who are resident in the United Kingdom for tax purposes may be liable to capital gains tax at 18%, or 24% where the gain when added to taxable income takes the Shareholder into the higher or additional rate tax bands. Individual investors are entitled to an annual exemption against chargeable gains (£3,000 for tax year 2026/27).

For corporate Shareholders, gains arising from the redemption, transfer or other disposal of Shares are subject to UK corporation tax. A corporate investor in a fund which is over 60% invested in interest-paying investments should treat the shares as a creditor loan relationship for UK corporation tax purposes.

Equalisation

The amount representing the income equalisation element of the Share price is a return of capital and is not taxable as income in the hands of Shareholders. This amount should be deducted from the cost of Shares in computing any capital gain realised on a subsequent disposal.

The tax treatment (for all taxes) depends on the individual circumstances of each investor and may be subject to change in future.

Automatic Exchange of Information for International Tax Compliance

The ACD (or its agent) may collect and report information about Shareholders and their Investments, including information to verify their identity and tax residence. When requested to do so by the ACD or its agent, Shareholders must provide information that may be passed on to HM Revenue & Customs and, by them, to any relevant tax authorities.

This is required by legislation that implements the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including European Directives and the United States' provisions commonly known as "FATCA").

If an Investor does not provide the requisite documentation or necessary information, the ACD will need to report information on these Investors to HMRC, in accordance with applicable laws and regulations. Provided that the ACD acts in accordance with these provisions it will not be subject to withholding tax under FATCA. If Shares are beneficially owned by any US Person or a person who has not provided the appropriate information, the ACD may in its discretion compulsorily redeem Shares.

Stamp Taxes

No stamp taxes are payable on the issue or surrender of Shares.

Stamp taxes may arise if Shares are transferred from one person to another without any change being made in the register of Shareholders or if Shares are redeemed in specie and the shares and securities received by the redeeming shareholder do not represent a pro rata share of the underlying assets of the Fund.

WINDING-UP OF THE COMPANY OR A 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 of the COLL Sourcebook. A Fund may only be wound up under the COLL Sourcebook.

Where the Company or a Fund is to be wound up under the COLL Sourcebook, such winding-up may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company) either that 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 or a Fund may be wound up under the COLL Sourcebook:

(a) if an extraordinary resolution to that effect is passed by Shareholders; or

(b) when the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or an event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Fund is to be wound up (for example, if the share capital of the Company or (in relation to any Fund) the Net Asset Value of the Fund is below its prescribed minimum (£5,000,000 in each case), 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

(c) on the date stated in any agreement with the FCA if the FCA agrees to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Fund.

On the occurrence of any of the above:

(i) COLL 6.2, COLL 6.3 and COLL 5 of the COLL Sourcebook relating to Pricing and Dealing and Investment and Borrowing will cease to apply to the Company or the relevant Fund;

(ii) the Company will cease to issue and cancel Shares in the Company or the relevant Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Fund;

(iii) 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;

(iv) 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;

(v) the corporate status and powers of the Company and, subject to (i) and (iv) 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 relevant Fund. 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 particular Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Fund.

As soon as reasonably practicable after completion of the winding-up of the Company or the particular Fund, the ACD shall notify the FCA 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 a 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 FCA and to each Shareholder (or first named of joint holders) within six months' of the completion of the winding-up or termination.

Any liabilities attributable or allocated to a particular Fund under the COLL Sourcebook shall be met only out of the scheme property attributable or allocated to that particular Fund.

GENERAL INFORMATION

EFFICIENT PORTFOLIO MANAGEMENT (EPM)

The ACD may use the Company's property to enter into derivative transactions for the purposes of EPM to the full extent permitted by the Regulations.

Please see Appendix I; Fund Details and Appendix III; Investment Management and Borrowing Powers of the Company for more information.

ACCOUNTING PERIODS

The annual accounting period of the Company ends each year on 31st January (the accounting reference date). The interim accounting period ends each year on 31st July.

INCOME ALLOCATIONS

Allocations of income are made in respect of the income available for allocation in each accounting period.

Distributions of income for each Fund are paid on or before the annual income allocation date of 31 March and on or before the interim allocation date of 30 September each year. For those Funds in which income Shares are issued, a facility for the reinvestment of income through the purchase of further income Shares is available, on which the initial charge (if applicable) is not payable.

If a distribution remains unclaimed for a period of 6 years after it has become due, it will be forfeited and will revert to the Company.

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

PAYMENTS OF INCOME TO SHAREHOLDERS

Payments to Shareholders will be made by Clearing House Automated Payment System (CHAPS) subject to deduction of the transaction charges or by BACS at no charge, arriving in Shareholder bank accounts on the payment date or on the previous Business Day if payment falls on a weekend.

Interest

The ACD does not pay interest on any client money it may hold.

Unclaimed cash or assets

Any cash (except unclaimed distributions which will be returned to the relevant Fund) or assets due to Shareholders which are unclaimed for a period of six years (for cash) or twelve years (for assets) will cease to be client money or client assets and may be paid to a registered charity of the ACD's choice. The ACD will take reasonable steps to contact Shareholders regarding unclaimed cash or assets in accordance with the requirements set out in the FCA Handbook before it makes any such payment to charity. Payment of any unclaimed balance to charity will not prevent Shareholders from claiming the money or assets in the future.

If the client money or client assets (except for unclaimed distributions) are equal to or below a de minimis amount set by the FCA (£100 or less for professional Shareholders) the steps the ACD must take to trace the relevant Shareholders before paying the money or assets to charity are less but the ACD will still make efforts to contact you.

INCOME EQUALISATION

Income equalisation applies in relation to each Fund of the Company.

Part of the purchase price of a Share reflects the relevant share of accrued income received or to be received by the Company. This capital sum ("income equalisation"), where distributed, is returned to a Shareholder with the first allocation of income in respect of a Share issued during an accounting period.

The amount of income equalisation is calculated by dividing the aggregate of the amounts of income included in the price of Shares issued or sold to Shareholders in an annual or interim accounting period by the number of those Shares and applying the resultant average to each of the Shares in question.

ANNUAL REPORTS

The annual report of the Company will be published within four months of each annual accounting period. The half-yearly report will be published within two months of each interim accounting period.

The annual report containing the full financial statements are available free of charge on request from the ACD.

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 Tiddington Road, Stratford-upon-Avon, Warwickshire CV37 7BJ:

(a) the most recent annual and interim reports of the Company;

(b) the Instrument of Incorporation (and any amending instrument of incorporation);

(c) the material contracts referred to below; and

(d) the prospectus and key investor information documents.

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

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:

(a) the ACD Agreement dated 1 June 2009 and replaced on 30 April 2018 between the Company and the ACD;

(b) the Depositary Agreement dated 30 April 2018 and amended on 1 December 2017 between the Company, the ACD and the Depositary; and

(c) the Administration and Registration Agreement dated 1 June 2009 and amended 5 December 2011, 25 May 2018, and 6 February 2020, between the Company, the ACD and the Administrator.

Details of the above contracts are given under the heading **"Management and Administration"** on pages 25 to 29.

COMPLAINTS

Complaints concerning the operation or marketing of the Company may be referred to the Compliance Officer of the ACD at Tiddington Road, Stratford-upon-Avon, Warwickshire CV37 7BJ and if the ACD is unable to settle the complaint, you may subsequently refer the complaint to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

GENUINE DIVERSITY OF OWNERSHIP

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

INFORMATION AVAILABLE TO SHAREHOLDERS

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

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

(b) the current risk profile of each Fund, and information on the risk management systems used by the ACD to manage those risks;

(c) the total amount of leverage employed by each Fund calculated in accordance with the gross and commitment methods; and

(d) any material changes to the information above.

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

CHANGES TO THE COMPANY

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

If the change is regarded as fundamental, Shareholder approval will be required. If a change requires Shareholder approval, this will mean that Shareholders will need to approve the change at a meeting. The procedure for Shareholder meetings is described above in the "Shareholders Meetings, Voting Rights and Service of Notice on Shareholders" section.

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

FAIR TREATMENT OF INVESTORS

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

(a) acting in the best interest of the Funds and of the investors;

(b) executing the investment decisions taken for the account of the Funds in accordance with the objectives, the investment policy and the risk profile of the Funds;

(c) ensuring that the interests of any group of investors are not placed above the interests of any other group of investors;

(d) ensuring that fair, correct and transparent pricing models and valuation systems are used for the Funds managed;

(e) preventing undue costs being charged to the Funds and investors;

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

(g) recognising and dealing with complaints fairly.

SHAREHOLDERS' RIGHTS

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

Shareholders may have no direct rights against the service providers to the Company set out in the **"Management and Administration"** section.

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

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

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

GOVERNING LAW AND JURISDICTION

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

APPENDIX I – FUND DETAILS

Name:	NFU Mutual Mixed Portfolio 20-60% Shares Fund (previously called "NFU Mutual Cautious Portfolio Fund") (FCA Product Reference: 645939)
Investment Objective:	The investment objective of the Mixed Portfolio 20-60% Shares Fund is to provide capital growth and income (net of fees) over the long term (a period of at least 5 years).
Investment Policy:	The Fund invests at least 80% and up to 100% of its assets in other funds. The other funds invested in may be funds managed by N.F.U. Mutual Unit Managers Limited or third-party managers. The other funds may be actively managed or may be passively managed (that is funds which track or are closely linked to the performance of a market index) and no more than half of the assets will be invested in passive funds. Through its investment in other funds, the Fund will have an exposure to the following asset classes: shares of companies (equities) and between 20-60% of the assets of the Fund will be in equities. At least 30% of Fund exposure will be to fixed income securities (such as bonds), money market instruments and cash and near cash. The Fund can also invest indirectly in property through other funds which gain exposure to property related securities and through shares, including in real estate investment trusts (REITs) and may also seek exposure to Alternative Assets (such as infrastructure) through its equity investment. The shares which can be invested in by the Fund can be of companies anywhere in the world and in any sector. The fixed income securities and money market instruments which can be held may be issued by companies, governments, government agencies and international organisations (such as the European Investment Bank) anywhere in the world. They can be investment grade (meet a certain level of credit rating by a credit rating agency) or they may be sub-investment grade or unrated (and hence more likely to fail than investment grade bonds). The Fund may also invest directly in company shares, fixed income securities and cash and near cash. The Fund may use financial derivatives but only for the purpose of Efficient Portfolio Management to reduce risk and cost in the Fund, including through hedging (to manage currency exposure) or to generate extra income or growth in line with the risk profile of the Fund. Where the Fund invests in funds managed by other managers, those other funds may use derivatives for investment purposes but such use is expected to be minimal The Fund is actively managed. The mix of investment types will be managed and regularly monitored by our investment team.
Benchmark	Many funds sold in the UK are grouped into sectors by the Investment Association (IA) (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the Investment Association Mixed Investment 20-60% shares sector (the benchmark). This benchmark has been chosen as the most appropriate comparator for the Fund.

Risk Rating:	The Fund is classified in risk profile 3 in the NFU Mutual Risk Rating Framework which ranges from Level 1 (low risk) to Level 6 (high risk). The risk rating is calculated by reference to the expected volatility of the Fund (the expected amount of variation in returns), including the level of exposure to shares. In general the higher the exposure to shares, the higher the risk rating.
Who is this fund suitable for:	The Fund is suitable for investors who are willing to accept some capital risk for the potential of long term (5 years+) capital growth and some income. Investors in the Fund must be able to accept the risk that the value of the investments can fall as well as rise.
Annual Accounting Date:	31 January
Annual Income Allocation Date:	31 March
Interim Accounting Date:	31 July
Interim Allocation Date:	30 September
Launch Date and first day of dealing:	1 June 2009. The investment objectives and policy of the Fund changed on 30 April 2018.
ISA Status:	Yes
Share Class and Type of Shares:	C Shares: Income* I Shares: Income
Initial Charge:	Current Class C Shares: 0% of each net amount invested Class I Shares: 0% of each net amount invested Maximum for all Classes: 5% of each net amount invested
Annual ACD Charge:	Current Class C Shares: 0.70% of fund value Class I Shares: 0% of fund value Maximum for all Classes: 2% of fund value
Charges Taken From:	Income
Ongoing Charges Figure:	Current C share class 0.82% (at 31/07/2026) I share class 0.12% (at 31/07/2026)

* Class C Shares are only available for investment by investors meeting the requirements set out on page 8.

Name:	NFU Mutual Mixed Portfolio 40-85% Shares Fund (previously called "NFU Mutual Balanced Portfolio Fund") (FCA Product Reference: 645940)
Investment Objective:	The investment objective of the Mixed Portfolio 40-85% Shares Fund is to provide capital growth and income (net of fees) over the long term (a period of at least 5 years).
Investment Policy:	The Fund invests at least 80% and up to 100% of its assets in other funds. The other funds invested in may be funds managed by N.F.U. Mutual Unit Managers Limited or third-party managers. The other funds may be actively managed or may be passively managed (that is funds which track or are closely linked to the performance of a market index) and no more than half of the assets will be invested in passive funds. Through its investment in other funds, the Fund will have an exposure to the following asset classes: shares of companies (equities), fixed income securities (such as bonds), money market instruments and cash and near cash. Between 40-85% of the assets of the Fund will be in equities. The Fund can also invest indirectly in property through other funds which gain exposure to property related securities and through shares, including in real estate investment trusts (REITs) and may also seek exposure to Alternative Assets (such as infrastructure) through its equity investment. The shares which can be invested in by the Fund can be of companies anywhere in the world and in any sector. The fixed income securities and money market instruments which can be held may be issued by companies, governments, government agencies and international organisations (such as the European Investment Bank) anywhere in the world. They can be investment grade (meet a certain level of credit rating by a credit rating agency) or they may be sub-investment grade or unrated (and hence more likely to fail than investment grade bonds). The Fund may also invest directly in company shares, fixed income securities and cash and near cash. The Fund may use financial derivatives but only for the purpose of Efficient Portfolio Management to reduce risk and cost in the Fund, including through hedging (to manage currency exposure) or to generate extra income or growth in line with the risk profile of the Fund. Where the Fund invests in funds managed by other managers, those other funds may use derivatives for investment purposes but such use is expected to be minimal. The Fund is actively managed. The mix of investment types will be managed and regularly monitored by our investment team.
Benchmark:	Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the Investment Association Mixed Investment 40-85% shares sector (the benchmark). This benchmark has been chosen as the most appropriate comparator for the Fund.

Risk Rating:	The Fund is classified in risk profile 4 in the NFU Mutual Risk Rating Framework which ranges from Level 1 (low risk) to Level 6 (high risk). The risk rating is calculated by reference to the expected volatility of the Fund (the expected amount of variation in returns), including the level of exposure to shares. In general the higher the exposure to shares, the higher the risk rating.
Who is this fund suitable for:	The Fund is suitable for investors who are willing to accept the prospect of a higher degree of capital risk than the Mixed Portfolio 20-60% Shares Fund for the potential of higher long term (5 years+) growth. Investors in the Fund must be able to accept the risk that the value of the investments can fall as well as rise.
Annual Accounting Date:	31 January
Annual Income Allocation Date:	31 March
Interim Accounting Date:	31 July
Interim Allocation Date:	30 September
Launch Date and first day of dealing:	1 June 2009. The investment objectives and policy of the Fund changed on 30 April 2018.
ISA Status:	Yes
Share Class and Type of Shares:	C Shares: Income*
Initial Charge:	Current Class C Shares: 0% of each net amount invested Maximum for all Classes: 5% of each net amount invested
Annual ACD Charge:	Current Class C Shares: 0.70% of fund value Maximum for all Classes: 2% of fund value
Charges Taken From:	Income
Ongoing Charges Figure:	Current C share class 0.83% (at 31/07/2026)

* Class C Shares are only available for investment by investors meeting the requirements set out on page 8.

Name:	NFU Mutual Mixed Portfolio Max 100% Shares Fund (previously called "NFU Mutual Adventurous Portfolio Fund") (FCA Product Reference: 645941)
Investment Objective:	The investment objective of the Mixed Portfolio Max 100% Shares Fund is to provide capital growth (net of fees) over the long term (a period of at least 5 years).
Investment Policy:	The Fund invests at least 80% and up to 100% of its assets in other funds. The other funds invested in may be funds managed by N.F.U. Mutual Unit Managers Limited or third-party managers. The other funds may be actively managed or may be passively managed (that is funds which track or are closely linked to the performance of a market index) and no more than half of the assets will be invested in passive funds. Through its investment in other funds, the Fund will have an exposure to the following asset classes: shares of companies (equities), fixed income securities (such as bonds), money market instruments and cash and near cash. Up to 100% of the assets of the Fund will be in equities. The Fund can also invest indirectly in property through other funds which gain exposure to property related securities and through shares, including in real estate investment trusts (REITs) and may also seek exposure to Alternative Assets (such as infrastructure) through its equity investment. The shares which can be invested in by the Fund can be of companies anywhere in the world and in any sector. The fixed income securities and money market instruments which can be held may be issued by companies, governments, government agencies and international organisations (such as the European Investment Bank) anywhere in the world. They can be investment grade (meet a certain level of credit rating by a credit rating agency) or they may be sub-investment grade or unrated (and hence more likely to fail than investment grade bonds). The Fund may also invest directly in company shares, fixed income securities and cash and near cash. The Fund may use financial derivatives but only for the purpose of Efficient Portfolio Management to reduce risk and cost in the Fund, including through hedging (to manage currency exposure) or to generate extra income or growth in line with the risk profile of the Fund. Where the Fund invests in funds managed by other managers, those other funds may use derivatives for investment purposes but such use is expected to be minimal The Fund is actively managed. The mix of investment types will be managed and regularly monitored by our investment team.
Benchmark:	Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. This Fund is classified in the Investment Association Flexible Investment sector (the benchmark). This benchmark has been chosen as the most appropriate comparator given the funds equity content.
Risk Rating:	The Fund is classified in risk profile 5 in the NFU Mutual Risk Rating Framework which ranges from Level 1 (low risk) to Level 6 (high risk). The risk rating is calculated by reference to the expected volatility of the Fund (the expected amount of variation in returns), including the level of exposure to shares. In general the higher the exposure to shares, the higher the risk rating.

Who is this fund suitable for:	The Fund is suitable for investors who are willing to accept significant capital risk for the potential of good long term (5 years+) growth. Investors in the Fund must be able to accept the risk that the value of the investments can fall as well as rise.
Annual Accounting Date:	31 January
Annual Income Allocation Date:	31 March
Interim Accounting Date:	31 July
Interim Allocation Date:	30 September
Launch Date and first day of dealing:	1 June 2009. The investment objectives and policy of the Fund changed on 30 April 2018.
ISA Status:	Yes
Share Class and Type of Shares:	C Shares: Income*
Initial Charge:	Current Class C Shares: 0% of each net amount invested Maximum for all Classes: 5% of each net amount invested
Annual ACD Charge:	Current Class C Shares: 0.70% of fund value Maximum for all Classes: 2% of fund value
Charges Taken From:	Income
Ongoing Charges Figure:	Current C share class 0.85% (at 31/07/2026)

* Class C Shares are only available for investment by investors meeting the requirements set out on page 8.

APPENDIX II – ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

Each Fund may deal through the securities and derivatives markets indicated.

Eligible Securities Market	NFU Mutual Mixed Portfolio 20-60% Shares Fund	NFU Mutual Mixed Portfolio 40-85% Shares Fund	NFU Mutual Mixed Portfolio Max 100% Shares Fund
Any Stock Exchange in an EEA State*	✓	✓	✓
UK-London Stock Exchange	✓	✓	✓
USA - NYSE Euronext, NASDAQ, NYSE Amex Equities	✓	✓	✓
Eligible Derivative Market			
UK-LIFFE	✓	✓	✓
USA-NYSE EURONEXT	✓	✓	✓

* provided it is regulated, operates regularly and is open to the public

APPENDIX III – INVESTMENT MANAGEMENT AND BORROWING POWERS OF THE COMPANY

1. General rules of investment

1.1 The Instrument of Incorporation permits the ACD to utilise the investment and borrowing powers permitted by a UK UCITS scheme which complies with Chapter 5 of COLL. The ACD manages the Funds in accordance with the investment and borrowing powers set out below.

1.2 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 Chapter 5 of COLL. These limits apply to each Fund as summarised below.

2. Prudent spread of risk

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

3. UK UCITS schemes – general

3.1 Subject to the investment objectives and policy of a Fund, the Scheme Property of a Fund must, except where otherwise provided in COLL 5 only consist of any or all of:

3.1.1 transferable securities;

3.1.2 approved money market instruments;

3.1.3 units or shares in permitted collective investment schemes;

3.1.4 derivatives and forward transactions;

3.1.5 deposits; and

3.1.6 movable and immovable property that is essential for the direct pursuit of the Company's business in accordance with the rules in this Appendix III.

3.2 The Funds will not hold movable or immovable property.

3.3 The Funds will be able at all times to recall any security that has been lent out or to terminate any securities lending agreement into which it has entered.

4. Transferable Securities

4.1 A transferable security is an investment which is any of the following:

4.1.1 a share;

4.1.2 a debenture;

4.1.3 an alternative debenture;

4.1.4 a government and public security;

4.1.5 a warrant; or

4.1.6 a certificate representing certain securities.

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.), 77 (instruments creating or acknowledging indebtedness) or 77A (alternative debentures) 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.

4.5 No more than 5% of the Scheme Property of a Fund may be invested in warrants

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 the 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 Shares at the request of any qualifying Shareholder under the COLL Sourcebook;

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.

6. Closed end funds constituting transferable securities

6.1 A unit or share 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 above 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 5 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 (as described in 21 (Derivatives: General) below) the requirements of this section with respect to derivatives and forwards will apply to that component.

8. Investment in approved money market instruments

8.1 A Fund may invest in approved money market instruments which are money market instruments normally dealt in on the money market, are liquid and whose value 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 Shares at the request of any qualifying Shareholder.

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 Fund 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 to or dealt in on an eligible market

9.1 Transferable securities and money market instruments held within a Fund must (subject to paragraph 9.2 of this Appendix) be:

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

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

9.1.3 admitted to or dealt in on an eligible market which has been designated an eligible market by the ACD in consultation with the Depositary (as described below); or

9.1.4 a money-market instrument within COLL 5.2.10 AR(1) (is as described in paragraph 12); or

9.1.5 recently issued transferable securities provided that:

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

9.1.5.2 such admission is secured within a year of issue.

9.2 Not more than 10% in value of the Scheme Property of a Fund may consist of transferable securities, which do not fall within paragraph 9.1 or of approved money market instruments, which do not fall within COLL 5.2.10 AR(1) (i.e. as described in paragraph 12).

10. Eligible Markets: purpose

10.1 To protect investors the markets on which investments of the 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.

11. Eligible Markets: requirements

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

11.1.1 a regulated market as defined in the FCA Handbook; or

11.1.2 a market in an EEA State which is regulated, operates regularly and is open to the public.

11.2 A market not falling within paragraph 11 of this Appendix is eligible for the purposes of COLL 5 if:

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

11.2.2 the market is included in a list in the prospectus; and

11.2.3 the Depositary has taken reasonable care to determine that:

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

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

11.3 In paragraph 11.2.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

12. Money-market instruments with a regulated issuer

12.1 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:

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

12.1.2 the instrument is issued or guaranteed in accordance with paragraph 13 below.

12.2 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:

12.2.1 the instrument is an approved money-market instrument;

12.2.2 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 paragraphs 14, 14.2 and 14.3 below; and

12.2.3 the instrument is freely transferable.

13. Issuers and guarantors of money-market instruments

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

13.1.1 issued or guaranteed by any one of the following:

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

13.1.1.2 a regional or local authority of an EEA State;

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

13.1.1.4 the European Union or the European Investment Bank;

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

13.1.1.6 a public international body to which one or more EEA States belong; or

13.1.2 issued by a body, any securities of which are dealt in on an eligible market; or

13.1.3 issued or guaranteed by an establishment which is:

13.1.3.1 subject to prudential supervision in accordance with criteria defined by European Union law; or

13.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Union law.

13.2 An establishment shall be considered to satisfy the requirement in paragraph 13.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

13.2.1 it is located in the European Economic Area;

13.2.2 it is located in an OECD country belonging to the Group of Ten;

13.2.3 it has at least investment grade rating;

13.2.4 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 European Union law.

14. Appropriate information for money-market instruments

14.1 In the case of an approved money-market instrument within paragraph 13.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within paragraph 13.1.1.2 or a public international body within paragraph 13.1.1.6 but is not guaranteed by a central authority within 13.1.1.1 the following information must be available:

14.1.1 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;

14.1.2 updates of that information on a regular basis and whenever a significant event occurs; and

14.1.3 available and reliable statistics on the issue or the issuance programme.

14.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 13.1.3 the following information must be available:

14.2.1 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;

14.2.2 updates of that information on a regular basis and whenever a significant event occurs; and

14.2.3 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.

14.3 In the case of an approved money-market instrument:

14.3.1 within paragraphs 13.1.1.1, 13.1.1.4 or 13.1.1.5; or

14.3.2 which is issued by an authority within paragraph 13.1.1.2 or a public international body within paragraph 13.1.1.6 and is guaranteed by a central authority within paragraph 13.1.1.1;

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

15. Spread: general

15.1 This rule on spread does not apply to government and public securities.

15.2 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.

15.3 Not more than 20% in the value of the Scheme Property of a Fund is to consist of deposits with a single body.

15.4 Not more than 5% in value of the Scheme Property of a Fund is to consist of transferable securities (or certificates representing such securities) or approved money market instruments issued by any single body.

15.5 The limit of 5% in paragraph 15.4 is raised to 10% in respect of up to 40% in value of the Scheme Property of a Fund (covered bonds need not be taken into account for the purposes of applying the limit of 40%).

15.6 The limit of 5% in paragraph 15.4 is raised to 25% in value of the Scheme Property of a Fund 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.

15.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property of a Fund. This limit is raised to 10% where the counterparty is an Approved Bank.

15.8 Not more than 20% in value of the Scheme Property is to consist of the units or shares of any one collective investment scheme.

15.9 Not more than 20% in value of the Scheme Property may consist of transferable securities and approved money market instruments issued by the same group.

15.10 In applying the limits in paragraphs 15.3, 15.4, 15.5, and 15.7, and subject to 15.6, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:

15.10.1 transferable securities (including covered bonds) or approved money market instruments issued by; or

15.10.2 deposits made with; or

15.10.3 exposures from OTC derivatives transactions and other EPM transactions made with a single body.

16. Counterparty risk and issuer concentration

16.1 The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 15.7 and 15.10 above.

16.2 When calculating the exposure of a Fund to a counterparty in accordance with the limits in paragraph 15.7 the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

16.3 The ACD may net the OTC derivative positions of a Fund with the same counterparty, provided:

16.3.1 they are able legally to enforce netting agreements with the counterparty on behalf of the Fund; and

16.3.2 the netting agreements in paragraph 16.3.1 do not apply to any other exposures the Fund may have with that same counterparty.

16.4 The ACD may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

16.5 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 15.7 when it passes collateral to an OTC counterparty on behalf of a Fund.

16.6 Collateral passed in accordance with paragraph 16.5 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Fund.

16.7 The ACD must calculate the issuer concentration limits referred to in paragraph 15.7 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.

16.8 In relation to the exposure arising from OTC derivatives as referred to in paragraph 15.7 the ACD must include any exposure to OTC derivative counterparty risk in the calculation.

17. Spread: government and public securities

17.1 The following section applies to government and public securities ("such securities").

17.2 Where no more than 35% in value of the Scheme Property of a Fund 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.

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

17.3.1 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 authorised Fund;

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

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

17.3.4 the disclosures in the Prospectus required by the FCA have been made.

17.4 In giving effect to the foregoing, over 35% of the property of the Fund in Government and public securities issued by or on behalf of or guaranteed by the Government of the United Kingdom, the Government of Northern Ireland, the Government of any EU member state other than the United Kingdom including the Governments of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and Sweden, and the Governments of Australia, Canada, Japan, New Zealand, Norway, Switzerland and the United States of America.

17.5 In relation to such securities:

17.5.1 issue, issued and issuer include guarantee, guaranteed and guarantor; and

17.5.2 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.

18. Investment in collective investment schemes

18.1 Up to 100% of the value of the Scheme Property may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that the Second Scheme satisfies all of the conditions within paragraph 18.2.1 to 18.2.4.

18.2 The Second Scheme must:

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

18.2.2 be recognised under the provisions of s272 of the Financial Services and Markets Act 2000; or

18.2.3 be authorised as a non-UK UCITS retail scheme (provided that the requirements of Article 50(1) (e) of the UK UCITS Directive are met; or

18.2.4 be authorised in another EEA State provided the requirements of Article 50(1)(e) of the UK UCITS Directive are met; or

18.2.5 be authorised by the competent authority of an OECD member country (other than another EEA State) which has:

18.2.5.1 signed the IOSCO Multilateral Memorandum of Understanding; and

18.2.5.2 approved the scheme's management company, rules and depositary and custody arrangements.

18.3 The Second Scheme has terms which prohibit more than 10% in value of the Scheme Property consisting of units or shares in collective investment schemes.

18.4 The Second Scheme is an umbrella, the provisions in paragraphs 18.2.1 to 18.2.4 apply to each sub-fund as if it were a separate scheme.

18.5 The Scheme Property attributable to a Fund may include shares in another Fund of the Company (the "Second Fund") subject to the requirements of paragraph 18.6 below.

18.6 A Fund may invest in or dispose of shares of a Second Fund provided that:

18.6.1 The Second Fund does not hold shares in any other Fund of the Company;

18.6.2 The requirements set out at paragraphs 18.3 above and 18.4 and 18.8 below are complied with; and

18.6.3 Subject to any lower limit specified in paragraph 18.1, not more than 20% in value of the Scheme Property of the investing or disposing Fund is to consist of shares in the Second Fund.

18.7 The Funds may, subject to the limit set out in paragraph 18.1 above, invest in Second Schemes managed or operated by, or whose authorised corporate director is, the ACD or one of its Associates.

18.7.1 Investment may only be made in other collective investment schemes managed by the ACD or an associate of the ACD (including a Second Fund) if the Prospectus of the investing Fund clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with. If a substantial proportion of a Fund's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged by an investee collective investment scheme to the Fund concerned will be 3.0% p.a.

19. Investment in nil and partly paid securities

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

20. Efficient Portfolio Management

20.1 The Company may use its property to enter into transactions for the purposes of EPM to the full extent permitted by the Regulations. EPM transactions may be used as follows:

20.1.1 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. The transaction must also be in line with the best interests of a Fund.

20.1.2 The purpose of an EPM transaction for the Company must be to achieve one of the following in respect of the Company:

20.1.2.1 Reduction of risk. This allows for example the use of the technique of cross-currency hedging in order to switch all or part of the 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.

20.1.2.2 Reduction of cost. The aims of reduction of risk or cost, together or separately, for example, allows 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 the 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.

20.1.2.3 The generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL. The generation of additional capital or income may arise out of taking advantage of price imperfections or from the receipt of a premium for writing 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 stock lending arrangements.

20.2 All the revenues arising from repurchase transactions and stock lending transactions shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees, which shall not include hidden revenue, shall include fees and expenses payable to counterparties and/or stock lending agents and will be at normal commercial rates (including any applicable VAT). To the extent permitted by and within the limits prescribed by COLL relating to the use of financial techniques and instruments (as may be amended, supplemented or replaced from time to time) and the ESMA Guidelines on ETFs and other UK UCITS issues, each Fund may enter as buyer or seller into repurchase transactions and engage in securities lending transactions for the purpose of generating additional capital or income or for reducing its costs or risks. In respect of repurchase transactions, a Fund will, on a daily basis, receive from or post to, it's counterparty collateral of a type and market value sufficient to satisfy the requirements of the Regulations.

20.3 Permitted EPM transactions (excluding stock lending arrangements) are:

20.3.1 transactions in derivatives (i.e. options, futures, forward transactions or contracts for differences) dealt in or traded on an eligible derivatives market;

20.3.2 off-exchange derivatives; or

20.3.3 synthetic futures (i.e. a composite derivative created out of two separate options); or

20.3.4 forward currency transactions (forward currency transactions must be entered into with counterparties who satisfy the FCA Rules).

20.4 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 property with regard to the relevant criteria set out in the COLL Sourcebook and the formal guidance on eligible markets issued by the FCA as amended from time to time.

20.5 An investment is not a derivative if it is a transferable security.

20.6 The eligible derivatives markets for each Fund are set out in Appendix II.

20.7 New eligible derivatives markets for a Fund may be added to the existing list only in accordance with the Regulations and after the ACD has revised the Prospectus to reflect the intended change and the date of its commencement.

20.8 Any forward transactions must be with an approved counterparty (Eligible Institutions, money market institutions etc.). A derivatives or forward transaction which would or could lead to delivery of property to the Depositary in respect of the Company may be entered into only if such 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.

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

20.10 Each EPM transaction must be covered "globally" (i.e. after providing cover for existing EPM transactions there is adequate cover for another transaction within the Scheme Property).

20.11 Property and cash can be used only once for cover and, unless the ACD reasonably believes it is obtainable in time to meet the obligation for which cover is required, Scheme Property is not available for cover if it is the subject of a stock lending arrangement. The lending transaction in a back to back currency borrowing transaction does not require cover.

21. Derivatives: general

21.1 The Funds may use Scheme Property to enter into transactions for the purposes of EPM. Accordingly the Funds may use derivatives for hedging purposes, hedging for this purpose meaning EPM (a summary of which is set out above). In the opinion of the ACD, at no time does the use of derivatives increase the risk profile or volatility of any of the Funds.

21.2 A transaction in derivatives or a forward transaction must not be effected for the Fund unless:

21.2.1 the transaction is of a kind specified in paragraph 22 (Permitted transactions (derivatives and forwards); and

21.2.2 the transaction is covered, as required by paragraph 28 (Cover for investment in derivatives and forward transactions) of this Appendix.

21.3 Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to spread (COLL 5.2.11R Spread: general, COLL 5.2.12R Spread: government and public securities) except for index based derivatives where the rules below apply.

21.4 Where a transferable security or an approved money market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.

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

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

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

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

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

21.7 Where a Fund invests in an index based derivative, provided the relevant index falls within COLL5.2.33 R (Financial Indices underlying derivatives) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.

22. Permitted transactions (derivatives and forwards)

22.1 A transaction in a derivative must be:

22.1.1 in an approved derivative; or

22.1.2 be one which complies with paragraph 26 (OTC transactions in derivatives) of this Appendix.

22.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the scheme is dedicated:

22.2.1 transferable securities;

22.2.2 approved money market instruments permitted under paragraph 8 (Investment in approved money market instruments);

22.2.3 deposits;

22.2.4 permitted derivatives under this paragraph;

22.2.5 collective investment scheme units or shares permitted under paragraph 18 (Investment in collective investment schemes);

22.2.6 financial indices which satisfy the criteria set out in COLL 5.2.20AR;

22.2.7 interest rates;

22.2.8 foreign exchange rates; and

22.2.9 currencies.

22.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

22.4 A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Instrument constituting the scheme and the most recently published version of this Prospectus.

22.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, money market instruments, units or shares in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 25 (Requirement to cover sales) are satisfied.

22.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.

23. Financial indices underlying derivatives

23.1 The financial indices referred to above are those which satisfy the following criteria:

23.1.1 the index is sufficiently diversified;

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

23.1.3 the index is published in an appropriate manner.

23.2 A financial index is sufficiently diversified if:

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

23.2.2 where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and

23.2.3 where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

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

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

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

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

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

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

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

23.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 22.2, be regarded as a combination of those underlyings.

24. Transactions for the purchase of property

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

25. Requirement to cover sales

25.1 No agreement by or on behalf of the Company to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Company by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Fund at the time of the agreement.

25.2 This requirement does not apply to a deposit.

26. OTC transactions in derivatives

26.1 Any transaction in an OTC derivative must be:

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

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

26.1.2.1 carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and

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

26.1.3 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

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

26.1.3.2 if the value referred to in paragraph 26.1.3.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

26.1.4 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

26.1.4.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or

26.1.4.2 a department within the ACD which is independent from the department in charge of managing the Fund and which is adequately equipped for such a purpose.

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

27. Valuation of OTC derivatives

27.1 For the purposes of paragraph 26.1.2, the ACD must:

27.1.1 establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and

27.1.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

27.2 Where the arrangements and procedures referred to in paragraph 27.1.1 involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UK UCITS schemes).

27.3 The arrangements and procedures referred to in this rule must be:

27.3.1 adequate and proportionate to the nature and complexity of the OTC derivative concerned; and

27.3.2 adequately documented.

28. Cover for investment in derivatives and forward transactions

28.1 The ACD must ensure that its global exposure relating to derivatives and forward transactions held in the Fund does not exceed the net value of the Scheme Property.

29. Daily calculation of global exposure

29.1 The ACD must calculate the global exposure of a Fund on at least a daily basis.

29.2 For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

30. Calculation of global exposure

30.1 The ACD must calculate the global exposure of any Fund it manages either as:

30.1.1 the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 21 (Derivatives: general), which may not exceed 100% of the net value of the Scheme Property of a Fund, by way of the commitment approach; or

30.1.2 the market risk of the Scheme Property of a Fund, by way of the value at risk approach.

30.2 The ACD must ensure that the method selected above is appropriate, taking into account:

30.2.1 the investment strategy pursued by the Fund;

30.2.2 the types and complexities of the derivatives and forward transactions used; and

30.2.3 the proportion of the Scheme Property comprising derivatives and forward transactions.

30.3 Where a Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 36 (Stock lending) in order to generate additional leverage or exposure to market risk, the ACD must take those transactions into consideration when calculating global exposure.

30.4 For the purposes of paragraph 30.1.1, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

30.5 The ACD uses the commitment approach.

31. Commitment approach

31.1 Where the ACD uses the commitment approach for the calculation of global exposure, it must:

31.1.1 ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in paragraph 21 (Derivatives: general)), whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with paragraph 36 (Stock lending); and

31.1.2 convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).

31.2 The ACD may apply other calculation methods which are equivalent to the standard commitment approach.

31.3 For the commitment approach, the ACD may take account of netting and hedging arrangements when calculating global exposure of a Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

31.4 Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.

32. Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Fund need not form part of the global exposure calculation.

33. Risk management

33.1 The ACD uses a risk management process, enabling it to monitor and measure at any time the risk of a Fund's positions and their contribution to the overall risk profile of a Fund.

33.2 The following details of the risk management process must be regularly notified by the ACD to the FCA and at least on an annual basis:

33.2.1 a true and fair view of the types of derivatives and forward transactions to be used within a Fund together with their underlying risks and any relevant quantitative limits; and

33.2.2 the methods for estimating risks in derivative and forward transactions.

34. Investments in deposits

34.1 The Fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

35. Schemes replicating an index

35.1 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.

35.2 The 20% limit 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.

35.3 In the case of a Fund replicating an index the Scheme Property of a Fund need not consist of the exact composition and weighting of the underlying in the relevant index where deviation from this is expedient for reasons of poor liquidity or excessive cost to the scheme in trading in an underlying investment.

35.4 The indices referred to above are those which satisfy the following criteria:

35.4.1 the composition is sufficiently diversified;

35.4.2 the index is a representative benchmark for the market to which it refers;

35.4.3 the index is published in an appropriate manner; and

35.4.4 the index otherwise meets the requirements for financial indices set out in the ESMA Guidelines on ETFs and other UK UCITS issues dated 18 December 2012 (ESMA/2012/832/EN).

36. Stock lending and collateral management

36.1 The entry into stock lending transactions for the account of the Fund is permitted for the generation of additional income for the benefit of the Fund, and hence for its investors.

36.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.

36.3 The stock lending permitted by this section may be exercised by the Fund when it reasonably appears to the Fund to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk.

36.4 The Company or the Depositary at the request of Company may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:

36.4.1 all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice;

36.4.2 the counterparty is:

36.4.2.1 an authorised person; or

36.4.2.2 a person authorised by a Home State regulator; or

36.4.2.3 a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or 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:

36.4.2.4 the Office of the Comptroller of the Currency;

36.4.2.5 the Federal Deposit Insurance Corporation;

36.4.2.6 the Board of Governors of the Federal Reserve System; and

36.4.2.7 the Office of Thrift Supervision, and

36.4.2.8 collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 19.4.1 and the collateral is:

36.4.2.9 acceptable to the depositary;

36.4.2.10 adequate; and

36.4.2.11 sufficiently immediate.

36.5 The counterparty for the purpose of paragraph 36.4.2 is the person who is obliged under the agreement referred to in paragraph 36.4.1 to transfer to the depositary the securities transferred by the depositary under the stock lending arrangement or securities of the same kind.

36.6 Paragraph 36.4.2.9 does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

36.7 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

36.8 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Fund.

36.9 There is no limit on the value of the Scheme Property of a Fund which maybe the subject of stock lending transactions.

36.10 The ACD has a collateral management policy which is subject to review and regular review. The collateral policy sets out what is regarded as eligible collateral for the Funds and includes details of any applicable haircuts to be applied in relation to each class of assets which may be received as collateral. Collateral will generally be of high quality and liquid. The collateral management policy includes any additional restrictions deemed appropriate by the ACD.

36.11 All collateral used to reduce counterparty risk will comply with the following criteria:

36.11.1 it must be highly liquid and traded on a regulated market;

36.11.2 it must be valued at least daily;

36.11.3 it must be of high quality;

36.11.4 it will not be highly correlated with the performance of the counterparty;

36.11.5 it will be sufficiently diversified in terms of country, markets, and issuers in accordance with ESMA's Guidelines on ETFs and other UK UCITS issues (ESMA/2012/832EN);

36.11.6 it will be held by the Depositary or by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral; and

36.11.7 it will be capable of being fully enforced by the ACD at any time without reference or approval from the counterparty.

36.12 Where non cash collateral is received by a Fund, it will not be sold, re-invested or pledged.

36.13 Where cash collateral is received by a Fund (whether in relation to a securities lending agreement, repurchase agreement or under an OTC derivative), such cash collateral shall only be:

36.13.1 placed on deposit with an Approved Bank;

36.13.2 invested in high quality government bonds;

36.13.3 used for the purpose of reverse repurchase transactions provided that the transaction are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis; or

36.13.4 invested in short term money market funds as defined in the CESR Guidelines on a Common Definition of European Money Market Funds;

36.13.5 where cash collateral is reinvested it will be diversified in accordance with guidelines published from time to time by ESMA.

36.14 If entering a reverse repurchase transaction agreement a Fund is able at any time to recall any securities subject to the repurchase agreement or, to terminate the reverse repurchase agreement which it has entered, unless the agreement is entered into for a fixed term not exceeding 7 days.

37. Cash and near cash

37.1 Cash and near cash must not be retained in the Scheme Property of a Fund except to the extent that, where this may reasonably be regarded as necessary in order to enable:

37.1.1 the pursuit of the Fund's investment objectives; or

37.1.2 the redemption of units or shares; or

37.1.3 efficient management of the Fund in accordance with its investment objective; or

37.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund.

37.2 Cash and near cash (excluding government and public securities) may not be used for the purposes of paragraph 37.1.1.

37.3 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

38. General

38.1 It is envisaged that the Funds will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in order to enable the redemption of units or shares, efficient management of the Fund or any one purpose which may reasonably be regarded as ancillary to the investment objective of the Fund.

38.2 No Fund may invest in the Shares of another Fund of the Company.

38.3 Where a Fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to the Fund by the close of business on the fourth Business Day the amount of any initial charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

38.4 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Fund but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.

39. Underwriting

39.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of the Company.

40. Borrowing powers

40.1 The ACD may, on the instructions of the Fund and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property.

40.2 Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.

40.3 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Fund.

40.4 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

41. Restrictions on lending of property other than money

41.1 Scheme Property other than money must not be lent by way of deposit or otherwise.

41.2 Transactions permitted by paragraph 36 (Stock lending) are not to be regarded as lending for the purposes of this Appendix.

41.3 Nothing in this paragraph prevents the Depositary at the request of the ACD from lending, depositing, pledging or charging Scheme Property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL 5.

42. Restrictions on lending of money

42.1 None of the money in the Scheme Property may be lent and, for the purposes of this paragraph, money is lent by the Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.

42.2 Acquiring a debenture is not lending for the purposes of paragraph 42.1, nor is the placing of money on deposit or in a current account.

43. Guarantees and indemnities

43.1 The Depositary, for the account of a Fund, must not provide any guarantees or indemnity in respect of the obligation of any person.

43.2 Scheme Property may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

43.3 Paragraphs 43.1 and 43.2 do not apply to any indemnity or guarantee given for margin requirements where derivatives or forward transactions are being used or an indemnity given to a person winding up a body corporate or other scheme in circumstances where share assets are becoming part of the Scheme Property by way of unitisation.

44. Concentration

44.1 A UK UCITS Scheme must not acquire transferable securities other than debt securities which:

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

44.1.2 represent more than 10% of these securities issued by that body corporate;

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

44.1.4 must not acquire more than 25% of the units or shares in a collective investment scheme;

44.1.5 must not acquire more than 10% of the money market instruments issued by any single body;

44.1.6 need not comply with the limits in paragraphs 44.1.2, 44.1.3 and 44.1.4 and of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

APPENDIX IV – PAST PERFORMANCE DATA

Fund	31/12/2020-31/12/2021 % Change	31/12/2021-31/12/2022 % Change	31/12/2022-31/12/2023 % Change	31/12/2023-31/12/2024 % Change	31/12/2024-31/12/2025 % Change
NFU Mutual Mixed Portfolio 20-60% Shares Fund (Class C)	9.1	-9.7	8.3	6.4	10.7
Investment Association Mixed Investment 20-60% Shares Sector (benchmark)	7.2	-9.5	6.8	6.1	10.2
NFU Mutual Mixed Portfolio 20-60% Shares Fund (Class I)	9.8	-9.1	9.0	8.4	11.3
Investment Association Mixed Investment 20-60% Shares Sector (benchmark)	7.2	-9.5	6.8	6.1	10.2
NFU Mutual Mixed Portfolio 40-85% Shares Fund (Class C)	12.9	-7.4	8.7	9.0	12.5
Investment Association Mixed Investment 40-85% Shares Sector (benchmark)	10.9	-10.0	8.1	9.0	11.6
NFU Mutual Mixed Portfolio Max 100% Shares Fund (Class C)	15.3	-6.4	9.2	11.5	14.2
Investment Association Flexible Investment Sector (benchmark)	11.3	-9.0	7.1	9.4	12.0

- Source of data: Morningstar Fund Services. Selling to selling share prices, income net of basic rate tax, UK Sterling.
- The past performance figures above show the annual percentage change in the fund's value over the twelve-month periods shown. The Class C shares were launched on 3 December 2012.
- Past performance is not a reliable indicator of future results.
- The value of investments may go down as well as up. There is a risk you could get back less than you invest.

APPENDIX V – SUB CUSTODIAN NETWORK

Country/Market	Sub - custodian	Address
Argentina	Citibank N.A., Argentina	Buenos Aires
Australia	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Austria	UniCredit Bank Austria AG	Vienna
Bahrain	HSBC Bank Middle East Limited	Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited	Dhaka
Belgium	The Bank of New York Mellon SA/NV	Brussels
Bermuda	HSBC Bank Bermuda Limited	Hamilton
Botswana	Stanbic Bank Botswana Limited	Gaborone
Brazil	Citibank N.A., Brazil	Sao Paulo
Brazil	Banco Santander (Brasil) S.A.	Sao Paulo
Bulgaria	Citibank Europe plc, Bulgaria Branch	Sofia
Canada	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
Cayman Islands	The Bank of New York Mellon	New York
Channel Islands	The Bank of New York Mellon	New York
Chile	Banco de Chile	Santiago
Chile	Itau Corpbanca S.A.	Santiago
China	HSBC Bank (China) Company Limited	Shanghai
China	Bank of China Limited	Beijing
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
Costa Rica	Banco Nacional de Costa Rica	San José
Croatia	Privredna banka Zagreb d.d.	Zagreb
Cyprus	BNP Paribas Securities Services	Athens

Country/Market	Sub - custodian	Address
Czech Republic	Citibank Europe plc, organizacni slozka	Prague
Denmark	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Egypt	HSBC Bank Egypt S.A.E.	Cairo
Estonia	SEB Pank AS	Tallinn
Estonia	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung	Frankfurt
Eswatini	Standard Bank Eswatini Limited	Mbabane
Euromarket	Clearstream Banking S.A	Luxembourg
Euromarket	Euroclear Bank	Brussels
Finland	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
France	The Bank of New York Mellon SA/NV	Brussels
France	BNP Paribas S.A	Paris
Germany	The Bank of New York Mellon SA/NV	Frankfurt am Main
Ghana	Stanbic Bank Ghana Limited	Accra
Greece	Citibank Europe Plc, Greece Branch	Athens
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Hungary	Citibank Europe plc. Hungarian Branch Office	Budapest
Iceland	Landsbankinn hf.	Reykjavik
India	Standard Chartered Bank India Branch	Mumbai
India	The Hongkong and Shanghai Banking Corporation Limited	Mumbai
Indonesia	Deutsche Bank AG	Jakarta
Ireland	The Bank of New York Mellon	New York
Israel	Bank Hapoalim B.M.	Tel Aviv
Italy	The Bank of New York Mellon SA/NV	Brussels
Japan	Mizuho Bank, Ltd.	Tokyo
Japan	MUFG Bank, Ltd.	Tokyo

Country/Market	Sub - custodian	Address
Jordan	Standard Chartered Bank, Jordan Branch	Jordan
Kazakhstan	Citibank Kazakhstan Joint-Stock Company	Almaty
Kenya	Stanbic Bank Kenya Limited	Nairobi
Kuwait	HSBC Bank Middle East Limited, Kuwait	Safat
Latvia	AS SEB banka	Kekavas novads
Latvia	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt
Lithuania	AB SEB bankas	Vilnius
Lithuania	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt
Luxembourg	Euroclear Bank	Brussels
Malawi	Standard Bank PLC	Lilongwe
Malaysia	Deutsche Bank (Malaysia) Berhad	Kuala Lumpur
Malta	The Bank of New York Mellon SA/ NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt am Main, Germany
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	Ebene
Mexico	Banco S3 México S.A.	Ciudad de México
Mexico	Citibanamex	Colonia Santa Fe
Morocco	Citibank Maghreb S.A.	Casablanca
Namibia	Standard Bank Namibia Limited	Kleine Kuppe
Netherlands	The Bank of New York Mellon SA/NV	Brussels, Belgium
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	Auckland
Nigeria	Stanic IBTC Bank Plc.	Lagos
Norway	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
Oman	Standard Chartered Bank Oman Branch	Ruwi

Country/Market	Sub - custodian	Address
Pakistan	Deutsche Bank AG	Karachi
Peru	Citibank del Peru S.A.	Lima
Philippines	Deutsche Bank AG	Taguig City 1634
Poland	Bank Polska Kasa Opieki S.A.	Warszawa
Portugal	Citibank Europe Plc	Dublin
Qatar	Qatar National Bank	Doha
Qatar	The Hong Kong and Shanghai Banking Corporation Limited	Hong Kong
Romania	Citibank Europe plc Dublin, Romania Branch	Bucharest
Russia	PJSC ROSBANK	Moscow
Saudi Arabia	HSBC Saudi Arabia	Riyadh
Serbia	UniCredit Bank Serbia JSC	Belgrade
Singapore	DBS Bank Ltd	Singapore
Slovak Republic	Citibank Europe plc, pobocka zahranicnej banky	Bratislava
Slovenia	UniCredit Banka Slovenia d.d.	Ljubljana
South Africa	Standard Chartered Bank	Johannesburg
South Africa	The Standard Bank of South Africa Limited	Johannesburg
South Korea	The Hongkong and Shanghai Banking Corporation Limited	Seoul
South Korea	Deutsche Bank AG	Seoul
Spain	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
Spain	Santander Securities Services, S.A.U.	Madrid
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	Colombo
Sweden	Skandinaviska Enskilda Banken AB (Publ)	Stockholm

Country/Market	Sub - custodian	Address
Switzerland	UBS Switzerland AG	Zurich
Taiwan	HSBC Bank (Taiwan) Limited	Taipei City
Tanzania	Stanbic Bank Tanzania Limited	Dar es Salaam
Thailand	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
Tunisia	Union Internationale de Banques	Tunis
Turkey	Deutsche Bank A.S.	Istanbul
U.A.E.	HSBC Bank Middle East Limited, Dubai	Dubai
U.K.	The Bank of New York Mellon	New York
U.S.A.	The Bank of New York Mellon	New York
U.S.A. Precious Metals	HSBC Bank, USA, N.A	New York
Uganda	Stanbic Bank Uganda Limited	Kampala
Ukraine	JSC “Citibank”	Kiev
Uruguay	Banco Itaú Uruguay S.A.	Montevideo
Vietnam	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City
WAEMU	Société Générale Côte d’Ivoire	Abidjan 01, Ivory Coast
Zambia	Stanbic Bank Zambia Limited	Lusaka
Zimbabwe	Stanbic Bank Zimbabwe Limited	Harare

DIRECTORY

The Company and Head Office
The NFU Mutual Portfolio Funds OEIC
Tiddington Road
Stratford-upon-Avon
Warwickshire
CV37 7BJ

Authorised Corporate Director
N.F.U. Mutual Unit Managers Limited
Tiddington Road
Stratford-upon-Avon
Warwickshire
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Depositary
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