

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

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

PROSPECTUS
OF
HANDELSBANKEN MULTI ASSET FUNDS
(An open-ended investment company
incorporated with limited liability and
registered in England and Wales
under registered number IC000776)

This document constitutes the Prospectus for Handelsbanken Multi Asset Funds which has been prepared in accordance with the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook.

This Prospectus is dated, and is valid as at, **09 February 2024**.

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

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Important Information

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

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

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

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

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

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

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

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

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

Data Protection

Introduction

This Privacy Notice explains how we use your personal information, describes the categories of personal information we process and for what purposes. We take your privacy seriously and we are committed to collecting and using your information fairly and in accordance with the requirements of all applicable data protection and privacy laws.

This Privacy Notice may be updated from time to time. We will inform you if material changes are made either to the Privacy Notice or to the way that we process your data.

Who we are and how to contact us

Handelsbanken ACD Limited ("ACD") is the controller responsible for your personal data. ACD is authorised and regulated by the Financial Conduct Authority ("FCA"). ACD is a wholly-owned subsidiary of Handelsbanken Wealth & Asset Management Limited ("HWAM"). HWAM is a wholly-owned subsidiary of Handelsbanken plc. Each of ACD and HWAM is authorised and regulated by the FCA. Handelsbanken plc is authorised by the Prudential Regulation Authority ("PRA") and regulated by the PRA and the FCA. When we mention "we", "us" or "our" in this Privacy Notice, we refer to the relevant company responsible for processing your data. Further information can be found on wealthandasset.handelsbanken.co.uk.

Our Data Protection Officer can be contacted at No.1 Kingsway, London, WC2B 6AN or at dpo.hwam@handelsbanken.co.uk if you have queries about this Privacy Notice or wish to exercise any of the rights mentioned in it.

What kinds of personal information do we hold about you?

In order to fulfil our obligations to you as our customer, we handle different types of personal information about you. We organise your personal information into the following categories:

Categories of personal information	Description (examples)
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<p>Basic personal information</p>	<ul style="list-style-type: none"> • Title and full name • Your personal description or photographic identification • Contact details, including: your home address, any other contact address, your address history, home and mobile telephone numbers and email. • Your date of birth • UK National Insurance number • Information on your nationality and citizenship
<p>Personal preferences</p>	<ul style="list-style-type: none"> • How you wish to be contacted • Marketing preferences • Acceptance of cookies
<p>Communication</p>	<ul style="list-style-type: none"> • A record of your communications with us, including the recording of all telephone calls with us
<p>Financial transactions</p>	<ul style="list-style-type: none"> • Bank account and sort code details • Details of third parties we may be asked to make payments to
<p>Financial details</p>	<ul style="list-style-type: none"> • Your banking details • Credit or debit card information or other payment or financial information

	<ul style="list-style-type: none"> information about transactions you make in relation to a fund including your holding in a fund or the reference number in relation to your holding
Special categories of personal data	<ul style="list-style-type: none"> Special category data includes: personal data revealing racial or ethnic origin; political opinions; religious or philosophical beliefs; trade union membership; genetic data; biometric data (where used for identification purposes); data concerning health; data concerning a person's sex life; and data concerning a person's sexual orientation We will collect information about your gender and your marital status

Information about other individuals

If you make a joint application, for example with your spouse, partner or family member, we will also collect the personal information mentioned above about that person. You must show this Privacy Notice to all applicants and ensure they confirm that they know you will share it with us for the purposes described in it.

If there is somebody who has power of attorney over your affairs or has authority to give us instructions, that person will see this Privacy Notice when we make contact with him/her directly.

We will generally collect your personal information from you directly via our agreement with you and our application process. We will also collect and record information about you obtained during telephone conversations, meetings and other correspondence such as emails and letters.

We also obtain your personal information from other sources such as:

- other third parties you have authorised us to correspond with; or
- other organisations, to assist in prevention and detection of crime.

In addition, some of your personal information may come from HWAM or Handelsbanken plc if you already have an account or product with them.

How we use your personal information

We only use your personal information where it is fair and lawful to do so. This section explains our legal grounds for collecting and using information about you.

<p>Grounds for collecting and using information about you</p>	<p>Information collected</p>
<p>You have given us your consent</p>	<ul style="list-style-type: none"> • We only rely on your consent for collecting special categories of information (described earlier above) when it is relevant
<p>It is necessary to fulfil our contract with you</p>	<ul style="list-style-type: none"> • This includes the information we need to provide you with a product or service, for example, in relation to personal data of investors or prospective investors in a fund (referred to in this notice as “investor data”): to open accounts, or to process subscriptions, redemptions, exchanges and payments of dividends, as relevant
<p>It is in our legitimate interest</p>	<ul style="list-style-type: none"> • We may use your information where it is in our legitimate interest to do so. For example, using your information to send you publications or other marketing literature; or using your information in relation to the proper management and administration of your investment and the operation the fund by us, our delegates and the service providers to the funds.

<p>It is necessary to fulfil our legal and regulatory requirements</p>	<ul style="list-style-type: none"> • We also use your personal information to meet our regulatory and legal requirements. For example, to notify you about changes to a fund; or meeting our anti money laundering obligations, or recording and monitoring telephone calls for example, in order to process or verify instructions.
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How you can withdraw your consent?

Where we do rely on your consent and you have given us this, you have the right to withdraw this and we will no longer collect and use this information. Please be aware that withdrawing your consent could mean that we cannot take into account all relevant information when providing our services to you.

In relation to investors or potential investors in a fund, you have the right to refuse to give us your personal data in which case we may at our discretion: refuse to issue shares in a fund to you; refuse to pay the proceeds of a redemption of shares or units; refuse to pay income on shares or units to you; or compulsorily redeem your holding. If you do withdraw your consent, we may still be able to process some of the data that you have provided to us on other grounds and we will notify you of these at such time.

Who we share your personal information with

We will only share information with third parties where authorised to do so by you, to fulfil our contract with you, where there is a legal or regulatory requirement or if it is in our best legitimate interest to do so. This section covers who we share your information with and why. If you would like further details regarding who we share information with, please contact the Data Protection Officer.

Person/Organisation	Why
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<p>Other individuals involved in your agreement with us</p>	<ul style="list-style-type: none"> • Where you have instructed us to provide information to another individual or signatory of the agreement we will do this to fulfil our contract with you. • Where there is more than one signatory to an agreement such as in the case of joint accounts or accounts for trusts or corporate customers. We will provide your information to all signatories to fulfil our contract with you.
<p>Other providers or third parties you may ask us to provide information to or request information from</p>	<ul style="list-style-type: none"> • Where we are dealing with third parties on your behalf we will ask for your authority to request information from them and, where necessary share information with them.
<p>The Handelsbanken Group</p>	<ul style="list-style-type: none"> • We will share information with the wider group where it is in our legitimate interest to do so.
<p>Supervisory Authorities and HMRC</p>	<ul style="list-style-type: none"> • We will share your information with regulatory authorities such as the FCA or the Information Commissioner’s Office as required. • We will also share information about you with HMRC as required.
<p>Other companies we have chosen to support us when providing services and products to you</p>	<ul style="list-style-type: none"> • We share information with a limited number of third parties who support us in providing services to you and enable us to fulfil our contract with you and help us meet our legal or regulatory obligations. For example, we will share your name, address and date of birth

	<p>with credit reference agencies to electronically verify your identity.</p> <ul style="list-style-type: none"> • We will also share your information with service providers, support services and organisations that help us market our services and third parties instructed by us to enable us to fulfil our contractual obligations. • In relation to our funds, we may disclose investor data to the service providers to the funds, or to our own service providers, delegates, suppliers or our contractors and sub-contractors insofar as reasonably necessary for the purpose of the operation and administration of a fund, the distribution of a fund and the safe custody of the assets of a fund. In particular investor data may be provided to: (a) the registrar or administrator of a fund in relation to for example, on-boarding functions, anti-money laundering and other regulatory compliance checks, set-up of investor accounts, monitoring of trading activity and other record keeping obligations, subscriptions and redemptions of the shares or units of a fund, or to monitor changes to the investor register, (b) to the depositary or custodian of a fund in relation to their oversight or safe custody duties; and (c) to the investment manager of a fund in relation to the monitoring of a fund's investments.
<p>Analytics and search engine providers</p>	<ul style="list-style-type: none"> • Firms that assist in the improvement and optimisation of the website on which we publish information about the funds (wealthandasset.handelsbanken.co.uk)

<p>Our insurers and/or professional advisers</p>	<ul style="list-style-type: none"> • Insofar as reasonably necessary for the purposes of obtaining or maintaining insurance coverage, managing risks, obtaining professional advice, or the establishment, exercise or defence of legal claims, whether in court proceedings or in an administrative or out-of-court procedure
<p>Our auditors</p>	<ul style="list-style-type: none"> • In relation to firm or fund audits
<p>Our bank</p>	<ul style="list-style-type: none"> • Including as permitted under applicable anti-money laundering or anti-terrorist financing laws
<p>Law enforcement</p>	<ul style="list-style-type: none"> • We share information with law enforcement agencies as required.

Transfers of your personal information outside of the UK or the EEA

We are based in the UK but sometimes we may need to transfer your personal information outside the UK or the European Economic Area (EEA). If it is processed within Europe or other parts of the EEA then it is protected by European data protection standards.

Some countries outside the EEA do have adequate protection for personal information under laws that apply to us. We will make sure that suitable safeguards are in place before we transfer your personal information to countries outside the EEA.

What should you do if your personal information changes?

You should tell us without delay so that we can update our records. You can contact your usual contact to do this. Alternatively, you can contact our Data Protection Officer.

Do you have to provide your personal information to us?

We are unable to provide you with any products or services without having personal information about you. Your personal information is required before you can enter into an agreement with us and is required during the life of that agreement.

How long we keep your personal information for

We will hold the majority of your personal information for a period of 10 years following the end of your contract with us, however there are some exceptions to this. If you would like further information about our data retention practices, contact our Data Protection Officer using the details set out above.

What are your rights under data protection laws?

You have a number of rights under data protection laws. They do not apply in all circumstances. For more information or if you wish to exercise any of them, please contact the Data Protection Officer.

Your data protection rights	Description
The right to be informed	<ul style="list-style-type: none"> We have to be transparent with you about the personal information we collect and how we use it. This is why we have a Privacy Notice.
The right to have your personal information corrected	<ul style="list-style-type: none"> If you believe any of your information is incorrect, wrong or incomplete we will take steps to check it and correct any factual inaccuracies
The right to object to processing of your personal information	<ul style="list-style-type: none"> You can object to our use of your personal information where we rely on legitimate interests (as described above).

<p>The right to restrict processing of your personal information</p>	<ul style="list-style-type: none"> You can ask us to stop using your personal information for certain reasons. In most cases we will still be able to keep your information but we will ensure that we do not use it in the future for the reasons you have restricted.
<p>The right to have your personal information deleted (also known as the "<i>right to be forgotten</i>")</p>	<ul style="list-style-type: none"> If we no longer need to keep your information you can ask us to delete it. We will do so if we have no legal, regulatory or compelling business reason to keep it.
<p>The right to request access to your personal information</p>	<ul style="list-style-type: none"> You can ask us to provide you with a copy of the personal information that we hold about you.
<p>The right to port your personal information to another firm</p>	<ul style="list-style-type: none"> If we hold your personal information electronically and use it with your consent or to fulfil our contractual obligation with you, you can ask us to transfer the data to another organisation in a safe and secure way and in a machine readable format.

Cookies

We may use cookies and other similar technologies on our website. Cookies are small text files that may be stored on your computer or mobile device when you visit a website. These technologies may do different things, such as letting you navigate between web pages efficiently and remembering your preferences. Our website provides further information on how and where we use cookies and how you can control them.

How to make a complaint

We aim to provide complete customer satisfaction but we also recognise that there may be a time when you feel that we haven't delivered and would like to make a complaint. If you think things have gone wrong and you are unhappy with us, please contact your usual contact or the Data Protection Officer in the first instance and they will try to assist you. More information on how to complain can be found on our website.

If you are still unhappy you have the right to complain to the Information Commissioner's Office which enforces data protection laws. Further details can be found on their website www.ico.org.uk.

1. **DEFINITIONS**

"ACD"	Handelsbanken ACD Limited, the authorised corporate director of the Company.
"ACD Agreement"	an agreement between the Company and the ACD.
"AIFM"	the legal person appointed on behalf of the Company and which (through this appointment) is responsible for managing the Company in accordance with the AIFM Directive and The Alternative Investment Fund Managers Regulations 2013, which at the date of this Prospectus is the ACD.
"AIFM Directive"	Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and Council of 8 June 2011 and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 which is part of UK law by virtue of EUWA.
"Approved Bank"	one of certain approved banks as defined in the glossary of definitions to the FCA Handbook.
"Associate"	any other person whose business or domestic relationship with the ACD or the ACD's associate might reasonably be expected to give rise to a community of interest between them which may

involve a conflict of interest in dealings with third parties.

“Auditor”

PwC LLP, or such other entity as is appointed to act as auditor to the Company from time to time.

“Business Day”

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

“CCP”

a legal person that interposes itself between the counterparties to the contracts traded on one or more financial markets, becoming the buyer to every seller and the seller to every buyer, as defined in article 2(1) of [*EMIR*](#).

“Class” or “Classes”

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

“COLL”

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

“COLL Sourcebook”

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

“Company”

Handelsbanken Multi Asset Funds.

“Consumer Price Index”

the Consumer Price Index or any successor index published by the Office for National Statistics, or successor

	body, as a measure of consumer price inflation.
“Conversion”	the exchange of Shares in one Class for Shares of another Class in the same Sub-fund and the act of so exchanging and “Convert” shall be construed accordingly.
“Dealing Day”	Monday to Friday where these days are Business Days, between the hours of 8:30a.m. to 5:30p.m.
“Depositary”	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Depositary.
“Director” or “Directors”	the directors of the Company from time to time (including the ACD).
“EEA State”	a member state of the European Union and any other state which is within the European Economic Area.
“EEA UCITS Scheme”	a collective investment scheme established in accordance with the UCITS Directive in an EEA State.
“Efficient Portfolio Management” or “EPM”	for the purposes of this Prospectus, means an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of costs or the generation of additional capital or income for the Sub-fund with a risk level which is consistent with the risk profile of the Sub-fund and the risk diversification rules laid down in COLL.
“Eligible Institution”	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook.
“Emerging Markets”	unless defined differently for a Sub-fund or other requirement in this

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

“EMIR”

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

“EUWA”

the European Union (Withdrawal) Act 2018.

“the FCA”

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

“the FCA Handbook”

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

“the Financial Services Register”

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

- (a) authorised person;
- (b) AUT;
- (c) ICVC;
- (d) ACS
- (e) recognised scheme;

- (f) recognised investment exchange;
- (g) individual to whom a prohibition order relates;
- (h) approved person; and
- (i) person within such other class (if any) as the FCA may determine; except as provided by any transitional provisions.

“FUND”	refers to the appropriate chapter or rule in the FUND Sourcebook.
“Fund Accountant”	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to provide fund accounting services.
“the FUND Sourcebook”	the Investment Funds Sourcebook issued by the FCA as amended from time to time.
“Home State”	as defined in the glossary of definitions to the FCA Handbook.
“ICVC”	Investment Company with Variable Capital.
“Instrument of Incorporation”	the instrument of incorporation of the Company as amended from time to time.
“IOSCO”	the International Organisation of Securities Commissions.
“MSCI All Country World Index £) - Net total return”	a market capitalisation weighted index designed to provide a broad measure of equity performance throughout the world. The index captures large and mid-cap shares across developed and emerging markets.
“Net Asset Value” or “NAV”	the value of the Scheme Property of the Company or of any Sub-fund (as the context may require) less the liabilities

of the Company (or of the Sub-fund concerned) as calculated in accordance with the Instrument of incorporation.

“Non-UCITS retail scheme” or “NURS” a scheme which is not a UK UCITS but is available to retail investors.

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

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

“Ongoing Charges Figure” a single percentage figure used to show the total annual operating costs taken from the assets of the relevant Sub-fund over the year, and based on the figures for the preceding year, including the annual management charge, registration fees, the Depositary’s periodic charge, custody fees, and the Auditor’s fees, but excluding any redemption charge, brokerage charges, taxes or other dealing costs incurred in respect of the Sub-fund’s Scheme Property. (Note: Where a Sub-fund has significant investments in other collective investment schemes the Ongoing Charges Figure will include an amount to reflect the pro-rata charges incurred by that collective investment scheme.)

"OTC"	Over-the-Counter Derivative: a derivative transaction which is not traded on an investment exchange.
"Portfolio Manager"	Handelsbanken Wealth & Asset Management Limited the portfolio manager to the ACD in respect of the Company.
"Register"	the register of Shareholders of the Company.
"Registrar"	The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Registrar to the Company from time to time.
"Regulated Activities Order"	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).
"Regulations"	the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook and the FUND Sourcebook).
"Scheme Property"	the Scheme Property of the Company or a Sub-fund (as appropriate) required under the COLL Sourcebook and the FUND Sourcebook to be given for safekeeping to the Depositary.
"Share" or "Shares"	a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share).
"Shareholder"	a holder of registered Shares in the Company.
"Sub- fund" or "Sub-funds"	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of

the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund.

“Switch”

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

“The International Tax Compliance Regulations”

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

“UK”

the United Kingdom of Great Britain and Northern Ireland.

as defined in the glossary of definitions to the FCA Handbook.

“UK UCITS”

the COLL Sourcebook and the Collective Investment Schemes

“UK UCITS Rules”	(Amendment etc) (EU Exit) Regulations 2019 No.325.
“US” or “United States”	the United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction.
“US Persons”	a person who falls within the definition of “US Person” as defined in rule 902 of regulation S of the United States Securities Act 1933 and shall include additionally any person that is not a “Non-United States Person” within the meaning of United States Commodity Futures Trading Commission Regulation 4.7.
“Valuation Point”	the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point is 10.00 a.m. London time on each Dealing Day with the exception of a bank holiday in England and Wales, or the last Business Day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary.
“VAT”	Value Added Tax.

2. **DETAILS OF THE COMPANY**

General Information

2.1.1 **General**

Handelsbanken Multi Asset Funds (the Company) is an umbrella investment company with variable capital incorporated in England and Wales under registered number IC000776 and authorised by the Financial Conduct Authority with effect from 10 November 2009. Please note that approval by the FCA in this context does not in any way indicate or suggest endorsement or approval of the Company as an investment. The FCA's Product Reference Number ("PRN") for the Company is 504097. The product reference number of each Sub-fund is set out in Appendix I. The Company has an unlimited duration.

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

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

2.1.2 **Head Office**

The head office of the Company is at 77 Mount Ephraim, Tunbridge Wells, Kent TN4 8BS.

2.1.3 **Address for Service**

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

2.1.4 **Base Currency**

The base currency of the Company and each Sub-fund is Pounds Sterling.

2.1.5 **Share Capital**

Maximum £100,000,000,000

Minimum £1

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

Shares in the Company may be marketed outside the United Kingdom, subject to the Regulations, and any regulatory constraints in those countries, if the ACD so decides.

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

2.2 **The structure of the Company**

2.2.1 **The Sub-funds**

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

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

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

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

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

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

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

2.2.2 Classes of Share within the Sub-funds

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

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

Further Classes of Share may be established from time to time by the ACD with the agreement of the Depositary and in accordance with the Instrument of Incorporation and the Regulations. On the introduction of any new Sub-fund or Class, either a revised prospectus or a supplemental prospectus will be prepared, setting out the details of the Sub-fund or each Class.

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

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

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

The following Classes of Share may be issued in respect of each Sub-fund:

Class C income and accumulation

Class D income and accumulation

Class I income and accumulation

Class H income and accumulation (not publicly available)

Further details of the Shares presently available for each Sub-fund, including details of their criteria for subscription and fee structure, are set out in Appendix I.

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

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

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

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

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

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

The dealing office of the ACD is normally open from 8.30 a.m. to 5.30 p.m. (London time) on each Business Day to receive postal requests for the purchase, sale and switching of Shares. The ACD may vary these times at its discretion. Requests to deal in Shares may also be made by telephone on each Business Day (at the ACD's discretion) between 8.30 a.m. and 5.30 p.m. (London time) directly to the office of the ACD (telephone: 0370 606 6422 or such other number as published from time to time).

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

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

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

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

3.1 **Money Laundering**

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

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

3.2 **Buying Shares**

3.2.1 **Procedure**

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

The initial purchase must, at the discretion of the ACD, be accompanied by an application form.

Any subsequent application to purchase shares must confirm that the investor has received, read and understood the Key Investor Information Document for the share class of the Sub-fund to be invested in.

Valid applications to purchase Shares in a Sub-fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the application, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.10.

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

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue (being more than 5 Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the investor. The ACD is not obliged to issue Shares unless it has received cleared funds from an investor.

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

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made are, except in the case where cancellation rights apply, irrevocable.

Settlement should be made by electronic bank transfer to the bank account detailed on the application form.

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

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

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

3.2.2 Documents the buyer will receive

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

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

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Tax vouchers in

respect of periodic distributions on Shares will show the number of Shares held by the recipient.

3.2.3 **Regular Savings Plan**

The ACD does not currently offer a Regular Savings Plan.

3.2.4 **Minimum Subscriptions and Holdings**

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

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

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

3.3 **Redeeming Shares**

3.3.1 **Procedure**

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

Valid instructions to the ACD to redeem Shares in a Sub-fund will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.10.

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

For details of dealing charges see paragraph 3.5 below.

3.3.2 **Documents a redeeming Shareholder will receive**

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

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

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

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

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

3.3.3 **Minimum Redemption**

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

3.4

Conversions and Switching

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

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

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

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

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

If a Shareholder wishes to Convert or Switch Shares, instructions may be given by telephone or in writing.

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

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

Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Conversion or a Switch. A valid instruction must be received by the ACD before the Valuation Point on a Dealing Day in the Sub-funds concerned to be dealt

with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Requests to Switch or Convert received after a Valuation Point will be held over until the next day which is a Dealing Day for the relevant Sub-fund or Sub-funds.

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

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

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

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

3.4.2 Mandatory Conversion

The ACD may also, in its sole discretion, convert all of an existing class of Shares (the "**Old Class Shares**") in a Sub-fund to new class of Shares (the "**New Class Shares**") in the same Sub-fund (so that there is a reorganisation of the Shares in the Sub-fund in which all Shareholders holding Old Class Shares exchange their Shares for New Class Shares in the Sub-fund), provided that the conversion is reasonably expected to be in the best interests of the Shareholders of the Old Class Shares. The ACD will provide all of the Shareholders of the Old Class Shares with 60 days' prior notice of any such conversion.

Please note that, under current tax law, a reorganisation of the Shares in the Sub-fund (in which all the Shareholders holding Shares in a class of Shares in the Sub-fund exchange all their Shares for Shares of a different class in the same Sub-fund) will generally not be treated as a disposal for capital gains tax purposes. Shareholders who are in any doubt as to their

tax treatment in respect of any conversion of Shares should seek their own professional advice.

3.5 **Dealing Charges**

The price per Share at which Shares are bought, redeemed or switched is the Net Asset Value per Share. Any initial charge or redemption charge, is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

3.5.1 **Initial Charge**

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

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

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

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

3.5.2 **Redemption Charge**

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

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

3.5.3 **Charges on Switching and Conversions**

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

The charge on Switching and Conversions is payable by the Shareholder to the ACD.

The charge will be no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares as specified in Appendix I.

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

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

3.5.4 **Dilution Adjustment**

What is 'dilution'?

Where a Sub-Fund buys or sells underlying investments in response to a request for the issue or redemption of Shares, they will generally incur a cost (diluting the value of the Sub-fund), made up of dealing costs and any spread between the bid and offer prices of the investments concerned, which is not reflected in the purchase or redemption price paid by or to the Shareholder and which is referred to as "dilution". To mitigate the effect of dilution on the Sub-fund as explained above, the ACD will recover the costs of dilution from investors on the issue or redemption of Shares in the Sub-fund. Instead of making a separate charge to investors when Shares in the Sub-fund are bought and sold, COLL permits the ACD to move the price at which Shares are bought or sold on any given day. The single price can be swung higher or lower at the discretion of the ACD on the sale or redemption of Shares in the Sub-fund. This price movement from the mid-market price is known as the dilution adjustment. Any dilution adjustment applied is included in the price applied to the deal and is not disclosed separately. The dilution adjustment for the Sub-fund will be calculated by reference to the estimated costs of dealing in the underlying investments of the Sub-fund, including any dealing spreads, commission and transfer taxes. The need to apply the dilution adjustment will depend on the volume of sales (Shares issued) or redemptions.

What is the ACD's policy regarding dilution adjustment?

Where applied, the amount of any swing is based on the estimated costs of dealing in the underlying investments of the Sub-fund, including any dealing spreads, taxes or broker commissions (for example). In particular, the ACD may swing the price (make a dilution adjustment) in the following circumstances:

- in the case of a "large deal" relative to the Sub-fund's size (meaning any deal that is 5% or greater of the Sub-fund's NAV), where the potential cost to that Sub-fund justifies the application of an adjustment;

- if the net effect of Share issues and redemptions during the period between two valuation points represents a potential impact on ongoing Shareholders;
- where a Sub-fund is in decline (i.e. is experiencing a net outflow of investment);
- where there are inflows into a Sub-fund (i.e. is experiencing a net inflow of investment);
- in any other case where the ACD believes that adjusting the Share price is required to safeguard the interests of Shareholders.

As the requirement to swing the price is directly related to the net issue and sale of Shares in the Sub-fund, it is not possible to accurately predict when or how often dilution will occur in the future, however the ACD anticipates this to be infrequent.

How will it affect Shareholders?

On the occasions that the dilution adjustment is not applied there may be an adverse impact on the total assets of the Sub-fund which may otherwise constrain the future growth of the Sub-fund. The ACD's dilution policy was introduced on 29 November 2022 for the Company, therefore historic information on dilution adjustments made to Share prices is not currently available and as a result the ACD is unable to accurately predict the likelihood of a dilution adjustment being applied, however the ACD anticipates this to be infrequent. Any dilution adjustment will be applied consistently and, in the usual course of business, automatically.

The ACD estimates dilution adjustments applicable to the redemption and purchase of shares will be between 0.07% and 0.36% for redemptions and between 0.09% and 0.35% for purchases based on the assets held in the Company and the market conditions at 15 August 2022.

The ACD's decision on whether or not to make a dilution adjustment, and at what level a dilution adjustment might be made in a particular case or generally, will not prevent it from making a different decision on future similar transactions.

The ACD may alter its current dilution adjustment policy by giving Shareholders notice and amending the prospectus at least 60 days before the change to the dilution policy is to take effect.

3.6 **Transfers**

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

3.7 **Restrictions and Compulsory Transfer and Redemption**

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

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

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

in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach);

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

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

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

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

3.8 Issue of Shares in Exchange for In Specie Assets

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

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

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

3.9 **In Specie Redemptions**

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

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

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

3.10 **Suspension of dealings in the Company**

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

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

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

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

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

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

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

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

3.11 **Liquidity risk management**

3.11.1 The Sub-funds are managed so that the liquidity profile of the Sub-fund is aligned with the requirement to each Sub-fund to meet redemption requests from Shareholders on each Dealing Day. In normal circumstances, redemption requests will be processed as set out in paragraph 3.3. However, in exceptional circumstances, if there is insufficient liquidity in a Sub-fund to meet redemption requests, the ACD may ultimately need to temporarily suspend dealing in that Sub-fund (see "Suspension of dealings in the Company" at 3.9).

3.11.2 The ACD has other tools to deal with temporary liquidity constraints in relation to a Sub-fund. A Sub-fund may (i) borrow cash to meet redemptions within the limits in Appendix III; or (ii) apply the in specie redemption provisions at paragraph 3.10.

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

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

3.12 **Client money**

3.12.1 The ACD will use any amount paid to it to buy Shares in accordance with the investor's instructions. In line with the Regulations the ACD will not treat monies received for the issuance of Shares, to which clients are entitled, or monies payable to the investor upon redemption as "client money" as long as: (i) in relation to monies for the issuance

of Shares, the ACD has paid the subscription monies in exchange for Shares to the Depositary by the close of business on the day following receipt of monies from the investor; or (ii) in relation to proceeds from a redemption, paid the redemption monies to the investor within four Business Days of receipt by the ACD of the fully authorised form of instruction (or other sufficient instruction) and in any event by the close of business on the day following receipt of the monies from the Depositary. In the event that the above time limits are not met by the ACD, the ACD will treat the relevant sum received with respect to subscriptions and redemptions as client money as defined under the FCA Handbook. This means that the money is held in an account separate from the account that the ACD uses to hold its own money.

- 3.12.2 The ACD uses the "delivery versus payment" exemption in accordance with the FCA's client money rules, therefore there could potentially be a window of one day when payments from an investor into or from a Fund may not be protected by the client money rules.
- 3.12.3 Client money may be held by a third party on behalf of the ACD; however the ACD cannot delegate the fiduciary duty that it owes to the investors.
- 3.12.4 Any unclaimed client money held for at least six years without movement may be paid away to a registered charity or to court in accordance with the FCA Rules. The ACD will take appropriate steps to contact the investor and return the money, where possible.
- 3.12.5 The ACD has the right to close the Fund in accordance with the FCA's rules. In this context, the ACD will comply with the FCA's rules on client money discharge of fiduciary duty and allocated but unclaimed client money. These rules apply to both repayment and transfer to a third party.
- 3.12.6 The ACD has the right to transfer the Fund and/or client money to a third party provider as part of transferring all or part of its business.
- 3.12.7 In the event of a shortfall, or a third party provider becoming insolvent, applicants and shareholders may be able to seek recovery from the Financial Services Compensation Scheme (FSCS). Details of the FSCS can be found at www.fscs.org.uk.
- 3.12.8 Interest will not be paid on individual cash balances held in the client money account.

4. **VALUATION OF THE COMPANY**

4.1 **General**

The price of a Share is calculated by reference to the Net Asset Value of the Sub-fund to which it relates. The Net Asset Value per Share of a Sub-fund is currently calculated at 10.00 a.m. (London time) (this being the Valuation Point) on each Dealing Day.

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

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

A request for dealing in Shares must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day.

4.2 **Calculation of the Net Asset Value**

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

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

4.2.2 Scheme Property which is not cash (or other assets dealt with in paragraph 4.2.2.4 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

4.2.2.1 Units or shares in a collective investment scheme:

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

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

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

4.2.2.2 Any other transferable security:

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

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

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

4.2.2.3 Scheme Property other than that described in paragraphs 4.2.2.1 and 4.2.2.2 above, at a value which, in the opinion of the ACD, is fair and reasonable;

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

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

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

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

- 4.2.13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 4.2.14 Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

4.3 **Price per Share in Each Sub-fund and Each Class**

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. Any initial charge or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

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

4.4 **Fair Value Pricing**

4.4.1 Where the ACD has reasonable grounds to believe that:

- 4.4.1.1 no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- 4.4.1.2 the most recent price available does not reflect the ACD's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point;
- 4.4.1.3 it can value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

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

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

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

4.4.3.1 the type of authorised fund concerned;

4.4.3.2 the securities involved;

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

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

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

4.5 **Pricing Basis**

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

Prices of Shares in the Sub-funds are expressed in Pounds Sterling.

4.6 **Publication of Prices**

The prices of all Shares are published on every dealing day on the Bloomberg website: www.bloomberg.com. In addition the prices of all Shares may be obtained by calling 0370 606 6422 during the ACD's normal business hours. As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can deal. The ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

5. **RISK FACTORS**

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

5.1 **General**

The investments of the 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 Shareholders may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of the Sub-funds will actually be achieved and no warranty or representation is given to this effect. The level of any yield for a Sub-fund may be subject to fluctuations and is not guaranteed.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on a Sub-fund heavily invested in that asset class or region.

5.2 **Effect of Initial Charge or Redemption Charge**

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

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

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

5.3 **Dilution**

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

5.4 **Charges applied to Capital**

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

5.5 **Suspension of dealing**

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

5.6 **Liabilities of the Company and the Sub-funds**

As explained in paragraph 2.2.1 where, under the OEIC Regulations, each Sub-fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Sub-fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Sub-funds, the concept of segregated liability has not been tested in many jurisdictions. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Sub-fund will always be completely insulated from the liabilities of another Sub-fund of the Company in every circumstance.

5.7 **Currency Exchange Rates**

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

5.8 **Derivatives**

The Portfolio Manager may employ derivatives for the purposes of Efficient Portfolio Management (including hedging) with the aim of reducing the risk profile of a Sub-fund, reducing costs or generating additional capital or income. To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to a Sub-fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.

The Portfolio Manager may also employ derivatives including forward transactions for investment purposes in the pursuit of the investment objective of a Sub-fund and in accordance with its risk management policy. Should the ACD and the Portfolio Manager invest in derivatives and forward transactions for investment purposes, the net asset value of the relevant Sub-fund may at times be moderately volatile (in the absence of compensating investment techniques) and the risk profile of the Sub-funds may change.

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

5.9 **Leverage**

A proportion of a Sub-fund's capital may be leveraged. While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well. Any event which adversely affects the underlying vehicles would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investment vehicles would result in a substantial loss to capital that would be greater than if capital were not leveraged.

Further details on when and how a Sub-fund may be leveraged are set out in paragraph 29 (Leverage) of Appendix III.

Calculation of Leverage of a Sub-fund

The ACD is required to calculate leverage using two methodologies: (1) the "gross method", and (2) the "commitment method". Further details on the calculation methodologies are set out in paragraph 29 of Appendix III.

The maximum level of leverage which the Company may employ, calculated in accordance with the gross and commitment methods, is stated in Appendix I in respect of each Sub-fund.

However, the reported level of leverage may significantly exceed this level, as the reported leverage figure is based on the sum of the equivalent underlying position of the derivatives used (the Notional Amount). It may not take account of netting and hedging arrangements within the Sub-fund's portfolio or other assets held within the Sub-fund's portfolio. For example, derivative instruments or forward transactions used to reduce risk within the Sub-fund's portfolio will also form part of the calculation (where the gross method is used) and in this case no distinction will be made between derivatives or forward transactions used for investment purposes and derivatives or forward transactions used for the purpose of risk reduction or Efficient Portfolio Management. The percentage or ratio obtained as being the expected level of leverage may not necessarily indicate any increased level of risk within the relevant Sub-fund and consequently, Sub-funds showing a high expected level of leverage are not necessarily riskier than Sub-funds showing a lower expected level of leverage and the other way round.

Therefore, the leverage figure may not be a good guide to the overall level of risk run by a Sub-fund and the Value at Risk (VaR) figure may be a better guide to the risk of the Sub-fund.

The global exposure of the Sub-funds is measured using the VaR approach rather than the commitment approach. The level of gross leverage may not bear any relation to the VaR run by a Sub-fund: two Sub-funds having the same gross leverage may have very different risk characteristics.

Further details on VaR monitoring of the Sub-funds are set out in paragraph 9 (Derivatives: general) of Appendix III.

5.10 **Credit and Fixed Interest Securities**

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

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

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

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

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

5.11 **Depository Insolvency**

The Sub-funds are subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors ("**Insolvency**") of the Depository. These risks include without limitation: the loss of all cash held with the Depository which is not being treated as client money or protected by the rules of a regulatory authority ("**client money**"); the loss of all cash which the Depository has failed to treat as client money in accordance with procedures (if any) agreed with the Sub-funds; the loss of any securities or client money held by or with the Depository in connection with a reduction to pay for administrative costs of the Insolvency and/or the process of identifying and transferring the relevant assets and/or client money or for other reasons according to the particular circumstances of the Insolvency; losses of some or all assets due to the incorrect operation of the accounts by the Depository; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets. The Sub-funds are subject to similar risks in the event of Insolvency of any sub-custodian with which any relevant securities are held or of any third party bank with which client money is held. There may be circumstances where the Depository is relieved from liability for the acts or defaults of its appointed sub-custodians provided that the Depository has complied with its duties. An Insolvency could cause severe disruption to the trading of a Sub-fund.

5.12 **Taxation**

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

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

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

treaties may require a majority of Shareholders in the Sub-fund (or the other Sub-funds of the Company) to be resident in either the UK or another specified jurisdiction as a condition of relief. Failing to satisfy this test may also result in increased withholding tax and therefore a negative effect on the returns to the Sub-fund and Shareholders.

5.13 **Inflation and Interest Rates**

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

5.14 **Counterparty and Settlement**

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

5.15 **Counterparty Risk in OTC Markets**

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

5.16 **Liquidity**

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

Further details on liquidity risk management are set out in paragraph 3.11 above.

5.17 **Market Risk**

Each Sub-fund will be diversified, however, the underlying investments of a Sub-fund are subject to normal market fluctuations and to the risks inherent in investment in equities and equity related securities.

5.18 **Emerging Markets**

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

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

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

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

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

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

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

5.19 **Structured Products**

The Sub-funds may invest in structured products in accordance with the COLL Sourcebook. For the purposes of the COLL Sourcebook, structured products may

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

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

5.20 Investment in Regulated Collective Investment Schemes

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

5.21 Unregulated Collective Investment Schemes

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

5.22 Investment Trusts

A Sub-fund may invest in investment trusts. These are public limited companies quoted on Stock Exchanges. The price of their shares depends on supply and demand and may not reflect the value of the underlying assets. It may be higher 'at a premium' or lower 'at a discount'. The discount and premium varies continuously and represents an additional measure of risk and reward. Gearing – investment trusts can borrow money, which can then be used to make further investments. In a rising market, this 'gearing' can enhance returns to shareholders.

However if the market falls, losses will also be multiplied. The level of gearing needs to be carefully judged and monitored to produce a benefit.

5.23 **Non-UCITS Retail Schemes (NURS)**

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

5.24 **Property**

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

5.25 **Investing in Sustainable Assets**

The Handelsbanken Defensive Sustainable Multi Asset Fund, Handelsbanken Cautious Sustainable Multi Asset Fund, Handelsbanken Balanced Sustainable Multi Asset Fund and Handelsbanken Growth Sustainable Multi Asset Fund are unable to invest in certain sectors, companies and investments that conflict with the Handelsbanken Sustainable Investment Policy. This may result in the Sustainable Sub-funds having a narrower range of eligible investments, which may in-turn affect the Sustainable Sub-funds' performance.

Where an investment held in one or more of the Sustainable Sub-funds is identified as no longer being in accordance with the Handelsbanken Sustainable Investment Policy the Portfolio Manager will seek to sell the investment as soon as reasonably possible, which will be within the following 90 days, subject to: (1) the redemption period of an underlying investment, or (2) where it is not in the investors' best interests to sell within this period. The prices at which such an investment can be sold in these circumstances may be lower than the prices that might otherwise have been realised for the investment if such a sale was not required.

The Portfolio Manager performs its own qualitative research and analysis of potential investments for inclusion within the Sustainable Sub-funds in accordance with the Handelsbanken Sustainable Investment Policy. The Portfolio Manager uses external information sources in helping to form its view as to whether an investment fits within the parameters of the Handelsbanken Sustainable Investment Policy.

For example, when assessing funds managed by other third party managers (“third party funds”) the Portfolio Manager analyses the frameworks and approaches of third party funds as disclosed in the investment objective and policy within their prospectuses and other relevant sources. The Portfolio Manager also uses the services of external Environmental, Social and Governance (“ESG”) data providers Style Analytics, Morningstar and Sustainalytics to aid elements of the Portfolio Manager’s research and analysis of investments.

There may be occasions where the information the Portfolio Manager can obtain from external information sources is incomplete or out of date, or relevant information is not disclosed.

5.26 **Local, Regional and Global Events**

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

6. MANAGEMENT AND ADMINISTRATION

6.1 Regulatory Status

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

6.2 Authorised Corporate Director and AIFM

6.2.1 General

The ACD and AIFM is Handelsbanken ACD Limited which is a private company limited by shares incorporated in England and Wales on 03 December 2001.

The directors of the ACD are:

Peter McCree – also a director of Handelsbanken Wealth & Asset Management Limited, Handelsbanken Nominees Limited and Handelsbanken Second Nominees Limited

Marc Wood - also a Director of the Handelsbanken Alternatives Fund

Ann Roughead (non-executive director and chair of the board of the ACD). Also a non-executive director of CCLA Investment Management Limited, CCLA Fund Managers Limited, Threadneedle Pensions Limited, Threadneedle Investment Services Limited, TAM UK International Holdings Limited, Columbia Threadneedle Fund Management Limited, Columbia Threadneedle Investment Business Limited, Columbia Threadneedle AM (Holdings) plc, Kurtosys Systems Inc; and a director of Identi-me Limited and Rock Trust (a Scottish homeless charity).

Wendy Mayall (non-executive director) – also a non-executive director of Equity Spark Limited and Quilter Investors.

Mike Martin (non-executive director) – also a director of Euroclear Bank SA, Consilium Sports Group, True Potential Administration LLP, DM134 Limited and DLTM Limited.

Where other business activities of the directors are considered to be of significance to the business of the ACD, any material conflicts are managed appropriately and reviewed regularly.

Registered Office	77 Mount Ephraim, Tunbridge Wells, Kent TN4 8BS
Principal Place of Business	1 Kingsway, London WC2B 6AN

Share Capital	It has a share capital of 1,000,002 shares of £1 each issued and paid up
Ultimate Holding Company	Svenska Handelsbanken AB, a public company incorporated in Sweden and listed on the Nasdaq Stockholm.

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

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

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

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

6.2.2 **Terms of Appointment**

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

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

The ACD Agreement may be terminated by either party on not less than 12 months' written notice or earlier upon the happening of certain specified events. The ACD Agreement terminates automatically if the ACD ceases to be director of the Company or the Company is wound up. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

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

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

The Company has no directors other than the ACD. The ACD does not currently operate authorised unit trusts or other open-ended investment companies. Should it do so in the future the details will be set out in Appendix IV.

6.3 The Depositary

6.3.1 General

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

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

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

The registered and head office of the Depositary is at 160 Queen Victoria Street, London EC4V 4LA. The Depositary is authorised by the Prudential

Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

6.3.2 **Duties of the Depositary**

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

6.3.3 **Delegation of Safekeeping Functions**

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

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

6.3.4 **Terms of Appointment**

The ACD is required to enter into a written contract with the Depositary to evidence its appointment as depositary of the Company. The Depositary is appointed as depositary of the Company under an agreement entered into between the ACD, the Company and the Depositary with effect from 29 November 2021, pursuant to which the ACD and the Depositary agree to carry out various functions in order to comply with, and facilitate compliance with, the requirements of the Regulations.

6.4 **The Portfolio Manager**

6.4.1 **General**

The ACD has appointed the Portfolio Manager, Handelsbanken Wealth & Asset Management Limited to provide investment management services to the ACD. The Portfolio Manager is authorised and regulated by the Financial Conduct Authority.

The Portfolio Manager's registered office is at Handelsbanken Wealth & Asset Management Limited, No. 1 Kingsway, London WC2B 6AN.

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

6.4.2 **Terms of Appointment**

The terms of the Investment Management Agreement between the ACD and the Portfolio Manager include the provision of investment management within the investment objectives of the Sub-funds, the purchase and sale of investments and on the exercise of voting rights relating to such investments. The Portfolio Manager has authority to make decisions on behalf of the ACD on a discretionary basis in respect of day-to-day investment management of the Scheme Property including authority to place purchase orders and sale orders with regulated dealers. Subject to the Regulations and agreement of the ACD, the Portfolio Manager may appoint Sub-Investment Advisers to discharge some or all of these duties. The Agreement may be terminated by either party on not less than twelve months' written notice or earlier upon the happening of certain specified events.

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

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

6.5 **The Registrar**

6.5.1 **General**

On behalf of the Company the ACD has also appointed The Bank of New York Mellon (International) Limited to act as registrar and provide administration services to the Company.

The registered office of the Registrar is:

160 Queen Victoria Street, London, EC4V 4LA

The register is kept and maintained at the following address:

160 Queen Victoria Street, London, EC4V 4LA

6.5.2 **Register of Shareholders**

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

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

6.6 **The Fund Accountant**

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

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

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

6.7 **The Auditors**

The auditors of the Company are PwC LLP of 1 Embankment Place, London WC2N 6RH and they are responsible for auditing the annual accounts of the Company and expressing an opinion on certain matters relating to the Company in the annual report including whether its accounts have been prepared in accordance with applicable accounting standards, the Regulations and the Instrument of Incorporation.

6.8 **Conflicts of Interest**

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

The ACD and the Portfolio Manager will take all appropriate steps to identify and prevent or manage such conflicts and each of the ACD and the Portfolio Manager will have regard in such event to its obligations under the ACD Agreement and the

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

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

Details of the ACD's conflicts of interest policy are available on request.

Depositary

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

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

"Group Link" means a situation in which two or more undertakings or entities belong to the same group within the meaning of section 399 of the Companies Act 2006, Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

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

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

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

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

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

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

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

7. FEES AND EXPENSES

7.1 Ongoing

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

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

- 7.1.1 the direct establishment costs of the Company and each Sub-fund formed or share class created may be borne by the Company, the relevant Sub-fund (as appropriate) or by the ACD at its discretion;
- 7.1.2 broker's commission, fiscal charges (including any other transfer tax) and other disbursements which are necessary to be incurred in effecting transactions for the Sub-fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 7.1.3 fees and expenses in respect of establishing and maintaining the Register of Shareholders, including any sub-registers kept for the purpose of the administration of Individual Savings Accounts, are payable monthly out of the Scheme Property of the Sub-funds;
- 7.1.4 any costs incurred in or about the listing of Shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;
- 7.1.5 any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or any other media;
- 7.1.6 any costs incurred in producing and dispatching any payments made by the Company;
- 7.1.7 any costs incurred in producing and dispatching the yearly and half-yearly reports of the Company;
- 7.1.8 any fees, expenses or disbursements of any legal or other professional adviser of the Company;
- 7.1.9 any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- 7.1.10 any costs incurred in respect of meetings of Shareholders convened for any purpose;

- 7.1.11 any payment permitted by clause 6.7.15R of the COLL Sourcebook;
- 7.1.12 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.1.13 taxation and duties payable in respect of the Scheme Property or the issue or redemption of Shares;
- 7.1.14 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 7.1.15 the fees of the FCA, in accordance with the FCA's Fee Manual, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Company are or may be marketed;
- 7.1.16 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- 7.1.17 the total amount of any cost relating to the authorisation and incorporation of the Company and of its initial offer or issue of Shares;
- 7.1.18 any costs incurred in preparing, translating, producing (including printing), distributing and modifying the instrument of incorporation, the prospectus, the Key Investor Information Document (apart from the costs of distributing the Key Investor Information Document) or reports, accounts, statements, contract notes and other like documentation or any other relevant document required under the Regulations;
- 7.1.19 any payments otherwise due by virtue of a change to the Regulations;
- 7.1.20 any costs incurred which are associated with independent risk monitoring or daily "value at risk" or "VaR" calculations (part of the risk monitoring process); and
- 7.1.21 any value added or similar tax relating to any change or expense set out herein

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

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

Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital if deductions were made from capital, this would result in capital erosion and constrain growth.

7.2 **Charges payable to the ACD**

7.2.1 **Annual Management Charge**

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

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

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

7.2.2 **Expenses**

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

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

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

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

7.3 **Registration Fees**

The Registrar shall receive a fee out of the Scheme Property for providing registration services for each Sub-fund. Such fee is payable monthly and is accrued daily in arrears by reference to the Net Asset Value of the Sub-fund on the immediately preceding Dealing Day. The Registrar shall

receive a fee of 0.0025% of the value of the Scheme Property subject to a minimum of £200,000 in aggregate .

A Transaction Fee of £3.75 is levied for each transaction.

7.4 **Depositary's Fee and Expenses**

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

Value of Company: Fee

£0 - £100 million	0.03%
£100 million - £150 million	0.0175%
£150 million - £1 billion	0.01%
£1 billion and above	0.005%

of the value of the Scheme Property of the Sub-fund, subject to a minimum of £12,500 per Sub-fund:

In addition VAT on the amount of the periodic charge will be paid out of Scheme Property of the Sub-fund.

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

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

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

The current remuneration ranges from between 0.00225% per annum to 0.41% per annum of the value of the Scheme Property, plus VAT (if any) calculated at an ad valorem rate determined by the territory or country in which the assets of the Company are held. The current range of transaction charges is between £4 and £67.50 per transaction plus VAT (if any). Charges for principal investment markets are:

	Transaction charge per trade	Custody charge % per annum
UK	£4	0.0025
United States	£4	0.00225
Germany	£9	0.008
Japan	£9	0.005

In addition to the remuneration referred to above, the Depositary is entitled to receive reimbursement for expenses properly incurred by it in discharge of its duties or exercising any powers conferred upon it in relation to the Company and each Sub-fund. Such expenses include, but are not restricted to:

- (i) delivery of stock to the Depositary or custodian;
- (ii) custody of assets;
- (iii) collection of income and capital;
- (iv) submission of tax returns;
- (v) handling tax claims;
- (vi) preparation of the Depositary's annual report;
- (vii) arranging insurance;

- (viii) calling Shareholder meetings and otherwise communicating with Shareholders;
- (ix) dealing with distribution warrants;
- (x) taking professional advice;
- (xi) conducting legal proceedings;
- (xii) such other duties as the Depositary is permitted or required by law to perform.

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

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

7.5 **Portfolio Manager’s Fee**

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

Further details of this agreement are summarised in paragraph 6.4.2 “Terms of Appointment” above.

7.6 **Operating Costs limit**

The (“Operating Costs”) of the Company or each Sub-fund (as the case may be) includes all ongoing charges listed in 7.1 above (save for 7.1.2), the Charges payable to the ACD listed in 7.2 (save for 7.2.1) and the Depositary’s Fee and Expenses listed in 7.3.

For the Handelsbanken Defensive Sustainable Multi Asset Fund, Handelsbanken Cautious Sustainable Multi Asset Fund, Handelsbanken Balanced Sustainable Multi Asset Fund, the Handelsbanken Growth Sustainable Multi Asset Fund and the Handelsbanken Adventurous Fund the Portfolio Manager has agreed, on a discretionary basis and if necessary, to waive a portion of its fee with a view to limiting the Operating Costs of the below Share Classes as follows:

Share Class	Operating Costs limit
Class C accumulation	0.25%

Class D accumulation	0.25%
Class I Accumulation	0.25%
Class H accumulation (not publicly available)	0.25%

Investors should note that if the Investment Manager ceases this arrangement the Ongoing Charges Figure may increase. Shareholders will be given at least sixty days' prior written notice of this.

7.7 **Research Costs**

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

7.8 **Allocation of Fees and Expenses between Sub-funds**

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

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

Where charges including the Annual Management Charge, periodic charge, depositary's fees and other expenses are deducted from the capital property of a Sub-fund, this can have the effect of constraining or even eroding capital growth of that Sub-fund. Refer to Appendix I for details of which Sub-funds charge fees and expenses to capital.

8. **INSTRUMENT OF INCORPORATION**

The Instrument of Incorporation is available for inspection at the ACD's offices at 77 Mount Ephraim, Tunbridge Wells, TN4 8BS or 1 Kingsway, London WC2B 6AN.

9. **SHAREHOLDER MEETINGS AND VOTING RIGHTS**

9.1 **Class, Company and Sub-fund Meetings**

The Company shall not hold annual general meetings.

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

9.2 **Requisitions of Meetings**

The ACD may requisition a general meeting at any time.

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

9.3 **Notice and Quorum**

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

9.4 **Voting Rights**

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

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share 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 of all the Shares in issue at a reasonable date before the notice of meeting is sent out, such date to be decided by the ACD.

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

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

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

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

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

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

9.5 **Variation of Class or Sub-fund Rights**

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

10. **TAXATION**

10.1 **General**

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

10.2 **The Sub-funds**

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

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

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

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

10.3 **Shareholders**

10.3.1 **Income**

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

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

10.3.2 **Interest**

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

10.3.3 **Income Equalisation**

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

10.3.4 **Tax Vouchers**

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

The ACD reserves the right to charge an administration fee of £10 if a duplicate copy is required. To obtain a duplicate copy you will need to submit your request in writing, along with payment, to Handelsbanken ACD Limited, PO Box 610, Darlington DL1 9RQ , at the address of the Registrar.

10.3.5 **Capital Gains**

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

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

10.3.6 **The International Tax Compliance Regulations**

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

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

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

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

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

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

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

Where the Company is to be wound up or a Sub-fund is to be terminated 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 or a Sub-fund as the case may be) either that the Company or a Sub-fund will be able to meet its liabilities within 12 months of the date of the statement or that the Company or a Sub-fund will be unable to do so. The Company may not be wound up or a Sub-fund terminated under the COLL Sourcebook if there is a vacancy in the position of ACD at the relevant time.

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

- 11.1 if an extraordinary resolution to that effect is passed by Shareholders; or
- 11.2 when the period (if any) fixed for the duration of the Company or a particular Sub-fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Sub-fund is to be wound up (for example, if the Share capital of the Company or (in relation to any Sub-fund) the Net Asset Value of the Sub-fund is below £1 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-fund); or
- 11.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Sub-fund.

On the occurrence of any of the above:

- 11.4 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-fund;
- 11.5 the Company will cease to issue and cancel Shares in the Company or the relevant Sub-fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-fund;
- 11.6 no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;

- 11.7 where the Company is being wound up or a Sub-fund terminated, the Company or a Sub-fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or the termination of the Sub-fund; and
- 11.8 the corporate status and powers of the Company and subject to 11.4 to 11.7 above, the powers of the Depositary shall continue until the Company is dissolved.

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

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

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

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

12. **GENERAL INFORMATION**

12.1 **Accounting Periods**

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

The ACD may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date or at a date shown in Appendix I.

12.2 **Notice to Shareholders**

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

12.3 **Income Allocations**

The Sub-funds may have monthly, quarterly, interim or annual allocation dates (see Appendix I).

For each of the Sub-funds (except the Handelsbanken Income Multi Asset Fund and the Handelsbanken Income Plus Multi Asset Fund) income is allocated in respect of the income available at each accounting date. In relation to income Shares, distributions of income for each Sub-fund in which income Shares are issued are paid by electronic means directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in Appendix I. Payments will be held until we are in receipt of valid bank details.

For the Handelsbanken Income Multi Asset Fund and the Handelsbanken Income Plus Multi Asset Fund, the aim is to distribute a consistent amount of income each month with quarterly top-ups (as at end of December, March, June, and September). The quarterly top up will only be paid where it is considered that there is sufficient income available. In determining whether there is sufficient income available, consideration will be given to ensuring there is adequate income to maintain a consistent level of monthly income. All income distributions are subject to there being income available for distribution. Income payments are made at the end of the second month following the income allocation date, e.g. income allocated for distribution at the end of December will be paid on (or around) the 28th February. In relation to income Shares, distributions of income are paid by electronic means directly into a Shareholder's bank account.

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

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

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

12.4 **Annual Reports**

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

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

12.5 **Documents of the Company**

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the ACD at 77 Mount Ephraim, Tunbridge Wells, TN4 8BS or 1 Kingsway, London, WC2B 6AN:

- 12.5.1 the most recent annual and half yearly reports of the Company;
- 12.5.2 the Instrument of Incorporation (and any amending documents);
- 12.5.3 the Prospectus; and
- 12.5.4 the material contracts referred to below.

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

12.6 **Material Contracts**

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

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

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

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

12.7 **Provision of Investment Advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD at 1 Kingsway, London, WC2B 6AN. The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and Shareholders should ensure that they have the most up to date version.

12.8 **Telephone Recordings**

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

12.9 **Complaints**

Complaints may be brought in writing to Handelsbanken ACD Limited, Head of Compliance, 1 Kingsway, London WC2B 6AN, or by telephone to +44 (0)207 0451 411.

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

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at: Financial Ombudsman Service,

Exchange Tower, London E14 9SR. Information about the Financial Ombudsman can be found on its website at www.financial-ombudsman.org.uk.

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

12.10 Risk Management

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

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

12.10.2 the methods used in relation to 12.10.1; and

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

12.11 Indemnity

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

12.12 Information available to Shareholders

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

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

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

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

12.12.4 any material changes to the information above.

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

12.13 Changes to the Company

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

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

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

12.14 Professional liability risks

The ACD covers potential professional liability risks arising from its activities as the Company's AIFM through professional indemnity insurance.

12.15 Fair treatment of investors

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

- 12.15.1 acting in the best interest of the Sub-funds and of the Shareholders;
- 12.15.2 executing the investment decisions taken for the account of the Sub-funds in accordance with the objectives, the investment policy and the risk profile of the Sub-funds;
- 12.15.3 ensuring that the interests of any group of Shareholders are not placed above the interests of any other group of Shareholders;

- 12.15.4 ensuring that fair, correct and transparent pricing models and valuation systems are used for the Sub-funds are managed;
- 12.15.5 preventing undue costs being charged to the Sub-funds and Shareholders;
- 12.15.6 taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors; and
- 12.15.7 recognising and dealing with complaints fairly.

12.16 **Preferential Treatment**

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

In particular, the ACD will typically exercise its discretion to waive the initial charge or investment minima for investment in a Class for investors that are investing sufficiently large amounts, either initially or are anticipated to do so over time, such as but not limited to, platform service providers, institutional investors including fund of fund investors and fund-link investors or investors who receive wealth management or banking services from the HACD's associates. The ACD may also have agreements in place with such groups of investors which result in them paying a reduced annual management charge.

12.17 **Shareholders' rights**

- 12.17.1 Shareholders are entitled to participate in the Company on the basis set out in this prospectus (as amended from time to time). Sections 12.9 ("Complaints"), 9 ("Shareholder Meetings and Voting Rights"), 12.4 ("Annual Reports") and 12.5 ("Documents of the Company") of this prospectus set out important rights about Shareholders' participation in the Company.
- 12.17.2 Shareholders may have no direct rights against the service providers to the Company set out in Section 6.
- 12.17.3 The ACD must ensure that this Prospectus does not contain any untrue or misleading statement or omit any matter required to be disclosed in the Prospectus by the FUND Sourcebook or the COLL Sourcebook. To the extent that a Shareholder incurs loss as a consequence of an untrue or

misleading statement or omission, the ACD may be liable to compensate that Shareholder subject to the ACD having failed to exercise reasonable care to determine that the statement was true and not misleading or that the omission was appropriate, in accordance with the FCA Handbook.

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

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

12.18 **Governing law and jurisdiction**

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

12.19 **Best Execution**

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

12.20 **Value Assessment**

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

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

APPENDIX I

SUB-FUND DETAILS

Name:	Handelsbanken Defensive Multi Asset Fund
Type of Fund:	Non-UCITS retail scheme
Product Reference Number	640170
Investment Objective:	<p>To deliver a total return (the combination of income and capital growth) that at the end of any five year period is equivalent to achieving a total return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.</p>
Investment Policy:	<p>To invest, directly and indirectly, in the following assets: equities, bonds, property, hedge funds, commodities, loans, cash, deposits and money market instruments. The Sub-fund's allocation to bonds may include corporate bonds, government bonds and high yield bonds.</p> <p>The Sub-fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in other transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. Exposure to property, hedge funds and commodities will be through indirect investments only.</p> <p>The Sub-fund may also invest in structured products, which are a type of investment</p>

where the amount earned depends on the performance of a specific financial market or specific assets.

The Sub-fund may invest in derivatives for both investment and efficient portfolio management purposes.

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

Investment Strategy:

The Sub-fund is part of a range of five sub-funds that are managed according to different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks in this range. The Handelsbanken Defensive Multi Asset Fund has the lowest target return benchmark in this range and the lowest expected risk. The other sub-funds in this range are the Handelsbanken Cautious Multi Asset Fund, the Handelsbanken Balanced Multi Asset Fund, the Handelsbanken Growth Multi Asset Fund and the Handelsbanken Adventurous Fund.

The Portfolio Manager creates a framework to determine the optimal mix of asset classes and geographic areas to achieve the Sub-fund's investment objective whilst managing risk (referred to as 'strategic asset allocation'). On an ongoing basis the Portfolio Manager then assesses economic conditions and market opportunities and adjusts the Sub-fund's allocation to different asset classes geographic areas, and industry sectors(referred to as 'tactical asset allocation'). The tactical asset allocation may deviate from the strategic asset allocation. The Portfolio Manager uses its

expertise to research and select appropriate investments for the Sub-fund.

Target Benchmark:

Consumer Price Index plus 1%

Comparator Benchmarks:

MSCI United Kingdom Index (GBP) – Net total return

BoA Merrill Lynch UK Gilts

Information regarding benchmarks:

The Consumer Price Index plus 1% has been selected as the Sub-fund's target return benchmark as the Sub-fund aims to achieve a return (the money made or lost on an investment) that is 1% above the rate of inflation. The Consumer Price Index is used to measure the rate of inflation. Please refer to the Sub-fund's investment objective for detail regarding how achievement of the target return benchmark is measured, and over what time period.

In addition to the target return benchmark the Sub-fund's performance may also be compared against the following indices (referred to as 'comparator benchmarks'): MSCI United Kingdom Index (GBP) – Net total return (representing UK Equities) and BoA Merrill Lynch UK Gilts (representing UK Government Bonds). As the Sub-fund invests in a range of asset classes there is no single index that is reflective of the Sub-fund. The ACD believes that these are appropriate comparators for the Sub-fund given the investment objective and policy of the Sub-fund. The comparator benchmarks have been selected as we consider they assist in evaluating the Sub-fund's performance against the performance of two of the principle underlying asset classes (UK Equities and UK Government Bonds) that the Sub-fund may have exposure to.

Final Accounting Date:

31 December

Interim Accounting Dates: 30 June

Income Allocation Dates: Accumulation shares: Last day of February
Income shares: 28 February, 31 May, 31 August and 30 November. (February distributions in leap years will be on 29 February.)

Share Classes and types of Shares: **Currently available**
Class C accumulation
Class C income
Class D accumulation
Class D income
Class I accumulation
Class I income
Class H accumulation (not publicly available)
Class H income (not publicly available)

ISA Eligible: Yes

Regular Savers: N/A

Initial Charge: Class C: 0%

	Class D: 0%
	Class I: 0%
	Class H: N/A
Redemption Charge:	N/A
Charge on Switching:	N/A
Annual Management Charge:	Class C: 1.00%
	Class D: 0.50%
	Class I: 0.75%
	Class H: 0.30%

Allocation of Charges:	Income	Capital
AMC:	100%	
Ongoing Operating Costs:	100%	
Dealing and Registration:	100%	
Depositary:	100%	
Custody:	100%	
Portfolio Transactions (Broker's commission) :		100%
Minimum initial subscription and minimum holding*:	Class C: £5,000 Class D: £5,000,000 Class I: £5,000,000 Class H: N/A	
Top-up:	Class C: £500 Class D: £500 Class I: £100,000 Class H: N/A	
Past Performance:	See Appendix V.	

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

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

- (a) under the Gross Method is 3.2:1 or 320%; and
- (b) under the Commitment Method is 2:1 or 200%.

Name: **Handelsbanken Cautious Multi Asset Fund**

Product Reference Number 640167

Type of Fund: Non-UCITS retail scheme

Investment Objective: To deliver a total return (the combination of income and capital growth) that at the end of any five year period is equivalent to achieving a total return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Investment Policy: To invest, directly and indirectly, in the following assets: equities, bonds, property, hedge funds, commodities, loans, cash, deposits and money market instruments. The Sub-fund's allocation to bonds may include corporate bonds, government bonds and high yield bonds.

The Sub-fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in other transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. Exposure to property, hedge funds and commodities will be through indirect investments only.

The Sub-fund may also invest in structured products, which are a type of investment where the amount earned depends on the

performance of a specific financial market or specific assets.

The Sub-fund may invest in derivatives for both investment and efficient portfolio management purposes.

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

Investment Strategy:

The Sub-fund is part of a range of five sub-funds that are managed according to different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks in this range. The Handelsbanken Cautious Multi Asset Fund has the second lowest target return benchmark in this range and the second lowest expected risk. The other sub-funds in this range are the Handelsbanken Defensive Multi Asset Fund, the Handelsbanken Balanced Multi Asset Fund, the Handelsbanken Growth Multi Asset Fund and the Handelsbanken Adventurous Fund.

The Portfolio Manager creates a framework to determine the optimal mix of asset classes and geographic areas to achieve the Sub-fund's investment objective whilst managing risk (referred to as 'strategic asset allocation'). On an ongoing basis the Portfolio Manager then assesses economic conditions and market opportunities and adjusts the Sub-fund's allocation to different asset classes, geographic areas and industry sectors (referred to as 'tactical asset allocation'). The tactical asset allocation may deviate from the strategic asset allocation. The Portfolio Manager uses its

expertise to research and select appropriate investments for the Sub-fund.

Target Benchmark:

Consumer Price Index plus 2%

Comparator Benchmarks:

MSCI United Kingdom Index (GBP) – Net total return

BoA Merrill Lynch UK Gilts

Information regarding benchmarks:

The Consumer Price Index plus 2% has been selected as the Sub-fund's target return benchmark as the Sub-fund aims to achieve a return (the money made or lost on an investment) that is 2% above the rate of inflation. The Consumer Price Index is used to measure the rate of inflation. Please refer to the Sub-fund's investment objective for detail regarding how achievement of the target return benchmark is measured, and over what time period.

In addition to the target return benchmark the Sub-fund's performance may also be compared against the following indices (referred to as 'comparator benchmarks'): MSCI United Kingdom Index (GBP) – Net total return (representing UK Equities) and BoA Merrill Lynch UK Gilts (representing UK Government Bonds). As the Sub-fund invests in a range of asset classes there is no single index that is reflective of the Sub-fund. The ACD believes that these are appropriate comparators for the Sub-fund given the investment objective and policy of the Sub-fund. The comparator benchmarks have been selected as we consider they assist in evaluating the Sub-fund's performance against the performance of two of the principle underlying asset classes (UK Equities and UK Government Bonds) that the Sub-fund may have exposure to.

Final Accounting Date:

31 December

Interim Accounting Dates:	30 June		
Income Allocation Dates:	Accumulation shares: Last day of February		
	Income shares: 28 February, 31 May, 31 August and 30 November. (February distributions in leap years will be on 29 February.)		
Share Classes and types of Shares:	Currently available		
	Class C accumulation		
	Class C income		
	Class D accumulation		
	Class D income		
	Class H accumulation (not publicly available)		
	Class H income (not publicly available)		
	Class I accumulation		
	Class I income		
ISA Eligible:	Yes		
Regular Savers:	N/A		
Initial Charge:	Class C: 0%		
	Class D: 0%		
	Class I: 0%		
	Class H: N/A		
Redemption Charge:	N/A		
Charge on Switching:	N/A		
Annual Management Charge:	Class C: 1.00%		
	Class D: 0.50%		
	Class I: 0.75%		
	Class H: 0.30%		
Allocation of Charges:	Income		Capital
AMC:	100%		
Ongoing Operating Costs:	100%		
Dealing and Registration:	100%		
Depository:	100%		
Custody:	100%		
Portfolio Transactions (Broker's commission):			100%
Minimum initial subscription and minimum holding*:	Class C: £5,000		
	Class D: £5,000,000		
	Class I: £5,000,000		

Class H: N/A

Top-up:

Class C: £500
Class D: £500
Class I: £100,000
Class H: N/A

Past Performance:

See Appendix V.

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

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

- (a) under the Gross Method is 3.2:1 or 320%; and
- (b) under the Commitment Method is 2:1 or 200%.

Name: **Handelsbanken Balanced Multi Asset Fund**

Type of Fund: Non-UCITS retail scheme

Product Reference Number 640169

Investment Objective: To deliver a total return (the combination of income and capital growth) that at the end of any five year period is equivalent to achieving a total return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Investment Policy: To invest directly and indirectly, in the following assets: equities, bonds, property, hedge funds, commodities, loans, cash, deposits and money market instruments. The Sub-fund's allocation to bonds may include corporate bonds, government bonds and high yield bonds.

The Sub-fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. Exposure to property, hedge funds and commodities will be through indirect investments only.

The Sub-fund may also invest in structured products, which are a type of investment where the amount earned depends on the performance of a specific financial market or specific assets.

The Sub-fund may invest in derivatives for both investment and efficient portfolio management purposes.

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

Investment Strategy:

The Sub-fund is part of a range of five sub-funds that are managed according to different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks in this range. The Handelsbanken Balanced Multi Asset Fund has the third highest target return benchmark in this range and the third highest expected risk. The other sub-funds in this range are the Handelsbanken Defensive Multi Asset Fund, the Handelsbanken Cautious Multi Asset Fund, the Handelsbanken Growth Multi Asset Fund and the Handelsbanken Adventurous Fund.

The Portfolio Manager creates a framework to determine the optimal mix of asset classes and geographic areas to achieve the Sub-fund's investment objective whilst managing risk (referred to as 'strategic asset allocation'). On an ongoing basis the Portfolio Manager then assesses economic conditions and market opportunities and adjusts the Sub-fund's allocation to different asset classes, geographic areas and industry sectors (referred to as 'tactical asset allocation'). The tactical asset allocation may deviate from the strategic asset allocation. The Portfolio Manager uses its expertise to research and select appropriate investments for the Sub-fund.

Target Benchmark:

Consumer Price Index plus 3%

Comparator Benchmarks: MSCI United Kingdom Index (GBP) – Net total return

BoA Merrill Lynch UK Gilts

Information regarding benchmarks: The Consumer Price Index plus 3% has been selected as the Sub-fund’s target return benchmark as the Sub-fund aims to achieve a return (the money made or lost on an investment) that is 3% above the rate of inflation. The Consumer Price Index is used to measure the rate of inflation. Please refer to the Sub-fund’s investment objective for detail regarding how achievement of the target return benchmark is measured, and over what time period.

In addition to the target return benchmark the Sub-fund’s performance may also be compared against the following indices (referred to as ‘comparator benchmarks’): MSCI United Kingdom Index (GBP) – Net total return (representing UK Equities) and BoA Merrill Lynch UK Gilts (representing UK Government Bonds). As the Sub-fund invests in a range of asset classes there is no single index that is reflective of the Sub-fund. The ACD believes that these are appropriate comparators for the Sub-fund given the investment objective and policy of the Sub-fund. The comparator benchmarks have been selected as we consider they assist in evaluating the Sub-fund’s performance against the performance of two of the principle underlying asset classes (UK Equities and UK Government Bonds) that the Sub-fund may have exposure to.

Final Accounting Date: 31 December

Interim Accounting Dates: 30 June

Income Allocation Dates: Accumulation shares: Last day of February

Income shares: 28 February, 31 May, 31 August and 30 November. (February distributions in leap years will be on 29 February.)

Share Classes and types of Shares:

Currently available

- Class C accumulation
- Class C income
- Class D accumulation
- Class D income
- Class H accumulation (not publicly available)
- Class H income (not publicly available)
- Class I accumulation
- Class I income

ISA Eligible:

Yes

Regular Savers:

N/A

Initial Charge:

- Class C: 0%
- Class D: 0%
- Class I: 0%
- Class H: N/A

Redemption Charge:

N/A

Charge on Switching:

N/A

Annual Management Charge:

- Class C: 1.00%
- Class D: 0.5%
- Class I: 0.75%
- Class H: 0.30%

Allocation of Charges:

- AMC:
- Ongoing Operating Costs:
- Dealing and Registration:
- Depository:
- Custody:
- Portfolio Transactions (Broker's commission) :

Income

- 100%
- 100%
- 100%
- 100%
- 100%

Capital

100%

Minimum initial subscription and minimum holding*:

- Class C: £5,000
- Class D: £5,000,000
- Class I: £5,000,000
- Class H: N/A

Top-up:

- Class C: £500
- Class D: £500
- Class I: £100,000
- Class H: N/A

Past Performance:

See Appendix V.

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

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

- (a) under the Gross Method is 3.2:1 or 320%; and
- (b) under the Commitment Method is 2:1 or 200%.

Name: **Handelsbanken Growth Multi Asset Fund**

Type of Fund: Non-UCITS retail scheme

Product Reference Number 640168

Investment Objective: To deliver a total return (the combination of income and capital growth) that at the end of any five year period is equivalent to achieving a total return of the Consumer Price Index plus 4% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Investment Policy: To invest directly and indirectly, in the following assets: equities, bonds, property, hedge funds, commodities, loans, cash, deposits and money market instruments. The Sub-fund's allocation to bonds may include corporate bonds, government bonds and high yield bonds.

The Sub-fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. Exposure to property, hedge funds and commodities will be through indirect investments only.

The Sub-fund may also invest in structured products, which are a type of investment where the amount earned depends on the performance of a specific financial market or specific assets.

The Sub-fund may invest in derivatives for both investment and efficient portfolio management purposes.

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

Investment Strategy:

The Sub-fund is part of a range of five sub-funds that are managed according to different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks in this range. The Handelsbanken Growth Multi Asset Fund has the second highest target return benchmark in this range and the second highest expected risk. The other sub-funds in this range are the Handelsbanken Defensive Multi Asset Fund, the Handelsbanken Cautious Multi Asset Fund, the Handelsbanken Balanced Multi Asset Fund and the Handelsbanken Adventurous Fund.

The Portfolio Manager creates a framework to determine the optimal mix of asset classes and geographic areas to achieve the Sub-fund's investment objective whilst managing risk (referred to as 'strategic asset allocation'). On an ongoing basis the Portfolio Manager then assesses economic conditions and market opportunities and adjusts the Sub-fund's allocation to different asset classes, geographic areas and industry sectors (referred to as 'tactical asset allocation'). The tactical asset allocation may deviate from the strategic asset allocation. The Portfolio Manager uses its expertise to research and select appropriate investments for the Sub-fund.

Target Benchmark:

Consumer Price Index plus 4%

Comparator Benchmarks:

MSCI United Kingdom Index (GBP) – Net total return

BoA Merrill Lynch UK Gilts

Information regarding benchmarks:

The Consumer Price Index plus 4% has been selected as the Sub-fund's target return benchmark as the Sub-fund aims to achieve a return (the money made or lost on an investment) that is 4% above the rate of inflation. The Consumer Price Index is used to measure the rate of inflation. Please refer to the Sub-fund's investment objective for detail regarding how achievement of the target return benchmark is measured, and over what time period.

In addition to the target return benchmark the Sub-fund's performance may also be compared against the following indices (referred to as 'comparator benchmarks'): MSCI United Kingdom Index (GBP) – Net total return (representing UK Equities) and BoA Merrill Lynch UK Gilts (representing UK Government Bonds). As the Sub-fund invests in a range of asset classes there is no single index that is reflective of the Sub-fund. The ACD believes that these are appropriate comparators for the Sub-fund given the investment objective and policy of the Sub-fund. The comparator benchmarks have been selected as we consider they assist in evaluating the Sub-fund's performance against the performance of two of the principle underlying asset classes (UK Equities and UK Government Bonds) that the Sub-fund may have exposure to.

Final Accounting Date:

31 December

Interim Accounting Dates:

30 June

Income Allocation Dates:

Last day of February

Share Classes and types of Shares:

Currently available

	Class C accumulation	
	Class D accumulation	
	Class H accumulation (not publicly available)	
	Class I accumulation	
ISA Eligible:	Yes	
Regular Savers:	N/A	
Initial Charge:	Class C: 0%	
	Class D: 0%	
	Class I: 0%	
	Class H: N/A	
Redemption Charge:	N/A	
Charge on Switching:	N/A	
Annual Management Charge:	Class C: 1.00%	
	Class D: 0.50%	
	Class I: 0.75%	
	Class H: 0.30%	
Allocation of charges:	Income	Capital
AMC:	100%	
Ongoing Operating Costs:	100%	
Dealing and Registration:	100%	
Depositary:	100%	
Custody:	100%	
Portfolio Transactions (Broker's commission) :		100%
Minimum initial subscription and minimum holding*:	Class C: £5,000	
	Class D: £5,000,000	
	Class I: £5,000,000	
	Class H: N/A	
Top-up:	Class C: £500	
	Class D: £500	
	Class I: £100,000	
	Class H: N/A	
Past Performance:	See Appendix V.	

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

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

- (a) under the Gross Method is 3.2:1 or 320%; and
- (b) under the Commitment Method is 2:1 or 200%.

Name:	Handelsbanken Adventurous Fund
Type of Fund:	Non-UCITS retail scheme
Product Reference Number	844429
Investment Objective:	To deliver a total return (the combination of income and capital growth) in excess of the MSCI All Country World Index (£) - Net total return over any period of 5 years, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.
Investment Policy:	<p>To invest directly and indirectly, at least 80% in global equities and equity related securities across a variety of different geographic areas and industry sectors.</p> <p>The Sub-fund may gain exposure to these assets directly by investing in securities issued by companies, and indirectly by investing in other transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD, the Portfolio Manager or their associates.</p> <p>For the purposes of liquidity management the Sub-fund may also invest in cash, deposits and money market instruments.</p> <p>The Sub-fund may also invest in structured products, which are a type of investment where the amount earned depends on the performance of a specific financial market or specific assets.</p> <p>The Sub-fund may invest in derivatives for both investment and efficient portfolio management purposes.</p>
Investment Strategy:	The Sub-fund is part of a range of five sub-funds that are managed according to

different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks in this range. The Handelsbanken Adventurous Fund has the highest target return benchmark in this range and the highest expected risk. The other sub-funds in this range are the Handelsbanken Defensive Multi Asset Fund, the Handelsbanken Cautious Multi Asset Fund, the Handelsbanken Balanced Multi Asset Fund and the Handelsbanken Growth Multi Asset Fund.

The Portfolio Manager uses top down analysis (an investment approach that looks at the big picture first) to divide the money invested in the Sub-fund across different, geographic areas, countries and industry sectors aimed at achieving the Sub-fund's investment objective. The Portfolio Manager uses its expertise to research and select investments aimed at achieving the Sub-fund's investment objective.

Target Benchmark:

MSCI All Country World Index (£) - Net total return

Information regarding benchmarks:

The MSCI All Country World Index (£) - Net total return has been selected as the Sub-fund's target return benchmark as it is a global equity market index that has a broad exposure to different countries, geographic areas and industry sectors, which is in line with the Sub-fund's investment policy. The Sub-fund is not constrained by the target benchmark and will take positions in individual stocks, industry sectors, countries and geographic areas that differ significantly from the MSCI All Country

World Index (£) - Net total return, with the aim of achieving a return (the money made or lost on an investment) in excess of the target benchmark.

Final Accounting Date:	31 December
Interim Accounting Date:	30 June
Income Allocation Dates:	Last day of February
Share Classes and types of Shares:	Currently available Class C accumulation Class D accumulation Class H accumulation (not publicly available) Class I accumulation
ISA Eligible:	Yes
Regular Savers:	N/A
Initial Charge:	Class C: 0% Class D: 0% Class I: 0% Class H: N/A
Redemption Charge:	N/A
Charge on Switching:	N/A
Annual Management Charge:	Class C: 1.00% Class D: 0.50% Class I: 0.75% Class H: 0.30%
Operating Costs Limit:	Please refer to section 7.5 for details of the Operating Costs Limit.

Allocation of Charges:	Income	Capital
AMC:	100%	
Ongoing Operating Costs:	100%	
Dealing and Registration:	100%	
Depository:	100%	
Custody:	100%	
Portfolio Transactions (Broker's commission):		100%
Minimum initial subscription and minimum holding*:	Class C: £5,000 Class D: £5,000,000 Class I: £5,000,000	

Class H: N/A

Top-up:

Class C: £500
Class D: £100,000
Class I: £100,000
Class H: N/A

Past Performance:

See Appendix V.

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

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

- (a) under the Gross Method is 3.2:1 or 320%; and
- (b) under the Commitment Method is 1.2:1 or 120%

Name: **Handelsbanken Income Multi Asset Fund**

Type of Fund: Non-UCITS retail scheme

Product Reference Number 640171

Investment Objective: To deliver a total return (the combination of income and capital growth) that at the end of any five year period is equivalent to achieving a total return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. The Sub-fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Investment Policy: To invest directly and indirectly, in the following assets: equities, bonds, property, hedge funds, commodities, loans, cash, deposits and money market instruments. The Sub-fund's allocation to bonds may include corporate bonds, government bonds and high yield bonds.

The Sub-fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. Exposure to property, hedge funds and commodities will be through indirect investments only.

The Sub-fund may also invest in structured products, which are a type of investment where the amount earned depends on the performance of a specific financial market or specific assets.

The Sub-fund may invest in derivatives for both investment and efficient portfolio management purposes.

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

Investment Strategy:

The Sub-fund is part of a range of two income multi-asset sub-funds that are managed according to different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks in this range. The Handelsbanken Income Multi Asset Fund has the lowest target return benchmark in this range and the lowest expected risk. The other sub-fund in this range is the Handelsbanken Income Plus Multi Asset Fund.

The Portfolio Manager creates a framework to determine the optimal mix of asset classes and geographic areas to achieve the Sub-fund's investment objective whilst managing risk (referred to as 'strategic asset allocation'). On an ongoing basis the Portfolio Manager then assesses economic conditions and market opportunities and adjusts the Sub-fund's allocation to different asset classes, geographic areas and industry sectors (referred to as 'tactical asset allocation'). The tactical asset allocation may deviate from the strategic asset allocation. The Portfolio Manager uses its

expertise to research and select appropriate investments for the Sub-fund.

Target Benchmark:

Consumer Price Index plus 2%

Comparator Benchmarks:

MSCI United Kingdom Index (GBP) – Net total return

BoA Merrill Lynch UK Gilts

Information regarding benchmarks:

The Consumer Price Index plus 2% has been selected as the Sub-fund's target return benchmark as the Sub-fund aims to achieve a return (the money made or lost on an investment) that is 2% above the rate of inflation. The Consumer Price Index is used to measure the rate of inflation. Please refer to the Sub-fund's investment objective for detail regarding how achievement of the target return benchmark is measured, and over what time period.

In addition to the target return benchmark the Sub-fund's performance may also be compared against the following indices (referred to as 'comparator benchmarks'): MSCI United Kingdom Index (GBP) – Net total return (representing UK Equities) and BoA Merrill Lynch UK Gilts (representing UK Government Bonds). As the Sub-fund invests in a range of asset classes there is no single index that is reflective of the Sub-fund. The ACD believes that these are appropriate comparators for the Sub-fund given the investment objective and policy of the Sub-fund. The comparator benchmarks have been selected as we consider they assist in evaluating the Sub-fund's performance against the performance of two of the principle underlying asset classes (UK Equities and UK Government Bonds) that the Sub-fund may have exposure to.

Final Accounting Date:

31 December

Interim Accounting Dates:	30 June																					
Income Allocation Dates:	The last day of each month, payable two (2) months in arrears																					
Share Classes and types of Shares:	<p>Currently available</p> <p>Class C accumulation</p> <p>Class C income</p> <p>Class D accumulation</p> <p>Class D income</p> <p>Class I accumulation</p> <p>Class I income</p> <p>Class H accumulation (not publicly available)</p> <p>Class H income (not publicly available)</p>																					
ISA Eligible:	Yes																					
Regular Savers:	N/A																					
Initial Charge:	<p>Class C: 0%</p> <p>Class D: 0%</p> <p>Class I: 0%</p> <p>Class H: N/A</p>																					
Redemption Charge:	N/A																					
Charge on Switching:	N/A																					
Annual Management Charge:	<p>Class C 1.00%</p> <p>Class D: 0.50%</p> <p>Class I: 0.75%</p> <p>Class H: 0.30%</p>																					
Allocation of Charges:	<table> <thead> <tr> <th></th> <th>Income</th> <th>Capital</th> </tr> </thead> <tbody> <tr> <td>AMC:</td> <td></td> <td>100%</td> </tr> <tr> <td>Ongoing Operating Costs:</td> <td></td> <td>100%</td> </tr> <tr> <td>Dealing and Registration:</td> <td></td> <td>100%</td> </tr> <tr> <td>Depository:</td> <td></td> <td>100%</td> </tr> <tr> <td>Custody:</td> <td></td> <td>100%</td> </tr> <tr> <td>Portfolio Transactions (Broker's commission):</td> <td></td> <td>100%</td> </tr> </tbody> </table>		Income	Capital	AMC:		100%	Ongoing Operating Costs:		100%	Dealing and Registration:		100%	Depository:		100%	Custody:		100%	Portfolio Transactions (Broker's commission):		100%
	Income	Capital																				
AMC:		100%																				
Ongoing Operating Costs:		100%																				
Dealing and Registration:		100%																				
Depository:		100%																				
Custody:		100%																				
Portfolio Transactions (Broker's commission):		100%																				
Minimum initial subscription and minimum holding*:	<p>Class C: £5,000</p> <p>Class D: £5,000,000</p> <p>Class I: £5,000,000</p> <p>Class H: N/A</p>																					
Top-up:	<p>Class C: £500</p> <p>Class D: £500</p> <p>Class I: £100,000</p> <p>Class H: N/A</p>																					

Past Performance:

See Appendix V.

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

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

- (a) under the Gross Method is 3.2:1 or 320%; and
- (b) under the Commitment Method is 2:1 or 200%.

Name: **Handelsbanken Income Plus Multi Asset Fund**

Type of Fund: Non-UCITS retail scheme

Product Reference Number 640172

Investment Objective: To deliver a total return (the combination of income and capital growth) that at the end of any five year period is equivalent to achieving a total return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. The Sub-fund aims to generate a greater proportion of its total return from income rather than capital growth. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Investment Policy: To invest directly and indirectly, in the following assets: equities, bonds, property, hedge funds, commodities, loans, cash, deposits and money market instruments. The Sub-fund's allocation to bonds may include corporate bonds, government bonds and high yield bonds.

The Sub-fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. Exposure to property, hedge funds and commodities will be through indirect investments only.

The Sub-fund may also invest in structured products, which are a type of investment where the amount earned depends on the

performance of a specific financial market or specific assets.

The Sub-fund may invest in derivatives for both investment and efficient portfolio management purposes.

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

Investment Strategy:

The Sub-fund is part of a range of two income multi-asset sub-funds that are managed according to different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks in this range. The Handelsbanken Income Plus Multi Asset Fund has the highest target return benchmark in this range and the highest expected risk. The other sub-fund in this range is the Handelsbanken Income Multi Asset Fund.

The Portfolio Manager creates a framework to determine the optimal mix of asset classes and geographic areas to achieve the Sub-fund's investment objective whilst managing risk (referred to as 'strategic asset allocation'). On an ongoing basis the Portfolio Manager then assesses economic conditions and market opportunities and adjusts the Sub-fund's allocation to different asset classes, geographic areas and industry sectors (referred to as 'tactical asset allocation'). The tactical asset allocation may deviate from the strategic asset allocation. The Portfolio Manager uses its expertise to research and select appropriate investments for the Sub-fund.

Target Benchmark:

Consumer Price Index plus 3%

Comparator Benchmarks: MSCI United Kingdom Index (GBP) – Net total return

BoA Merrill Lynch UK Gilts

Information regarding benchmarks: The Consumer Price Index plus 3% has been selected as the Sub-fund’s target return benchmark as the Sub-fund aims to achieve a return (the money made or lost on an investment) that is 3% above the rate of inflation. The Consumer Price Index is used to measure the rate of inflation. Please refer to the Sub-fund’s investment objective for detail regarding how achievement of the target return benchmark is measured, and over what time period.

In addition to the target return benchmark the Sub-fund’s performance may also be compared against the following indices (referred to as ‘comparator benchmarks’): MSCI United Kingdom Index (GBP) – Net total return (representing UK Equities) and BoA Merrill Lynch UK Gilts (representing UK Government Bonds). As the Sub-fund invests in a range of asset classes there is no single index that is reflective of the Sub-fund. The ACD believes that these are appropriate comparators for the Sub-fund given the investment objective and policy of the Sub-fund. The comparator benchmarks have been selected as we consider they assist in evaluating the Sub-fund’s performance against the performance of two of the principle underlying asset classes (UK Equities and UK Government Bonds) that the Sub-fund may have exposure to.

Final Accounting Date: 31 December

Interim Accounting Dates: 30 June

Income Allocation Dates: The last day of each month, payable two (2) months in arrears

Share Classes and types of Shares:	Currently available	
	Class C accumulation	
	Class C income	
	Class D accumulation	
	Class D income	
	Class H accumulation (not publicly available)	
	Class H income (not publicly available)	
	Class I accumulation	
	Class I income	
ISA Eligible:	Yes	
Regular Savers:	N/A	
Initial Charge:	Class C: 0%	
	Class D: 0%	
	Class I: 0%	
	Class H: N/A	
Redemption Charge:	N/A	
Charge on Switching:	N/A	
Annual Management Charge:	Class C: 1.00%	
	Class D: 0.50%	
	Class I: 0.75%	
	Class H: 0.30%	
Allocation of Charges:	Income	Capital
AMC:		100%
Ongoing Operating Costs:		100%
Dealing and Registration:		100%
Depository:		100%
Custody:		100%
Portfolio Transactions (Broker's commission):		100%
Minimum initial subscription and minimum holding*:	Class C: £5,000	
	Class D: £5,000,000	
	Class I: £5,000,000	
	Class H: N/A	
Top-up:	Class C: £500	
	Class D: £500	
	Class I: £100,000	
	Class H: N/A	
Past Performance:	See Appendix V.	

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

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

- (a) under the Gross Method is 3.2:1 or 320%; and
- (b) under the Commitment Method is 2:1 or 200%.

Name:	Handelsbanken Defensive Sustainable Multi Asset Fund
Type of Fund:	Non-UCITS retail scheme
Product Reference Number	844430
Investment Objective:	To deliver a total return (the combination of income and capital growth) that at the end of any five year period is equivalent to achieving a total return of the Consumer Price Index plus 1% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.
Investment Policy:	<p>To invest in a portfolio of investments that demonstrate positive Environmental, Social and/or Governance ('ESG') factors, and where applicable exclude investments that demonstrate negative ESG factors, in accordance with the Portfolio Manager's Sustainable Investment Policy.</p> <p>The Sub-fund may invest directly and indirectly in the following assets: equities, bonds, property, hedge funds, commodities, loans, cash, deposits and money market instruments. The Sub-fund's allocation to bonds may include corporate bonds, government bonds and high yield bonds.</p> <p>The Sub-fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in other transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. Exposure to property, hedge funds and</p>

commodities will be through indirect investments only.

The Sub-fund may also invest in structured products, which are a type of investment where the amount earned depends on the performance of a specific financial market or specific assets.

The Sub-fund may invest in derivatives for both investment and efficient portfolio management purposes.

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

Investment Strategy:

The Sub-fund is part of a range of four sustainable multi-asset sub-funds that are managed according to different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks in this range. The Handelsbanken Defensive Sustainable Multi Asset Fund has the lowest target return benchmark in this range and the lowest expected risk. The other sub-funds in this range are the Handelsbanken Cautious Sustainable Multi Asset Fund, the Handelsbanken Balanced Sustainable Multi Asset Fund and the Handelsbanken Growth Sustainable Multi Asset Fund.

The Portfolio Manager creates a framework to determine the optimal mix of asset classes and geographic areas to achieve the Sub-fund's investment objective whilst managing risk (referred to as 'strategic asset allocation'). On an ongoing basis the Portfolio Manager then assesses economic conditions and market opportunities and adjusts the Sub-fund's allocation to different asset classes, geographic areas and industry sectors (referred to as 'tactical

asset allocation'). The tactical asset allocation may deviate from the strategic asset allocation. The Portfolio Manager uses its expertise to research and select appropriate investments for the Sub-fund.

The Sub-fund's investments are selected in accordance with the Portfolio Manager's Sustainable Investment Policy, which is available on the ACD's website and should be referred to. The Sustainable Investment Policy outlines the Portfolio Manager's definition of sustainable investing and details on what basis underlying instruments held in the Sustainable Sub-funds are assessed and selected. In summary, the Portfolio Manager considers environmental, social and governance ("ESG") factors when evaluating potential investments for the Sub-fund. The Portfolio Manager seeks to include investments that demonstrate positive ESG factors, and/or exclude investments that demonstrate negative ESG factors.

Target Benchmark:

Consumer Price Index plus 1%

Comparator Benchmarks:

MSCI United Kingdom Index (GBP) – Net total return

BoA Merrill Lynch UK Gilts

Information regarding benchmarks:

The Consumer Price Index plus 1% has been selected as the Sub-fund's target return benchmark as the Sub-fund aims to achieve a return (the money made or lost on an investment) that is 1% above the rate of inflation. The Consumer Price Index is used to measure the rate of inflation. Please refer to the Sub-fund's investment objective for detail regarding how achievement of the target return benchmark is measured, and over what time period.

In addition to the target return benchmark the Sub-fund's performance may also be compared against the following indices (referred to as 'comparator benchmarks'): MSCI United Kingdom Index (GBP) – Net total return (representing UK Equities) and BoA Merrill Lynch UK Gilts (representing UK Government Bonds). As the Sub-fund invests in a range of asset classes there is no single index that is reflective of the Sub-fund. The ACD believes that these are appropriate comparators for the Sub-fund given the investment objective and policy of the Sub-fund. The comparator benchmarks have been selected as we consider they assist in evaluating the Sub-fund's performance against the performance of two of the principle underlying asset classes (UK Equities and UK Government Bonds) that the Sub-fund may have exposure to.

Final Accounting Date:	31 December
Interim Accounting Date:	30 June
Income Allocation Dates:	Last day of February
Share Classes and types of Shares:	Currently available Class C accumulation Class D accumulation Class H accumulation (not publicly available) Class I accumulation
ISA Eligible:	Yes
Regular Savers:	N/A
Initial Charge:	Class C: 0% Class D: 0% Class I: 0% Class H: N/A
Redemption Charge:	N/A
Charge on Switching:	N/A
Annual Management Charge:	Class C: 1.00% Class D: 0.50% Class I: 0.75%

Class H: 0.30%

Operating Costs Limit:

Please refer to section 7.5 for details of the Operating Costs Limit.

Allocation of Charges:

	Income	Capital
AMC:	100%	
Ongoing Operating Costs:	100%	
Dealing and Registration:	100%	
Depository:	100%	
Custody:	100%	
		100%

Portfolio Transactions (Broker's commission):

Minimum initial subscription and minimum holding*:	Class C: £5,000
	Class D: £5,000,000
	Class I: £5,000,000
	Class H: N/A

Top-up:

Class C: £500
Class D: £100,000
Class I: £100,000
Class H: N/A

Past Performance:

See Appendix V.

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

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

- (a) under the Gross Method is 3.2:1 or 320%; and
- (b) under the Commitment Method is 1.2:1 or 120%

Name:

Handelsbanken Cautious Sustainable Multi Asset Fund

Type of Fund:

Non-UCITS retail scheme

Product Reference Number

844431

Investment Objective:

To deliver a total return (the combination of income and capital growth) that at the end of any five year period is equivalent to achieving a total return of the Consumer Price Index plus 2% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.

Investment Policy:

To invest in a portfolio of investments that demonstrate positive Environmental, Social and/or Governance ('ESG') factors, and where applicable exclude investments that demonstrate negative ESG factors, in accordance with the Portfolio Manager's Sustainable Investment Policy.

The Sub-fund may invest directly and indirectly in the following assets: equities, bonds, property, hedge funds, commodities, loans, cash, deposits and money market instruments. The Sub-fund's allocation to bonds may include corporate bonds, government bonds and high yield bonds.

The Sub-fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in other transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. Exposure to property, hedge funds and commodities will be through indirect investments only.

The Sub-fund may also invest in structured products, which are a type of investment

where the amount earned depends on the performance of a specific financial market or specific assets.

The Sub-fund may invest in derivatives for both investment and efficient portfolio management purposes.

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

Investment Strategy:

The Sub-fund is part of a range of four sustainable multi-asset sub-funds that are managed according to different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks in this range. The Handelsbanken Cautious Sustainable Multi Asset Fund has the second lowest target return benchmark in this range and the second lowest expected risk. The other sub-funds in this range are the Handelsbanken Defensive Sustainable Multi Asset Fund, the Handelsbanken Balanced Sustainable Multi Asset Fund and the Handelsbanken Growth Sustainable Multi Asset Fund.

The Portfolio Manager creates a framework to determine the optimal mix of asset classes and geographic areas to achieve the Sub-fund's investment objective whilst managing risk (referred to as 'strategic asset allocation'). On an ongoing basis the Portfolio Manager then assesses economic conditions and market opportunities and adjusts the Sub-fund's allocation to different asset classes, geographic areas and industry sectors (referred to as 'tactical asset allocation'). The tactical asset allocation may deviate from the strategic asset allocation. The Portfolio Manager uses

its expertise to research and select appropriate investments for the Sub-fund.

The Sub-fund's investments are selected in accordance with the Portfolio Manager's Sustainable Investment Policy, which is available on the ACD's website and should be referred to. The Sustainable Investment Policy outlines the Portfolio Manager's definition of sustainable investing and details on what basis underlying instruments held in the Sustainable Sub-funds are assessed and selected. In summary, the Portfolio Manager considers environmental, social and governance ("ESG") factors when evaluating potential investments for the Sub-fund. The Portfolio Manager seeks to include investments that demonstrate positive ESG factors, and/or exclude investments that demonstrate negative ESG factors.

Target Benchmark:

Consumer Price Index plus 2%

Comparator Benchmarks:

MSCI United Kingdom Index (GBP) – Net total return

BoA Merrill Lynch UK Gilts

Information regarding benchmarks:

The Consumer Price Index plus 2% has been selected as the Sub-fund's target return benchmark as the Sub-fund aims to achieve a return (the money made or lost on an investment) that is 2% above the rate of inflation. The Consumer Price Index is used to measure the rate of inflation. Please refer to the Sub-fund's investment objective for detail regarding how achievement of the target return benchmark is measured, and over what time period.

In addition to the target return benchmark the Sub-fund's performance may also be

compared against the following indices (referred to as 'comparator benchmarks'): MSCI United Kingdom Index (GBP) – Net total return (representing UK Equities) and BoA Merrill Lynch UK Gilts (representing UK Government Bonds). As the Sub-fund invests in a range of asset classes there is no single index that is reflective of the Sub-fund. The ACD believes that these are appropriate comparators for the Sub-fund given the investment objective and policy of the Sub-fund. The comparator benchmarks have been selected as we consider they assist in evaluating the Sub-fund's performance against the performance of two of the principle underlying asset classes (UK Equities and UK Government Bonds) that the Sub-fund may have exposure to.

Final Accounting Date:	31 December
Interim Accounting Date:	30 June
Income Allocation Dates:	Last day of February
Share Classes and types of Shares:	Currently available Class C accumulation Class D accumulation Class H accumulation (not publicly available) Class I accumulation
ISA Eligible:	Yes
Regular Savers:	N/A
Initial Charge:	Class C: 0% Class D: 0% Class I: 0% Class H: N/A
Redemption Charge:	N/A
Charge on Switching:	N/A
Annual Management Charge:	Class C: 1.00% Class D: 0.50% Class I: 0.75% Class H: 0.30%

Operating Costs Limit:

Please refer to section 7.5 for details of the Operating Costs Limit.

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

AMC:

100%

Ongoing Operating Costs:

100%

Dealing and Registration:

100%

Depository:

100%

Custody:

100%

100%

Portfolio Transactions (Broker's commission):

Minimum initial subscription and minimum holding*:

Class C: £5,000

Class D: £5,000,000

Class I: £5,000,000

Class H: N/A

Top-up:

Class C: £500

Class D: £100,000

Class I: £100,000

Class H: N/A

Past Performance:

See Appendix V.

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

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

- (a) under the Gross Method is 3.2:1 or 320%; and
- (b) under the Commitment Method is 1.2:1 or 120%

Name:	Handelsbanken Balanced Sustainable Multi Asset Fund
Type of Fund:	Non-UCITS retail scheme
Product Reference Number	844432
Investment Objective:	To deliver a total return (the combination of income and capital growth) that at the end of any five year period is equivalent to achieving a total return of the Consumer Price Index plus 3% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.
Investment Policy:	<p>To invest in a portfolio of investments that demonstrate positive Environmental, Social and/or Governance ('ESG') factors, and where applicable exclude investments that demonstrate negative ESG factors, in accordance with the Portfolio Manager's Sustainable Investment Policy.</p> <p>The Sub-fund may invest directly and indirectly in the following assets: equities, bonds, property, hedge funds, commodities, loans, cash, deposits and money market instruments. The Sub-fund's allocation to bonds may include corporate bonds, government bonds and high yield bonds.</p> <p>The Sub-fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in other transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. Exposure to property, hedge funds and</p>

commodities will be through indirect investments only.

The Sub-fund may also invest in structured products, which are a type of investment where the amount earned depends on the performance of a specific financial market or specific assets.

The Sub-fund may invest in derivatives for both investment and efficient portfolio management purposes.

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

Investment Strategy:

The Sub-fund is part of a range of four sustainable multi-asset sub-funds that are managed according to different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks in this range. The Handelsbanken Balanced Sustainable Multi Asset Fund has the second highest target return benchmark in this range and the second highest expected risk. The other sub-funds in this range are the Handelsbanken Defensive Sustainable Multi Asset Fund, the Handelsbanken Cautious Sustainable Multi Asset Fund and the Handelsbanken Growth Sustainable Multi Asset Fund.

The Portfolio Manager creates a framework to determine the optimal mix of asset classes and geographic areas to achieve the Sub-fund's investment objective whilst managing risk (referred to as 'strategic asset allocation'). On an ongoing basis the Portfolio Manager then assesses economic conditions and market opportunities and adjusts the Sub-fund's allocation to different asset classes, geographic areas

and industry sectors (referred to as 'tactical asset allocation'). The tactical asset allocation may deviate from the strategic asset allocation. The Portfolio Manager uses its expertise to research and select appropriate investments for the Sub-fund.

The Sub-fund's investments are selected in accordance with the Portfolio Manager's Sustainable Investment Policy, which is available on the ACD's website and should be referred to. The Sustainable Investment Policy outlines the Portfolio Manager's definition of sustainable investing and details on what basis underlying instruments held in the Sustainable Sub-funds are assessed and selected. In summary, the Portfolio Manager considers environmental, social and governance ("ESG") factors when evaluating potential investments for the Sub-fund. The Portfolio Manager seeks to include investments that demonstrate positive ESG factors, and/or exclude investments that demonstrate negative ESG factors.

Target Benchmark:

Consumer Price Index plus 3%

Comparator Benchmarks:

MSCI United Kingdom Index (GBP) – Net total return

BoA Merrill Lynch UK Gilts

Information regarding benchmarks:

The Consumer Price Index plus 3% has been selected as the Sub-fund's target return benchmark as the Sub-fund aims to achieve a return (the money made or lost on an investment) that is 3% above the rate of inflation. The Consumer Price Index is used to measure the rate of inflation. Please refer to the Sub-fund's investment objective for detail regarding how achievement of the target return

benchmark is measured, and over what time period.

In addition to the target return benchmark the Sub-fund's performance may also be compared against the following indices (referred to as 'comparator benchmarks'): MSCI United Kingdom Index (GBP) – Net total return (representing UK Equities) and BoA Merrill Lynch UK Gilts (representing UK Government Bonds). As the Sub-fund invests in a range of asset classes there is no single index that is reflective of the Sub-fund. The ACD believes that these are appropriate comparators for the Sub-fund given the investment objective and policy of the Sub-fund. The comparator benchmarks have been selected as we consider they assist in evaluating the Sub-fund's performance against the performance of two of the principle underlying asset classes (UK Equities and UK Government Bonds) that the Sub-fund may have exposure to.

Final Accounting Date:	31 December
Interim Accounting Date:	30 June
Income Allocation Dates:	Last day of February
Share Classes and types of Shares:	Currently available Class C accumulation Class D accumulation Class H accumulation (not publicly available) Class I accumulation
ISA Eligible:	Yes
Regular Savers:	N/A
Initial Charge:	Class C: 0% Class D: 0% Class I: 0% Class H: N/A
Redemption Charge:	N/A

Charge on Switching:	N/A
Annual Management Charge:	Class C: 1.00% Class D: 0.50% Class I: 0.75% Class H: 0.30%
Operating Costs Limit:	Please refer to section 7.5 for details of the Operating Costs Limit.

Allocation of Charges:	Income	Capital
AMC:	100%	
Ongoing Operating Costs:	100%	
Dealing and Registration:	100%	
Depository:	100%	
Custody:	100%	
		100%
Portfolio Transactions (Broker's commission):		
Minimum initial subscription and minimum holding*:	Class C: £5,000 Class D: £5,000,000 Class I: £5,000,000 Class H: N/A	
Top-up:	Class C: £500 Class D: £100,000 Class I: £100,000 Class H: N/A	
Past Performance:	See Appendix V.	

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

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

- (a) under the Gross Method is 3.2:1 or 320%; and
- (b) under the Commitment Method is 1.2:1 or 120%

Name:	Handelsbanken Growth Sustainable Multi Asset Fund
Type of Fund:	Non-UCITS retail scheme
Product Reference Number	844433
Investment Objective:	To deliver a total return (the combination of income and capital growth) that at the end of any five year period is equivalent to achieving a total return of the Consumer Price Index plus 4% each year over that period, after all costs and charges have been taken. There is no guarantee that the objective will be met or that a positive return will be delivered over any time period and capital is at risk.
Investment Policy:	<p>To invest in a portfolio of investments that demonstrate positive Environmental, Social and/or Governance ('ESG') factors, and where applicable exclude investments that demonstrate negative ESG factors, in accordance with the Portfolio Manager's Sustainable Investment Policy.</p> <p>The Sub-fund may invest directly and indirectly, in the following assets: equities, bonds property, hedge funds, commodities, loans, cash, deposits and money market instruments. The Sub-fund's allocation to bonds may include corporate bonds, government bonds and high yield bonds.</p> <p>The Sub-fund may gain exposure to these assets directly by investing in securities issued by companies and governments, and indirectly by investing in other transferable securities and collective investment schemes (open and closed ended). Indirect investments may include instruments managed or advised by the ACD or the Portfolio Manager or their associates. Exposure to property, hedge funds and</p>

commodities will be through indirect investments only.

The Sub-fund may also invest in structured products, which are a type of investment where the amount earned depends on the performance of a specific financial market or specific assets.

The Sub-fund may invest in derivatives for both investment and efficient portfolio management purposes.

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

Investment Strategy:

The Sub-fund is part of a range of four sustainable multi-asset sub-funds that are managed according to different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks in this range. The Handelsbanken Growth Sustainable Multi Asset Fund has the highest target return benchmark in this range and the highest expected risk. The other sub-funds in this range are the Handelsbanken Defensive Sustainable Multi Asset Fund, the Handelsbanken Cautious Sustainable Multi Asset Fund and the Handelsbanken Balanced Sustainable Multi Asset Fund.

The Portfolio Manager creates a framework to determine the optimal mix of asset classes and geographic areas to achieve the Sub-fund's investment objective whilst managing risk (referred to as 'strategic asset allocation'). On an ongoing basis the Portfolio Manager then assesses economic conditions and market opportunities and adjusts the Sub-fund's allocation to different asset classes, geographic areas

and industry sectors (referred to as 'tactical asset allocation'). The tactical asset allocation may deviate from the strategic asset allocation. The Portfolio Manager uses its expertise to research and select appropriate investments for the Sub-fund.

The Sub-fund's investments are selected in accordance with the Portfolio Manager's Sustainable Investment Policy, which is available on the ACD's website and should be referred to. The Sustainable Investment Policy outlines the Portfolio Manager's definition of sustainable investing and details on what basis underlying instruments held in the Sustainable Sub-funds are assessed and selected. In summary, the Portfolio Manager considers environmental, social and governance ("ESG") factors when evaluating potential investments for the Sub-fund. The Portfolio Manager seeks to include investments that demonstrate positive ESG factors, and/or exclude investments that demonstrate negative ESG factors.

Target Benchmark:

Consumer Price Index plus 4%

Comparator Benchmarks:

MSCI United Kingdom Index (GBP) – Net total return

BoA Merrill Lynch UK Gilts

Information regarding benchmarks:

The Consumer Price Index plus 4% has been selected as the Sub-fund's target return benchmark as the Sub-fund aims to achieve a return (the money made or lost on an investment) that is 4% above the rate of inflation. The Consumer Price Index is used to measure the rate of inflation. Please refer to the Sub-fund's investment objective for detail regarding how achievement of the target return

benchmark is measured, and over what time period.

In addition to the target return benchmark the Sub-fund's performance may also be compared against the following indices (referred to as 'comparator benchmarks'): MSCI United Kingdom Index (GBP) – Net total return (representing UK Equities) and BoA Merrill Lynch UK Gilts (representing UK Government Bonds). As the Sub-fund invests in a range of asset classes there is no single index that is reflective of the Sub-fund. The ACD believes that these are appropriate comparators for the Sub-fund given the investment objective and policy of the Sub-fund. The comparator benchmarks have been selected as we consider they assist in evaluating the Sub-fund's performance against the performance of two of the principle underlying asset classes (UK Equities and UK Government Bonds) that the Sub-fund may have exposure to.

Final Accounting Date:	31 December
Interim Accounting Date:	30 June
Income Allocation Dates:	Last day of February

Share Classes and types of Shares:	Currently available Class C accumulation Class D accumulation Class H accumulation (not publicly available) Class I accumulation
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ISA Eligible:	Yes
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Regular Savers:	N/A
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Initial Charge:	Class C: 0% Class D: 0% Class I: 0% Class H: N/A
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Redemption Charge:	N/A
Charge on Switching:	N/A
Annual Management Charge:	Class C: 1.00% Class D: 0.50% Class I: 0.75% Class H: 0.30%
Operating Costs Limit:	Please refer to section 7.5 for details of the Operating Costs Limit.

Allocation of Charges:	Income	Capital
AMC:	100%	
Ongoing Operating Costs:	100%	
Dealing and Registration:	100%	
Depository:	100%	
Custody:	100%	
		100%
Portfolio Transactions (Broker's commission):		
Minimum initial subscription and minimum holding*:	Class C: £5,000 Class D: £5,000,000 Class I: £5,000,000 Class H: N/A	
Top-up:	Class C: £500 Class D: £100,000 Class I: £100,000 Class H: N/A	
Past Performance:	See Appendix V.	

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

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

- (a) under the Gross Method is 3.2:1 or 320%; and
- (b) under the Commitment Method is 1.2:1 or 120%

APPENDIX II

ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

Eligible Securities Markets:

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

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

COUNTRIES	MARKET IDENTIFIER CODE	ELIGIBLE SECURITIES MARKETS
AUSTRALIA	XASX	Australian Securities Exchange
CANADA	XTSE	Toronto Stock Exchange
CHANNEL ISLANDS (JERSEY)	XCIE	International Stock Exchange
HONG KONG	XHKG	Hong Kong Stock Exchange
JAPAN	XJPX	Japan Exchange Group
KOREA	XKOS	Korea Exchange
MEXICO	XMEX	Mexican Stock Exchange
NEW ZEALAND	XNZE	New Zealand Exchange Limited
SINGAPORE	XSES	Singapore Exchange
SOUTH AFRICA	XJSE	JSE Limited
TAIWAN	XTAI	Taiwan Stock Exchange
THAILAND	XBKK	The Stock Exchange of Thailand
UNITED STATES OF AMERICA	ARCX	NYSE Arca Equities
UNITED STATES OF AMERICA	XNAS	NASDAQ Stock Market
UNITED STATES OF AMERICA	XNYS	New York Stock Exchange
UNITED STATES OF AMERICA	XASE	NYSE American

Eligible Derivatives Markets:

An Eligible Derivatives Market is any of the following markets:

COUNTRIES	ELIGIBLE DERIVATIVES MARKETS
AUSTRALIA	Australian Securities Exchange

AUSTRIA	Wiener Borse AG
BELGIUM	Euronext Brussels
BULGARIA	Bulgarian Stock Exchange
CANADA	Montreal Exchange
CZECH REPUBLIC	Prague Stock Exchange
DENMARK	NASDAQ Copenhagen A/S
FINLAND	NASDAQ Helsinki Ltd
FRANCE	Euronext Paris
GERMANY	Frankfurt Stock Exchange
GERMANY	Eurex Deutschland
GREECE	Athens Exchange
HONG KONG	Hong Kong Exchanges and Clearing Limited
HUNGARY	Budapest Stock Exchange
ITALY	Borsa Italiana - Italian Derivatives Market (IDEM)
JAPAN	Tokyo Stock Exchange
LUXEMBOURG	Luxembourg Stock Exchange
MEXICO	Mexican Derivatives Exchange
NETHERLANDS	Euronext Amsterdam
NORWAY	Oslo Bors
NORWAY	Merjur Market
POLAND	Warsaw Stock Exchange
PORTUGAL	Euronext Lisbon
SOUTH AFRICA	JSE Limited
SPAIN	MEFF
SWEDEN	NASDAQ Stockholm AB
UNITED KINGDOM	ICE Futures Europe
UNITED KINGDOM	London Stock Exchange
UNITED KINGDOM	London Metal Exchange
The United States of America	New York Mercantile Exchange
The United States of America	Chicago Board of Trade
The United States of America	Chicago Mercantile Exchange
The United States of America	NYSE Arca Options
The United States of America	NASDAQ PHLX

Place of establishment requirements for funds of funds

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

Handelsbanken Defensive Multi Asset Fund

Handelsbanken Cautious Multi Asset Fund

Handelsbanken Balanced Multi Asset Fund

Handelsbanken Growth Multi Asset Fund

Handelsbanken Adventurous Fund

Handelsbanken Income Multi Asset Fund

Handelsbanken Income Plus Multi Asset Fund

Handelsbanken Defensive Sustainable Multi Asset Fund

Handelsbanken Cautious Sustainable Multi Asset Fund

Handelsbanken Balanced Sustainable Multi Asset Fund

Handelsbanken Growth Sustainable Multi Asset Fund

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

Jersey

United States of America

APPENDIX III

INVESTMENT AND BORROWING POWERS OF THE COMPANY

1. General

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

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

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

The Sub-funds will not maintain a direct interest in immovable or tangible moveable property but may gain indirect exposure to this asset class through investment types permitted under the investment policy and COLL 5.

The Sub-funds will not invest directly in gold but may gain indirect exposure to these asset classes through investment types permitted under the investment policy and COLL 5.

1.1 Prudent spread of risk

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

1.1.1 Subject to 1.1.2 below, the limits in COLL 5.6.19R do not apply until 24 months after the later of:

(a) the date when the authorisation order in respect of the non-

UCITS retail scheme takes effect; and

(b) the date the initial offer commenced;

- 1.1.2 The limit in COLL 5.6.19R(7) relating to immovables which are unoccupied and non-income producing or are in the course of substantial development, redevelopment or refurbishment applies from the later of the date when the authorisation order in respect of the non-UCITS retail scheme takes effect and the date the initial offer period commenced.

1.2 **Cover**

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

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

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

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

2. **Non-UCITS retail schemes - general**

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

2.1.1 transferable securities;

2.1.2 money-market instruments;

2.1.3 units or shares in permitted collective investment schemes;

2.1.4 permitted derivatives and forward transactions;

2.1.5 permitted deposits;

- 2.1.6 permitted immovables; and
 - 2.1.7 gold up to a limit of 10% in value of the Scheme Property of each Sub-funds.
- 2.2 Transferable securities and money-market instruments held within a Sub-fund must (subject to paragraph 2.2.4 of this Appendix) be:
- 2.2.1 admitted to or dealt in on an eligible market as described under paragraphs 3.3 and 3.4 below;
 - 2.2.2 approved money-market instruments not admitted or dealt in on an eligible market below which satisfy the requirement of paragraph 8 (Investment in money-market instruments) of this Appendix;
 - 2.2.3 recently issued transferable securities provided that:
 - 2.2.3.1 the terms of issue include an undertaking that application will be made to be admitted on an eligible market; and
 - 2.2.3.2 such admission is secured within a year of issue.
 - 2.2.4 subject to a limit of 20% in value of the Scheme Property be:
 - 2.2.4.1 transferable securities which are not within 2.2.1 to 2.2.3; or
 - 2.2.4.2 money-market instruments which are liquid and have a value which can be determined accurately at any time.
- 2.3 The requirements on spread of investments do not apply until 12 months after the later of:
- 2.3.1 the date when the authorisation order in respect of the non-UCITS retail scheme takes effect; and
 - 2.3.2 the date the initial offer commenced;
- provided that 1.1 (Prudent spread of risk) is complied with during such period.
- 2.4 Transferable securities held by the Company must also satisfy the criteria in COLL 5.2.7AR, COLL 5.2.7CR and COLL 5.2.7ER for the purposes of investment by a UK UCITS scheme.
3. **Eligible markets regime: purpose**
- 3.1 This section specifies criteria as to the nature of the markets in which property of a Non-UCITS retail scheme may be invested.

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

3.3 A market is eligible for the purposes of COLL 5 if it is:

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

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

3.3.3 any market within 3.4 below.

3.4 A market not falling within paragraph 3.3.1 and 3.3.2 of this Appendix is eligible for the purposes of COLL 5 if:

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

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

3.4.3 the Depositary has taken reasonable care to determine that:

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

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

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

4. **Spread: general**

4.1 This rule on spread does not apply in respect of transferable security or an approved money-market instrument to which COLL 5.6.8R (Spread: government and public securities) applies.

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

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

- 4.4 The limit of 10% in paragraph 4.3 above is raised to 25% in value of the Scheme Property of a Sub-fund in respect of covered bonds.
- 4.5 In applying paragraph 4.3, certificates representing certain securities are to be treated as equivalent to the underlying security.
- 4.6 COLL 5 provides that not more than 35% in value of the Scheme Property of a Sub-fund is to consist of the units or shares of any one collective investment scheme.
- 4.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property of a Sub-fund.
- 4.8 For the purpose of calculating the limit in paragraph 4.7, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:
- 4.8.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
 - 4.8.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
 - 4.8.3 it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
 - 4.8.4 can be fully enforced by a Sub-fund at any time.
- 4.9 For the purposes of calculating the limits in paragraph 4.7, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
- 4.9.1 comply with the conditions set out in Part Three, Title II, Chapter 6, Section 7 (Contractual netting (Contracts for novation and other netting agreements)) of the EU Capital Requirements Regulation; and
 - 4.9.2 are based on legally binding agreements.
- 4.10 In applying this paragraph (Spread: general), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
- 4.10.1 it is backed by an appropriate performance guarantee; and
 - 4.10.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

5. **Spread: government and public securities**
- 5.1 The following section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued by:
- 5.1.1 the UK;
 - 5.1.2 a local authority of the UK;
 - 5.1.3 an EEA State;
 - 5.1.4 a local authority of an EEA State;
 - 5.1.5 a non-EEA State; or
 - 5.1.6 a public international body to which the UK or one or more EEA States belong.
- 5.2 The requirements in COLL 5.2.12 R (Spread: government and public securities) apply to investment in such securities by a non-UCITS retail scheme, except for COLL 5.2.12R(3)(d), which applies to such a scheme only to the extent that it concerns the most recently published prospectus of the scheme.
- 5.3 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 5.4 The Company or any Sub-fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:
- 5.4.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of a Sub-fund;
 - 5.4.2 no more than 30% in value of the Scheme Property of a Sub-fund consists of such securities of any one issue;
 - 5.4.3 the Scheme Property of a Sub-fund includes such securities issued by that or another issuer, of at least six different issues;
 - 5.4.4 the disclosures in COLL 3.2.6R(8) (Table: contents of the instrument constituting the fund) and COLL 4.2.5R(3)(i) (Table: contents of the prospectus) have been made.
- 5.5 **In giving effect to the foregoing object more than 35% of the Scheme Property may be invested in Government and other public securities issued or guaranteed by the Government of the United Kingdom; the**

Executive Committee of the Northern Ireland Assembly; the Scottish Administration; the National Assembly of Wales; the Governments of Austria; Belgium; Denmark; Finland; France; Germany; Greece; Ireland; Italy; Luxembourg; Netherlands; Portugal; Spain; Sweden; Cyprus; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Malta; Poland; Slovakia; Slovenia; the Governments of Australia; Canada; Japan; New Zealand; Switzerland and the United States of America; The European Investment Bank; the World Bank; the European Bank of Reconstruction & Development (EBRD); the Inter American Development Bank (IADB); the Asian Development Bank; the International Finance Corporation; the Japan Development Bank; the Nordic Investment Bank; the Council of Europe Development Bank, and the European Federal Home Loans.

6. Investment in collective investment schemes

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

6.1.1 The Second Scheme must:

6.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UK UCITS Rules or, in the case of an EEA UCITS Scheme, the UCITS Directive; or

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

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

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

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

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

- 6.1.3 The Second Scheme is prohibited from having more than 15% in value of the Scheme Property consisting of units or shares in collective investment schemes unless COLL 5.6.10AR applies.
 - 6.1.4 The participants in the Second Scheme must be entitled to have their units or shares redeemed in accordance with the scheme at a price related to the net value of the property to which the units or shares relate and determined in accordance with the scheme.
 - 6.1.5 Where the Second Scheme is an umbrella, the provisions in paragraphs 6.1.2 to 6.1.4 and paragraph 4 (Spread: General) above apply to each sub-fund as if it were a separate scheme.
- 6.2 The Scheme Property attributable to a Sub-fund may include Shares in another Sub-Fund of the Company (the "Second Sub-fund") subject to the requirements of paragraph 6.3 below.
- 6.3 A Sub-fund may invest in or dispose of Shares of a Second Sub-fund provided that:-
- 6.3.1 the Second Sub-fund does not hold Shares in any other Sub-fund of the Company;
 - 6.3.2 the requirements set out at paragraph 6.5 below are complied with; and
 - 6.3.3 not more than 35% in value of the Scheme Property of the investing or disposing Sub-fund is to consist of Shares in the Second Sub-fund.
- 6.4 The Sub-funds may, subject to the limit set out in paragraph 6.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Sub-funds or one of its Associates.
- 6.5 Investment may only be made in other collective investment schemes managed by the ACD or an associate of the ACD if the Prospectus of the Company clearly states that the Sub-funds may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.

7. Investment in nil and partly paid securities

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

8. Investment in money-market instruments

- 8.1 A Sub-fund may invest up to 100% in money-market instruments which are within the provisions of 2.2 above or 8.2 below and subject to the limit of 20% referred to in 2.2.4 above, which are normally dealt in or on the money-market, are liquid and whose value can be accurately determined at any time.
- 8.2 In addition to instruments admitted to or dealt in on an eligible market, a Sub-fund may invest in an approved money-market instrument provided it fulfils the following requirements:
- 8.2.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
- 8.2.2 the instrument is issued or guaranteed in accordance with COLL 5.2.10BR.
- 8.3 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
- 8.3.1 the instrument is an approved money-market instrument;
- 8.3.2 appropriate information is available for the instrument (including Information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with COLL 5.2.10CR; and
- 8.3.3 the instrument is freely transferable.

9. **Derivatives: general**

- 9.1 **The Portfolio Manager may employ derivatives for the purposes of Efficient Portfolio Management ('EPM') and investment purposes in the pursuit of a Sub-fund's investment objective as stated in the Prospectus and in accordance with the Risk Management Policy (RMP) – The RMP is available on request from the ACD.**

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

- 9.2 Due to the complex derivative strategies that may be used by a Sub-fund, the ACD will treat each Sub-fund as an 'Investment Purposes with VaR' fund and monitor its risk on a global exposure basis using the Value at Risk (VaR) approach.
- 9.3 Value at risk is a measure of the maximum potential loss the portfolio could experience over a given time period with reference to a specified confidence

interval: so a VaR of £10 million at a 99% confidence level means that the portfolio losses should not exceed £10 million ninety-nine times out of a hundred.

- 9.4 A maximum daily or monthly VaR is applicable as per the COLL Sourcebook.
- 9.5 Further details of the monthly VAR against which relevant funds are managed are set out in the RMP which is available on request from the ACD.
- 9.6 A transaction in derivatives or a forward transaction must not be effected for the Sub-fund unless the transaction is of a kind specified in paragraph 11 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 19 (Cover for investment in derivatives and forward transactions) of this Appendix.
- 9.7 Where a Sub-fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in COLL 5 in relation to COLL 5.6.7R (Spread: general) and COLL 5.6.8R (Spread: government and public securities) set out in paragraphs 4 and 5 above, except for index based derivatives where the rules in paragraph 9.11 below apply.
- 9.8 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limit in this section.
- 9.9 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
 - 9.9.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
 - 9.9.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
 - 9.9.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 9.10 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

- 9.11 Where the Sub-fund invests in an index based derivative, provided the relevant index falls within COLL 5.6.23R (Schemes replicating an index), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.6.7R and COLL 5.6.8R set out in paragraphs 4 and 5 (relating to spread).
- 9.12 The Relaxation in 9.11 above is subject to the ACD taking account of COLL 5.6.3 (Prudent spread of risk) set out in paragraph 1.1 above.

10. **Efficient Portfolio Management (EPM)**

10.1 The Portfolio Manager may use Scheme Property to enter into transactions for the purposes of EPM. Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. Where permitted, EPM techniques may also involve a Sub-fund entering into stock lending transactions or reverse repurchase agreements. The ACD must ensure in entering into EPM transactions that the transaction is economically appropriate to (i) the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or (ii) the reduction of the relevant costs and/or (iii) the generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL 5.

10.2 There is no guarantee that a Sub-fund will achieve the objective for which any EPM transaction was undertaken. To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Sub-fund), the risk of loss to the Sub-fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated. EPM transactions (save to the extent that derivatives are traded on exchange) may involve a risk that a counterparty will wholly or partially fail to honour its contractual obligations.

10.3 In order to mitigate that risk of counterparty default, the counterparties to these transactions may be required to provide collateral to suitably cover their obligations to a Sub-fund. In the event of default by the counterparty, it will forfeit its collateral on the transaction. However, there is a risk that the collateral, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability to the Sub-fund. Securities lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in loss for the Sub-fund.

10.4 To assist in managing these types of risks, where such transactions are entered into the ACD will have a collateral management policy which sets criteria around the types of eligible collateral a Sub-fund may accept. A copy of this is will be available from the ACD on request.

10.5 Investors should note that EPM transactions may be effected in relation to a Sub-fund in circumstances where the ACD or Portfolio Manager has, either directly or indirectly, an interest which may potentially involve a conflict of their obligations to the Sub-fund. Where a conflict cannot be avoided, the ACD and Portfolio Manager will have regard to their responsibility to act in the best interests of the Sub-fund and its Shareholders. The ACD and Portfolio Manager will ensure that the Sub-fund and its Shareholders are treated fairly and that such transactions are effected on terms which are not less favourable to the Sub-fund than if the potential conflict had not existed. For further information in relation to conflicts of interest, please see the 'conflicts of interest' section of this prospectus.

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

11. **Permitted transactions (derivatives and forwards)**

11.1 A transaction in a derivative must be:

11.1.1 in an approved derivative; or

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

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

11.2.1 transferable securities;

11.2.2 money-market instruments;

11.2.3 permitted deposits;

11.2.4 derivatives and forward transactions permitted under this paragraph;

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

11.2.6 permitted immovables;

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

11.2.8 financial indices which satisfy the criteria in COLL 5.2.20AR set out in paragraph 12 below;

11.2.9 interest rates;

11.2.10 foreign exchange rates; and

- 11.2.11 currencies.
- 11.3 The exposure to the underlyings in paragraph 11.2 above must not exceed the limits in paragraphs 4 and 5 (relating to spread) above.
- 11.4 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A list of the current eligible derivatives markets is set out in Appendix II. Further derivatives markets may be added following consultation with the Depositary in accordance with COLL.
- 11.5 A transaction in a derivative must not cause a Sub-fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.
- 11.6 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, money-market instruments, units in collective investment schemes, or derivatives., provided that a sale is not to be considered as uncovered if the conditions in paragraph 14.1 are satisfied.
- 11.7 Any forward transaction must be with an Eligible Institution or an Approved Bank (as defined in the Glossary to the FCA Handbook).
- 11.8 The ACD must ensure compliance with COLL 5.3.3AR (Cover for investment in derivative and forward transactions), 5.3.3BR and 5.3.3CR (Daily calculation of global exposure) set out in paragraph 19 below.

12. **Financial indices underlying derivatives**

- 12.1 The financial indices referred to in paragraph 11.2.8 are those which satisfy the following criteria:
 - 12.1.1 the index is sufficiently diversified;
 - 12.1.2 the index represents an adequate benchmark for the market to which it refers; and
 - 12.1.3 the index is published in an appropriate manner.
- 12.2 A financial index is sufficiently diversified if:
 - 12.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - 12.2.2 where it is composed of assets in which a Sub-fund is permitted to invest, its composition is at least diversified in accordance with the

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

- 12.2.3 where it is composed of assets in which a Sub-fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.
- 12.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 12.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 12.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
 - 12.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 12.4 A financial index is published in an appropriate manner if:
- 12.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
 - 12.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 12.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 11.2 be regarded as a combination of those underlyings.

13. **Transactions for the purchase of property**

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

14. **Requirement to cover sales**

- 14.1 No agreement by or on behalf of a Sub-fund to dispose of property or rights may be made unless:
- 14.1.1 the obligation to make the disposal and any other similar obligation could immediately be honoured by a Sub-fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and
 - 14.1.2 the property and rights above are owned by a Sub-fund at the time of the agreement.
- 14.2 This requirement does not apply to a deposit.
- 14.3 The requirement in 14.1.1 above could be met where:
- 14.3.1 the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or
 - 14.3.2 the ACD or the Depositary has the right to settle the derivative in cash and cover exists from within the Scheme Property of a Sub-fund, which falls within one of the following asset classes:
 - 14.3.2.1 cash;
 - 14.3.2.2 liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular haircuts); or
 - 14.3.2.3 other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).
- 14.4 In the asset classes referred to in 14.3, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.

15. **OTC transactions in derivatives**

- 15.1 Any transaction in an OTC derivative under paragraph 11 must be:
- 15.1.1 in a future or an option or a contract for differences
 - 15.1.2 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank (as defined in the Glossary to the FCA Handbook); or a person whose permission (including any requirements or limitations), as published in the Financial Services Register or whose

Home State authorisation, permits it to enter into the transaction as principal off-exchange; a CCP that is authorised in that capacity for the purposes of EMIR; a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or to the extent not already covered above, a CCP supervised in a jurisdiction that has implemented the relevant reforms on over-the-counter derivatives and is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019.

- 15.1.3 on approved terms; the terms of the transaction in derivatives are approved only if, the ACD:
 - 15.1.3.1 carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
 - 15.1.3.2 can enter into one or more further transaction to sell, liquidate or close out that transaction at any time, at a fair value;
- 15.1.4 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
 - 15.1.4.1 on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - 15.1.4.2 if the value referred to in paragraph 15.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- 15.1.5 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
 - 15.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or
 - 15.1.5.2 a department within the ACD which is independent from the department in charge of managing the Scheme Property of

a Sub-fund and which is adequately equipped for such a purpose.

15.2 For the purposes of paragraph 15.1.3, fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

16. **Risk management**

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

17. **Investments in deposits**

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

18. **Schemes replicating an index**

18.1 A Sub-fund may invest up to 20% in value of its Scheme Property in shares and debentures which are issued by the same body where the stated investment policy (in the most recently published prospectus) is to replicate the performance or composition of a relevant index as defined in 18.4 below.

18.2 The 20% limit can be raised for a particular sub-fund up to 35% in value of its Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

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

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

18.4.1 the composition is sufficiently diversified;

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

18.4.3 the index is published in an appropriate manner.

19. **Cover for investment in derivatives and forward transactions**

19.1 A Sub-fund may invest in derivatives and forward transactions as long as the exposure to which a Sub-fund is committed by that transaction itself is suitably

covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.

- 19.2 Cover ensures that a Sub-fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of its Scheme Property. Therefore, a Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which a Sub-fund is committed. Detailed requirements for cover of a Sub-fund are set out below.
- 19.3 A future is to be regarded as an obligation to which a Sub-fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for; a written option as an obligation to which a Sub-fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- 19.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.
- 19.5 The ACD must ensure that the global exposure relating to derivatives and forward transactions held in a Sub-fund does not exceed the net value of the Scheme Property of the Sub-fund.
- 19.6 The ACD must calculate its global exposure on at least a daily basis.
- 19.7 For the purposes of this section, exposure must be calculated taking into account the current value for the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

20. **Borrowing**

- 20.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under paragraph 19 above, except where 20.2 applies.
- 20.2 Where, for the purposes of this paragraph a Sub-fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being on deposit with the lender (or their agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

21. **Cash and near cash**

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

21.1.1 the pursuit of a Sub-fund's investment objectives; or

21.1.2 the redemption of shares; or

21.1.3 efficient management of a Sub-fund in accordance with its investment objectives; or

21.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of a Sub-fund.

22. **General**

22.1 It is envisaged that a Sub-fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in order to enable the redemption of units, efficient management of a Sub-fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.

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

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

23. **Underwriting**

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

24. **General power to borrow**

24.1 A Sub-fund may, subject to COLL 5, borrow money from an Eligible Institution or an Approved Bank for the use of the Sub-fund on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Company to comply with any restriction in the Instrument of Incorporation.

24.2 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of each Sub-fund.

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

25. **Restrictions on lending of money**

25.1 None of the money in the Scheme Property may be lent and, for the purposes of this prohibition, money is lent by the Company if it is paid to a person (“the payee”) on the basis that it should be repaid, whether or not by the payee.

25.2 Acquiring a debenture is not lending for the purposes of paragraph 25.1 nor is the placing of money on deposit or in a current account.

26. **Restrictions on lending of property other than money**

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

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

27. **General power to accept or underwrite placings**

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

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

27.3 The exposure of a Sub-fund to agreements and understandings as set out above, must on any day be covered under paragraph 19 above (Cover for investment in derivatives and forward transactions and be such that, if all possible obligations

arising under them had immediately to be met in full, there would be no breach of any limit in COLL 5.

28. **Guarantees and indemnities**

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

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

28.3 Paragraphs 28.1 and 28.2 do not apply in respect of a Sub-fund to any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5, and:

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

28.3.2 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and

28.3.3 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of a Sub-fund and the holders of units in that scheme become the first shareholders in a Sub-fund.

29. **Leverage**

29.1 This section explains in what circumstances and how the ACD may use leverage in respect of a Sub-fund where the investment policy of that Sub-fund permits its use of leverage, the different leverage calculation methods and maximum level of leverage permitted.

29.2 Leverage when used in this Prospectus means the following sources of leverage can be used when managing a Sub-fund:

29.2.1 cash borrowing, subject to the restrictions set out in paragraph 20 ("Borrowing") of this Appendix;

29.2.2 financial derivative instruments and reinvestment of cash collateral in the context of securities lending, subject in each case to paragraphs 9

("Derivatives – general"), 11 ("Permitted transactions (derivatives and forwards)", 13 ("Transactions for the purchase of property"), 14 ("Requirement to cover sales"), 15 ("OTC transactions in derivatives"), 19 ("Cover for investments in derivatives and forward transactions") and 20 ("Borrowing") of this Appendix.

29.3 The ACD is required to calculate and monitor the level of leverage of a Sub-fund, expressed as a ratio between the exposure of the Sub-fund and its Net Asset Value (Exposure/NAV), under both the gross method and the commitment method (so for a Sub-fund with no borrowing or derivative usage the leverage ratio would be 1:1).

29.4 Under the gross method, the exposure of a Sub-fund is calculated as follows:

29.4.1 include the sum of all assets purchased, plus the absolute value of all liabilities;

29.4.2 exclude cash and cash equivalents which are highly liquid investments held in the base currency of the Sub-fund, that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three month high quality bond;

29.4.3 derivative instruments are converted into the equivalent position in their underlying assets;

29.4.4 exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;

29.4.5 include exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed; and

29.4.6 include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements.

29.5 Under the commitment method, the exposure of a Sub-fund is calculated as follows:

29.5.1 include the sum of all assets purchased, plus the absolute value of all liabilities;

29.5.2 derivative instruments are converted into the equivalent position in their underlying assets;

29.5.3 apply netting and hedging arrangements;

- 29.5.4 calculate the exposure created through the reinvestment of borrowings where such reinvestment increases the exposure of the Sub-fund;
 - 29.5.5 include other arrangements that increase the exposure of the Sub-fund.
- 29.6 The maximum level of leverage which the Company may employ, calculated in accordance with the gross and commitment methods, is stated in Appendix I.
- 29.7 In addition, the total amount of leverage employed by a Sub-fund will be disclosed in the Sub-fund's annual report.

APPENDIX IV

LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD

The ACD does not currently act as Authorised Corporate Director of any other Open-ended Investment Companies.

The ACD does not currently act as Manager of any Authorised Unit Trusts.

The ACD does not currently act as Manager of any Authorised Contractual Schemes.

APPENDIX V

PAST PERFORMANCE AND INVESTOR PROFILE

NOTE: Past performance shown below is for a representative share class. For share class specific performance you should refer to the Key Investor Information Document. Past performance should not be taken as a guide to the future. Please see Appendix I for the Fund's objectives and below for an explanation of investor profile.

This performance information is based on the net asset value per share/unit, after the deduction of all ongoing charges and portfolio transaction costs, with income reinvested.

Handelsbanken Adventurous Fund

Past performance is no indication of future performance.

	2020	2021	2022	2023
Handelsbanken Adventurous Fund	21.6%	12.6%	-14.5%	10.2%
MSCI All Country World Index (£) – Net total return	12.7%	19.6%	-8.1%	15.3%

Percentage annual performance, I Accumulation Shares (total return), based on ACD data.

Handelsbanken Balanced Multi Asset Fund

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Handelsbanken Balanced Multi Asset Fund	14.6%	3.3%	0.0%	11.1%	7.0%	-6.0%	11.0%	9.3%	8.5%	-10.3%	5.1%
Consumer Price Index plus 3%*						5.2%	4.3%	3.6%	8.5%	13.8%	7.1%
MSCI United Kingdom Index (GBP) – Net total return						-8.8%	16.4%	-13.2%	19.6%	7.1%	7.7%
BoA Merrill Lynch UK Gilts						0.5%	7.3%	8.8%	-5.3%	-25.1%	3.6%

* In November 2017, the fund changed its investment objective. The performance before this date was achieved under circumstances that no longer apply.

Percentage annual performance, I Accumulation Shares (total return), based on ACD data.

Handelsbanken Balanced Sustainable Multi Asset Fund

Past performance is no indication of future performance.

	2020	2021	2022	2023
Handelsbanken Balanced Sustainable Multi Asset Fund	11.4%	7.4%	-13.8%	4.3%
Consumer Price Index Plus 3%	3.6%	8.5%	13.8%	7.1%
MSCI United Kingdom Index (GBP) – Net total return	-13.2%	19.6%	7.1%	7.7%
BoA Merrill Lynch UK Gilts	8.8%	-5.3%	-25.1%	3.6%

Percentage annual performance, I Accumulation Shares (total return), based on ACD data.

Handelsbanken Cautious Multi Asset Fund

Past performance is no indication of future performance.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Handelsbanken Cautious Multi Asset Fund	9.4%	3.5%	0.2%	8.2%	4.3%	-3.8%	7.6%	4.3%	5.4%	-9.8%	3.9%
Consumer Price Index plus 2%*						4.1%	3.3%	2.6%	7.5%	12.7%	6.0%
MSCI United Kingdom Index (GBP) – Net total return						-8.8%	16.4%	-13.2%	19.6%	7.1%	7.7%
BoA Merrill Lynch UK Gilts						0.5%	7.3%	8.8%	-5.3%	-25.1%	3.6%

* In November 2017, the fund changed its investment objective. The performance before this date was achieved under circumstances that no longer apply.

Percentage annual performance, I Accumulation Shares (total return), based on ACD data.

Handelsbanken Cautious Sustainable Multi Asset Fund

Past performance is no indication of future performance.

	2020	2021	2022	2023
Handelsbanken Cautious Sustainable Multi Asset Fund	7.5%	4.1%	-12.9%	4.2%
Consumer Price Index Plus 2%	2.6%	7.5%	12.7%	6.0%
MSCI United Kingdom Index (GBP) – Net total return	-13.2%	19.6%	7.1%	7.7%
BoA Merrill Lynch UK Gilts	8.8%	-5.3%	-25.1%	3.6%

Percentage annual performance, I Accumulation Shares (total return), based on ACD data.

Handelsbanken Defensive Multi Asset Fund

Past performance is no indication of future performance.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Handelsbanken Defensive Multi Asset Fund	5.3%	2.9%	-0.2%	5.2%	2.5%	-2.9%	5.3%	3.0%	2.6%	-10.3%	4.0%
Consumer Price Index plus 1%*						3.1%	2.3%	1.6%	6.4%	11.6%	5.0%
MSCI United Kingdom Index (GBP) – Net total return						-8.8%	16.4%	-13.2%	19.6%	7.1%	7.7%
BoA Merrill Lynch UK Gilts						0.5%	7.3%	8.8%	-5.3%	-25.1%	3.6%

* In November 2017, the fund changed its investment objective. The performance before this date was achieved under circumstances that no longer apply.

Percentage annual performance, I Accumulation Shares (total return), based on ACD data.

Handelsbanken Defensive Sustainable Multi Asset Fund

Past performance is no indication of future performance.

	2020	2021	2022	2023
Handelsbanken Defensive Sustainable Multi Asset Fund	5.2%	2.4%	-11.3%	5.1%
Consumer Price Index Plus 2%	1.6%	6.4%	11.6%	5.0%
MSCI United Kingdom Index (GBP) – Net total return	-13.2%	19.6%	7.1%	7.7%
BoA Merrill Lynch UK Gilts	8.8%	-5.3%	-25.1%	3.6%

Percentage annual performance, I Accumulation Shares (total return), based on ACD data.

Handelsbanken Growth Multi Asset Fund

Past performance is no indication of future performance.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Handelsbanken Growth Multi Asset Fund	19.7%	2.8%	1.6%	11.7%	11.2%	-7.7%	16.6%	13.2%	10.0%	-9.9	4.5%
Consumer Price Index plus 4%*						6.2%	5.4%	4.6%	9.6%	14.9	8.1%
MSCI United Kingdom Index (GBP) – Net total return						-8.8%	16.4%	-13.2%	19.6%	7.1	7.7%
BoA Merrill Lynch UK Gilts						0.5%	7.3%	8.8%	-5.3%	-25.1	3.6%

* In November 2017, the fund changed its investment objective. The performance before this date was achieved under circumstances that no longer apply.

Percentage annual performance, I Accumulation Shares (total return), based on ACD data.

Handelsbanken Growth Sustainable Multi Asset Fund

Past performance is no indication of future performance.

	2020	2021	2022	2023
Handelsbanken Growth Sustainable Multi Asset Fund	12.1%	9.7%	-13.7%	4.8%
Consumer Price Index Plus 4%	4.6%	9.6%	14.9%	8.1%
MSCI United Kingdom Index (GBP) – Net total return	-13.2	19.6%	7.1%	7.7%
BoA Merrill Lynch UK Gilts	8.8	-5.3%	-25.1%	3.6%

Percentage annual performance, I Accumulation Shares (total return), based on ACD data.

Handelsbanken Income Multi Asset Fund

Past performance is no indication of future performance.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Handelsbanken Income Multi Asset Fund	9.8%	3.4%	0.6%	7.0%	4.5%	-4.0%	7.4%	2.9%	7.7%	-11.0%	1.7%
Consumer Price Index plus 2%*						4.1%	3.3%	2.6%	7.5%	12.7%	6.0%
MSCI United Kingdom Index (GBP) – Net total return						-8.8%	16.4%	-13.2%	19.6%	7.1%	7.7%
BoA Merrill Lynch UK Gilts						0.5%	7.3%	8.8%	-5.3%	-25.1%	3.6%

* In November 2017, the fund changed its investment objective. The performance before this date was achieved under circumstances that no longer apply.

Percentage annual performance, I Income Shares (total return), based on ACD data

Handelsbanken Income Plus Multi Asset Fund

Past performance is no indication of future performance.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Handelsbanken Income Plus Multi Asset Fund	16.7%	4.7%	0.5%	9.0%	7.7%	-5.5%	11.1%	2.9%	12.5%	-9.2%	3.4%
Consumer Price Index plus 3%*						5.2%	4.3%	3.6%	8.5%	13.8%	7.1%
MSCI United Kingdom Index (GBP) – Net total return						-8.8%	16.4%	-13.2%	19.6%	7.1%	7.7%
BoA Merrill Lynch UK Gilts						0.5%	7.3%	8.8%	-5.3%	-25.1%	3.6%

*In November 2017, the fund changed its investment objective. The performance before this date was achieved under circumstances that no longer apply.

Percentage annual performance, I Income Shares (total return), based on ACD data.

Investor profile

The Company and each of the Sub-funds are marketable to all eligible investors provided they can meet the minimum subscription levels. As part of an investor's long-term investment planning they should consider diversifying their portfolio by investing in a range of investments and asset classes. The Sub-funds may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. Investors must have experience with, or understand, products where the capital is at risk. Investors must be able to accept some risk to their capital, thus the Sub-funds may be suitable for investors who are looking to set aside the capital for at least 5 years. If you are uncertain whether these products are suitable for you, please contact a professional adviser.

The Company has eleven Sub-funds. Ten of the Sub-funds invest in multiple asset classes and may be suitable for those investors wanting to achieve a total return through investing in a variety of asset classes globally. For those investors looking for income, two of these Sub-funds aim to generate a greater proportion of their total return from income rather than capital growth. The other Sub-fund, the "Handelsbanken Adventurous Fund", may be suitable for investors wanting to achieve a total return through investing in a global portfolio of equities and equity related securities.

The eleven Sub-funds are split into three ranges.

- The multi asset range consists of five Sub-funds.
- The income multi asset range consists of two Sub-funds
- The sustainable multi asset range consists of four Sub-funds. These Sub-funds invest in accordance with the Portfolio Manager's Sustainable Investment Policy.

In each range, the Sub-funds are managed according to different target return benchmarks. Sub-funds with a higher target return benchmark will have a larger allocation to higher risk investments such as equities versus sub-funds with lower target return benchmarks. The Sub-funds are listed below in order of risk, from lowest to highest.

Multi asset fund range

1. Handelsbanken Defensive Multi Asset Fund

2. Handelsbanken Cautious Multi Asset Fund
3. Handelsbanken Balanced Multi Asset Fund
4. Handelsbanken Growth Multi Asset Fund
5. Handelsbanken Adventurous Fund

Income multi asset fund range

1. Handelsbanken Income Multi Asset Fund
2. Handelsbanken Income Plus Multi Asset Fund

Sustainable multi asset fund range

1. Handelsbanken Defensive Sustainable Multi Asset Fund
2. Handelsbanken Cautious Sustainable Multi Asset Fund
3. Handelsbanken Balanced Sustainable Multi Asset Fund
4. Handelsbanken Growth Sustainable Multi Asset Fund

APPENDIX VI

DIRECTORY

The Company and Head Office:

Handelsbanken Multi Asset Funds
No. 1 Kingsway
London WC2B 6AN

Authorised Corporate Director:

Handelsbanken ACD Limited
77 Mount Ephraim
Tunbridge Wells
Kent TN4 8BS
(Registered office)

No. 1 Kingsway
London
WC2B 6AN
(Principal place of business)

Depository:

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street, London, EC4V 4LA

Portfolio Manager:

Handelsbanken Wealth & Asset Management Limited
No. 1 Kingsway
London
WC2B 6AN

Registrar:

Bank of New York Mellon (International) Limited
160 Queen Victoria Street, London, EC4V 4LA

Auditors:

PwC LLP
1 Embankment Place
London WC2N 6RH