



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

Liontrust Fund Partners LLP, the manager of the Funds (as defined in this Prospectus), 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 that part of the Financial Conduct Authority's Handbook of Rules and Guidance which deals with regulated collective investment schemes to be included in it. Liontrust Fund Partners LLP accepts responsibility accordingly.

LIONTRUST FUND PARTNERS LLP

Prospectus of the Authorised Unit Trusts listed below:

Liontrust European Dynamic Fund	(PRN: 455122)
Liontrust Special Situations Fund	(PRN: 436425)
Liontrust UK Growth Fund	(PRN: 155331)
Liontrust UK Micro Cap Fund	(PRN: 731966)
Liontrust UK Smaller Companies Fund	(PRN: 172653)

Valid as at 10 January 2024

This document constitutes the Prospectus for the Authorised Unit Trusts listed above (each a "Fund" and together the "Funds") and has been prepared in accordance with that part of the Financial Conduct Authority's Handbook of Rules and Guidance which deals with regulated collective investment schemes.

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

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

The distribution of this Prospectus and the offering of units in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Manager 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 units have not been and will not be registered under the United States Securities Act of 1933, as amended or registered or qualified under the securities law of any state of the United States. They may not be offered, sold, transferred or delivered, directly or indirectly, in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia to, or for the account of, persons (including companies, partnerships, trusts or other entities) who are “US Persons” as defined in Rule 902 of Regulation S under the US Securities Act of 1933, as amended. Accordingly, this Prospectus may not be distributed in the United States or to a US Person. None of the units have been approved or disapproved by the US Securities and Exchange Commission, any states securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the units or the accuracy or adequacy of the prospectus. The Funds have not been and will not be registered under the United States Investment Company Act of 1940, as amended.

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 units.

The provisions of the Trust Deeds are binding on each of the unitholders a summary of which are included in this Prospectus; copies of the Trust Deeds are available on request.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 (as amended from time to time) by the Manager, Liontrust Fund Partners LLP.

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 Manager cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with Liontrust Fund Partners LLP that this is the most recently published prospectus.

1. INTRODUCTION

This Prospectus is prepared in accordance with the Collective Investment Schemes Sourcebook (“COLL Sourcebook”) as published by the Financial Conduct Authority (“FCA”) as part of its Handbook. The Authorised Funds (“Funds”) described in this Prospectus are Authorised Unit Trusts (“AUTs”) under the Financial Services and Markets Act 2000 (“the Act”) and, together with the FCA’s Handbook of Rules and Guidance, the “Regulations”). Each of the Funds is structured as a trust. Each of the Funds is a UCITS scheme for the purposes of the categorisations of the COLL Sourcebook.

Investors hold Units which reflect the value of the assets held by the Fund. Investors will in no event be liable for the debts, if any, of the Fund, beyond their initial investment.

2. CURRENCY

The base currency of the Funds is pounds sterling. Unless stated otherwise in the prospectus, all classes are denominated in pounds sterling.

3. THE AUTHORISED FUND MANAGER (“THE MANAGER”)

Liontrust Fund Partners LLP is the Manager of the Funds and is a limited liability partnership incorporated in England & Wales. It is an indirect subsidiary of Liontrust Asset Management PLC, a public company limited by shares, incorporated in England and Wales.

Registered and Head Office	2 Savoy Court, London WC2R 0EZ
Registered in England	No: OC351697
Date of Incorporation	Liontrust Fund Partners LLP was incorporated in England and Wales on 22 January 2010.

Members of the Manager

I Chimes
S R L Corbett
S J J Hildrey
J S Ions
M F Kearney
M A Keogh
A C Morrison
C Prince
Liontrust Asset Management Plc
Liontrust Investment Funds Limited

The members of the Manager are not engaged in any significant business activity which is not connected with the business of the Manager or any of its associates.

Authorisation

The Manager is authorised and regulated by the FCA of 2 Endeavour Square, London E20 1JN.

Remuneration Policy of the Manager

In accordance with the FCA Rules, the Manager is required to establish and apply a remuneration policy for certain categories of staff whose activities have a material impact on the risk profile of the Manager or the UCITS that it manages (“Code Staff”).

Liontrust Asset Management Plc, the ultimate holding company of the Manager has set up a Remuneration Committee (the “Remuneration Committee”) to oversee the application of the Group’s remuneration policies. Remuneration for all Code Staff in the Group is approved by the Remuneration Committee. The Remuneration Committee has adopted the remuneration policy on behalf of the Manager (the “Remuneration Policy”).

The Remuneration Policy is reviewed annually.

The Remuneration Policy:

- (i) Is consistent with and promotes sound and effective risk management;
- (ii) Does not encourage risk taking that exceeds the level of tolerated risk of the relevant UCITS managed by the Manager;
- (iii) Encourages behaviour that delivers results which are aligned to the interests of the UCITS managed by the Manager;

- (iv) Aligns the interests of Code Staff with the long-term interests of the Manager, the funds it manages and its investors;
- (v) Recognises that remuneration should be competitive and reflect both financial and personal performance. Accordingly, remuneration for Code Staff is made up of fixed pay (salary and benefits, including pension) and variable (performance-related) pay;
- (vi) Recognises that fixed and variable components should be appropriately balanced and that the variable component should be flexible enough so that in some circumstances no variable component may be paid at all. Variable pay is made up of:
 - a. short-term awards typically based on short-term financial and strategic measures for the area of the business in which the member of Code Staff works;
 - b. long-term incentives, typically in the form of share plans, which are based on the performance of the Manager or the relevant UCITS managed by the Manager over a longer period; and
 - c. Requires that a sizeable proportion of variable pay is subject to deferral;
- (vii) Takes into account that unvested variable pay may, in certain circumstances, be reduced.

In respect of the delegation of investment management functions to the Investment Adviser (defined below), the Manager will ensure that the Investment Adviser applies in a proportionate manner the remuneration rules as detailed in the Regulations or, alternatively, are subject to equally effective remuneration policies under their home authorisation.

Further details of the Remuneration Policy are available in each Fund’s report and accounts available at www.liontrust.co.uk. A paper copy or more details on the Remuneration Policy will be made available free of charge from the Manager upon request.

Unit Trusts Managed by the Manager

The Manager is the manager of the Funds, all of which are authorised unit trust schemes (also see section 1 above). The Manager is also the Manager of the Liontrust Balanced Fund.

The Manager is also the ACD of the following ICVCs (and their respective sub-funds) which are authorised by the FCA as "umbrella" companies, in that the companies issue shares linked to different funds which have been established:

ICVC
Liontrust Investment Funds ICVC
Liontrust Sustainable Future ICVC
Liontrust Investment Funds I
Liontrust Investment Funds II
Liontrust Investment Funds III
Liontrust Investment Funds IV
Liontrust Multi Asset Investments ICVC
Liontrust Multi Asset Investments ICVC
Liontrust Multi Asset Investments ICVC II

The Manager is permitted to delegate its management and administration functions, but not responsibility, to third parties, subject to the rules in the COLL Sourcebook. It has therefore delegated the functions of investment adviser, registrar and fund administration as set out in sections 5, 6 and 8 below.

4. THE TRUSTEE

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

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

The principal business activity of the Trustee is the provision of custodial, banking and related financial services. The Trustee is authorised by the Prudential Regulation Authority (the “PRA”) and is dual-regulated by the FCA and the PRA.

Terms of Appointment

The Manager is required to enter into a written contract with the Trustee to evidence its appointment as depositary of the Funds for the purposes of the Regulations. The Trustee was appointed as depositary of the Funds under an

agreement dated 1 November 2018 (the “Depositary Agreement”), pursuant to which the Manager and the Trustee agree to carry out various functions in order to comply with, and facilitate compliance with, the requirements of the Regulations. The Depositary Agreement may be terminated by not less than 90 days written notice by any party provided that no such notice shall take effect until the appointment of a successor to the Trustee.

Duties of the Trustee

The Trustee is responsible for the following main functions:

- a) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the management regulations/articles of incorporation.
- b) ensuring that the value of the Shares is calculated in accordance with applicable law and the management regulations/articles of incorporation.
- c) carrying out the instructions of the Manager unless they conflict with applicable law and the management regulations/articles of incorporation.
- d) ensuring that in transactions involving the assets of the Funds any consideration is remitted within the usual time limits.
- e) ensuring that the income of the UCITS is applied in accordance with applicable law and the management regulations/articles of incorporation.
- f) monitoring of the Funds’ cash and cash flows; and
- g) safe-keeping of the Funds’ assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

Trustee’s Liability

In carrying out its duties the Trustee shall act honestly, fairly, professionally, independently and solely in the interests of the Funds and their unitholders. In the event of a loss of a financial instrument held in custody, determined in accordance with the Regulations, the Trustee shall return financial instruments of identical type or the corresponding amount to the Funds without undue delay. The Trustee shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the Regulations. In case of a loss of financial instruments held in custody, the unitholders may invoke the liability of the Trustee directly or indirectly through the Manager provided that this does not lead to a duplication of redress or to unequal treatment of the unitholders. The Trustee will be liable to each Fund for all other losses suffered by that Fund as a result of the Trustee’s negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations. The Trustee shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Trustee of its duties and obligations.

Delegation of Safekeeping Functions

The Trustee acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation). The Trustee’s liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Trustee’s liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement

The Trustee has delegated safekeeping of the assets of the Funds to The Bank of New York Mellon SA/NV and The Bank of New York Mellon (the “Global Sub-Custodians”).

The Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Funds may invest to various sub-delegates. A list of the sub-delegates is given below in Appendix 3. Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of sub-delegates is updated only at each Prospectus review.

Trustee Conflicts of Interest

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

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

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

The Trustee maintains an EMEA Conflicts of Interest Policy (the “Conflicts Policy”). The Conflicts Policy (in conjunction with associated policies):

- (a) identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;
- (b) specifies the procedures or measures which should be followed or adopted by the Trustee in order to prevent or manage and report those conflicts of interest;
- (c) sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- (d) includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of the Trustee;
- (e) includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- (f) specifies measures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary services or activities; and
- (g) sets out measures to prevent or control the simultaneous or sequential involvement of an individual in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

The Conflicts Policy clarifies that disclosure of conflicts of interest to clients is a measure of last resort to be used by the Trustee to address its regulatory obligations only where the organisational and administrative arrangements established by the relevant firm to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

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

The Trustee undertakes that it shall make available to its competent authorities, on request, all information which it has obtained while performing its Services and which may be required by the competent authorities of the Funds.

Disclosure of Conflicts of Interest related to the Trustee

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 Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

The Funds, the Manager and unitholders

The following conflicts of interests exist between the Trustee, the Funds, the Manager and the unitholders:

A Group Link where the Manager has delegated certain administrative functions to The Bank of New York Mellon (International) Limited or another entity within the same corporate group as the Trustee.

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

To the extent that a Link exists between the Trustee and any unitholders in the Funds, the Trustee shall take all reasonable steps to avoid conflicts of interests arising from such Links and ensure that its functions comply with the Regulations as applicable.

Delegation of Functions by the Trustee

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

A Group Link where the Trustee 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 Trustee shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Links and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Trustee will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Funds and any unitholders.

Provision of services by the Trustee to other collective investment schemes

The Trustee may, from time to time, act as the Trustee of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes. Up-to-date information on the Trustee, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Trustee, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Unitholders on request.

5. THE INVESTMENT ADVISER

Liontrust Investment Partners LLP (“LIP” or the “Investment Adviser”) has been appointed by the Manager as the Investment Adviser to the Funds. LIP is authorised and regulated by the FCA. LIP is an indirect subsidiary of Liontrust Asset Management PLC. There is an Investment Management Agreement in place between the Manager and LIP.

The Investment Adviser has full discretionary powers both to advise and manage the Funds on behalf of the Manager. The Investment Adviser is not paid commission but is paid a fee by the Manager, which is laid out in the Investment Management Agreement between the respective companies.

The Investment Adviser acts as Investment Adviser to other funds or clients and may act as Investment Adviser to other funds or clients in the future any of which may be competing with the Company in the same markets.

6. THE REGISTRAR

The Manager has delegated the function of Registrar to Bank of New York Mellon (International) Limited (BNYM), 160 Queen Victoria Street, London, EC4V 4LA. The register of holders and sub-register may be inspected by unitholders at the offices of BNYM during normal business hours.

7. THE AUDITORS

The Auditors to all of the Liontrust Funds are KPMG, 11th Floor, 15 Canada Square, Canary Wharf, London, E14 5GL.

8. DELEGATED FUNCTIONS

Administration – Dealing, Settlement & Registration

The Dealing, Settlement and Registration administrative functions for unitholders in the Funds have been delegated to Bank of New York Mellon (International) Limited, 160 Queen Victoria Street, London, EC4V 4LA.

Administration – Fund Accounting, Valuation & Pricing

The Fund Accounting, Valuation and Pricing administrative functions have been delegated to The Bank of New York Mellon (International) Limited, 160 Queen Victoria Street, London, EC4V 4LA. The remuneration payable for performance of these functions forms part of the Annual Management Fee. Unitholders will be provided with advance notice should this arrangement be subject to change, in accordance with the FCA Rules.

9. THE CONSTITUTION OF THE FUNDS

All Funds listed in this Prospectus are authorised unit trust schemes and are categorised in accordance with the COLL Sourcebook. The relevant category of the Funds and the effective date of the Authorisation Order made by the FCA are listed in Table 1 below. Each Fund is constituted by a Trust Deed, the dates of which are also given in Table 1 below.

Table 1: Category, Date of Order and Constitution

Scheme	Category of Scheme	Date of Authorisation Order	Date of Constitution of Trust Deed
Liontrust European Dynamic Fund	UCITS Scheme	12 th September 2006	6 th September 2006
Liontrust Special Situations Fund	UCITS Scheme	8 th September 2005	5 th September 2005
Liontrust UK Growth Fund	UCITS Scheme	28 th January 1993	27 th January 1993
Liontrust UK Micro Cap Fund	UCITS Scheme	11 th February 2016	11 th February 2016
Liontrust UK Smaller Companies Fund	UCITS Scheme	2 nd August 1995	27 th July 1995

10. PROFILE OF THE TYPICAL INVESTOR

The Funds are marketable to both private investors and professional investors and advisers wishing to have exposure to the UK, European and Global stock markets, depending on the applicable Fund. Investors should regard their investment as long-term (5 years or more). The Liontrust Special Situations Fund, the Liontrust UK Smaller Companies Fund and the Liontrust UK Micro Cap Fund are suitable for investors prepared to accept the additional risks associated with smaller companies and companies listed on the Alternative Investment Market (AIM). All Investors should read the Risk Warnings set out in section 11 below.

11. SPECIFIC RISK FACTORS

General

Investors should be aware of the following risk factors when investing in the Funds:

It is important to remember that the price of units and the income from them can fall as well as rise and are not guaranteed. Investors may not get back the amount originally invested. Past performance should not be considered as a guide to future performance.

The initial charge on the issue of units is likely to have an impact on the realisable value of your investment, particularly in the short term. You should always regard stock market investment as long-term.

The Manager is required under the Regulations to employ a risk management process which will enable it to accurately monitor, manage and measure the risks attached to financial derivatives instruments that it uses and their contribution to the overall risk profile of each fund. The commitment method used by the Manager is one of the two methods explicitly permitted under the Regulations for this purpose, and details of this process have been provided to the Regulator in the risk management process statement. The Manager will, upon request, provide supplementary information to unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk characteristics of the main category of investments.

Investment Risk

The main risks arising from the Funds' financial instruments are market price risk, exchange rate risk, interest rate risk, liquidity risk, derivatives and warrants risk and credit and counter-party risk. These risks are summarised below, although these risks cannot be eliminated, the Manager has policies in place for managing and mitigating each of these risks as appropriate.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Funds might suffer through holding market positions in the face of price movements. The Manager reviews the portfolios in order to consider the asset allocation implications and to minimise the risk associated with particular countries or industry sectors whilst continuing to follow the Funds' investment objectives. An individual fund manager has responsibility for monitoring the existing portfolios, in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet an acceptable risk-reward profile.

Liontrust UK Smaller Companies Fund, Liontrust Special Situations Fund and Liontrust UK Micro Cap Fund may have a significant proportion of their assets in companies which are traded on the Alternative Investment Market (AIM). The nature of AIM investments is such that prices can be volatile and realisations may not achieve current book value, especially when such sales represent a significant proportion of that company's market capital.

As the Liontrust Special Situations Fund and the Liontrust European Dynamic Fund may have a concentrated portfolio of stocks, if the price of one of these stocks should move significantly, this may have a notable effect on the value of the respective portfolio.

Emerging Markets Risk

Certain Funds may invest in securities of issuers in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscation, taxation, nationalisation, and social, political and economic instability; (ii) the smaller markets for securities of emerging markets issuers and lower volumes of trading, resulting in lack of liquidity and in greater price volatility, (iii) certain national policies which may restrict the investment opportunities available in respect of a Fund, including restrictions on investing in issuers or industries deemed sensitive to relevant national interests and on the realisation or repatriation of foreign investment; (iv) currency instability and hyper-inflation; and (v) the absence of developed legal structures governing private or foreign investment and private property.

The accounting, auditing and financial reporting standards of countries in which the Funds may invest in respect of

a Fund are likely to be less extensive than those applicable to United States or United Kingdom companies, particularly in emerging markets.

Exchange rate risk

Changes in the rate of exchange of currencies may affect the value of your investment, to the extent that the Funds may invest in stocks denominated in foreign currencies. The effect of currency movements can be significant for a Fund where some or all of its investments are denominated in currencies other than pounds sterling and may adversely affect the value of an investment.

A fund may also use hedging to mitigate the exchange rate risk, but this will not remove all exchange rate risk. In addition, depending on an investor's currency of reference, currency movements may adversely affect the value of an investment. The Liontrust European Dynamic Fund (apart from the Unhedged Classes) will use currency hedging to help protect the returns in pounds sterling terms however whilst the currency hedging is in place to try to reduce currency exposure, there is no guarantee it will eliminate currency exposure entirely. Investors should note that this strategy may substantially limit holders of the relevant class from benefiting if the denominated currency of the class falls against the Base Currency of the Fund or the currency in which the assets of the Fund are denominated.

Interest rate risk

Interest receivable on bank deposits or payable on any borrowing will be affected by fluctuations in interest rates. Changes in interest rates, or in the market's expectations of future interest rates may have a significant impact on the prices of equities, bonds and other asset classes.

Liquidity risk

The Funds' assets mainly comprise securities that can be readily sold. Liontrust UK Smaller Companies Fund and Liontrust UK Micro Cap Fund invest almost exclusively in smaller companies, which may be less liquid than larger companies. Liontrust Special Situations Fund also invests a large proportion of its assets in smaller companies. The main liability of the Funds is the redemption of any units that investors wish to sell.

Investors are reminded that in certain circumstances their right to redeem units (including a redemption by way of switching) may be suspended (see section "ISSUE AND REDEMPTION OF UNITS" below for further details).

Derivatives and warrants risk

The use of futures, options, warrants, forwards or swaps involves increased risk. A Fund's ability to use such instruments successfully depends on the Investment Adviser's ability accurately to predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Investment Adviser's predictions are wrong, or if the derivatives do not work as anticipated, the Fund could suffer greater loss than if the Fund had not used derivatives. The use of derivatives for hedging purposes also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities and (4) possible impediments to effective portfolio management or the ability to meet redemption.

Hedging

Futures, forwards, swaps (including credit default swaps), options and contracts for difference may be used to hedge against downward movements in the value of a Fund's portfolio, either by reference to specific securities or markets to which the Fund may be exposed. The Investment Adviser may also take out hedges against changes in interest or currency rates or credit spreads which would have an impact on a Fund.

Forward foreign exchange contracts are also used more specifically to hedge the value of certain classes of Shares in the Company's Funds against changes in the exchange rate between the currency of denomination of the class of Shares and the Base Currency of the Fund. Hedged classes will be identified in the relevant Supplement for each Fund.

Any derivatives used to implement such strategies with respect to one or more Hedged Share Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Hedged Share Class(es) and the gains/losses on and the costs of the relevant Financial Instruments will accrue solely to the relevant Hedged Share Class.

Any currency exposure of a Hedged Share Class may not be combined with, or offset against, that of any other Hedged Share Class of a Fund. The currency exposure of the assets attributable to a Hedged Share Class may not

be allocated to other Classes. Where there is more than one Hedged Share Class in a Fund denominated in the same currency (which is a currency other than the Base Currency of the relevant Fund) and it is intended to hedge the foreign currency exposure of such Hedged Share Classes against the Base Currency of the relevant Fund or against the currencies in which the Fund's assets are denominated, the Fund may, in accordance with the Central Bank's requirements, aggregate the foreign exchange transactions entered into on behalf of such Hedged Share Classes and apportion the gains/losses on and the costs of the relevant Financial Instruments pro rata to each such Hedged Share Class in the relevant Fund.

Where the Company seeks to hedge against currency fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged do not exceed 105% of the Net Asset Value of the relevant Hedged Share Class and that any position that is materially in excess of 100% will not be carried forward from month to month. Under-hedged positions shall also be kept under review to ensure that such positions are not carried forward from month to month.

To the extent that hedging is successful for a particular Class, the performance of the Hedged Share Class is likely to move in line with the performance of the underlying assets with the result that investors in that Hedged Share Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated. The currency hedging strategy will be monitored and adjusted in line with the valuation cycle at which investors are able to subscribe to and redeem from the relevant Fund. Investors should also note that the hedging of Hedged Share Classes is distinct from any hedging strategies that the Investment Adviser may implement at Fund level, the risks associated with which are described under "Exchange rate risk".

Use of derivatives for efficient portfolio management will generally have the effect of reducing the risk profile and volatility of the Funds. Use of derivatives for investment purposes (which is permissible for all the Funds) may increase the risk profile and volatility of the Funds.

Warrants can expose a Fund to a higher degree of risk because of the effect of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement in the price of a warrant. The prices of warrants can therefore be volatile. As up to 100% of the property of a Fund may be invested in warrants, the net asset value of that Fund may at times be highly volatile.

Credit and counterparty risk

Certain transactions in securities that the Funds enter into expose them to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the Funds have fulfilled their responsibilities. Unitholders should also note that settlement mechanisms in emerging markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the relevant Fund in respect to investments in emerging markets. Unitholders should also note that the securities of small capitalisation companies as well as the securities of companies domiciled in emerging markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in the price of the Units of the relevant Fund.

Investments in derivatives that a Fund enters into expose it to the risk that the counterparty will not fulfil their obligations. A Fund will be exposed to credit risk on the counterparties with which it trades in relation to options, futures, contracts and other derivative financial instruments that are not traded on a Recognised Exchange. Such instruments are not afforded the same protections as may apply to participants trading futures or options on organised exchanges, such as the performance guarantee of an exchange clearing house. A Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Fund trades such instruments, which could result in substantial losses to the relevant Fund.

The Funds will be obliged to pay margin deposits and option premiums to brokers in relation to futures and option contracts entered into for each Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The Investment Adviser will seek to minimise this risk by trading only through high quality names, the Funds only buy and sell investments through brokers which have been approved by the Investment Adviser as an acceptable counterparty. This list is reviewed at least annually.

Any counterparty to a total return swap or other OTC derivative contract shall fall within one of the following categories:

- (i) a credit institution which falls within any of the categories set down in the Regulations;
- (ii) an investment firm authorised in accordance with MiFID; or
- (iii) a group company of an entity issued with a bank holding company license from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve

Any counterparty to an OTC derivative contract or a securities financing transaction shall be subject to an appropriate internal assessment carried out by the Manager, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty and legal status of the counterparty.

Save where the relevant counterparty to the relevant securities financing transaction or OTC derivative contract is an Approved Credit Institution, where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.

Political, Regulatory, Settlement and Sub-Custodial Risk

The value of a Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Custodian will have no liability.

Legal and Documentation Risk

The Funds are exposed to the risk that, in the event of counterparty default or a dispute, the Manager may be unable to enforce or rely on rights or obligations arising under its contractual arrangements with its brokers and/or counterparties.

Risks Resulting From Tax Publication Requirements in Germany

Some of the Funds intend to publish the tax information for Germany pursuant to the German Investment Tax Act (*Investmentsteuergesetz*). Upon request, the relevant Funds must provide documentation to the fiscal authorities in order to prove the accuracy of the published tax information. The basis upon which such figures are calculated is open to interpretation and it cannot be guaranteed that the German fiscal authorities will accept the Fund's calculation methodology in every material respect. Where these publications turn out to have been incorrect in the past, any subsequent correction will, as a general rule, not have retrospective effect but will only be accounted for in the publication for the current financial year. The correction may positively or negatively affect the unitholders who receive a distribution or an attribution of deemed income distributions in the current financial year.

Effects of Initial Charge or Redemption Charge

Where an initial charge is imposed, an investor who realises his or her units after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

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

The units therefore should be viewed as long term investments.

Tax

The tax treatment of the Funds, including the tax treatment of ISAs, may change in the future and be less favourable to investors. Any effect taxation may have on the Funds and a Fund's investments may vary between investors and is subject to change.

Investors should note that in certain circumstances a provision for Stamp Duty Reserve Tax (SDRT) may be applied on the purchase, redemption or transfer of units

See section “TAXATION” below for further details.

Liabilities of the Funds

Unitholders are not liable for the debts of the Funds. A unitholder is not liable to make any further payment to a Fund after they have paid the price on the purchase of the units.

Charges to capital

Where the generation of income is a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the fees and other expenses may be charged against capital instead of against income. This treatment of the fees and other expenses will increase the amount of income (which may be taxable) available for distribution to Unitholders in the fund concerned but may constrain capital growth. Currently a number of the Liontrust funds can take charges from capital, details are set out below in section 25 Charges, Fees and Expenses.

Securities Lending and Securities Financing Transactions Risk

The Funds may engage in stock lending or securities financing transactions with the Trustee where the Trustee lends the securities which are the subject of the transaction, in return for which it is agreed that securities of the same kind and amount should be re-delivered to the Trustee at a later date. The Trustee receives assets as collateral to cover the risk of the future re-delivery not being completed. The Trustee ensures that it is at any time able to terminate any securities lending agreement into which it has entered. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a fund may invest cash collateral received, subject to the conditions and within the limits laid down in the COLL Sourcebook, a fund investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

Fund Specific Risk Management

Additional information, supplementary to this Prospectus, is available from the Manager regarding the quantitative limits applying to the risk management of each Fund and the methods used to manage them, together with notes regarding any recent development of the risk and yields of the main categories of investment.

Cyber Security Risk

The Manager and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g. through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Manager, the Investment Adviser, the Administrator or the Trustee or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the ability to calculate its Net Asset Value; impediments to trading for a Fund's portfolio; the inability of Unitholders to transact business with the Funds; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which a Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

Use of Benchmarks

Investors should be aware that where a comparator benchmark has been used that this has been selected in line with regulatory obligations and that the Fund will not track the performance (or the yield) of the benchmark selected. In most cases and unless specified otherwise the fund manager will not manage the Fund's portfolio in line with the comparator benchmark. The fund manager will have full freedom to deviate from the Fund benchmark as long as the Fund is managed within the parameters and restrictions of its objective and policy.

The above should not be considered to be an exhaustive list of the risks which potential investors should consider

before investing in any of the Funds. Potential investors should be aware that an investment in a fund may be exposed to other risks of an exceptional nature from time to time.

12. INVESTMENT OBJECTIVES, POLICY AND BENCHMARKS

General

The Funds will be managed so as to meet the requirements to be qualifying investments for an Individual Savings Account (“ISA”).

In certain circumstances there may be short term periods (a maximum of six months) where a Fund lies outside the parameters of its Investment Policy.

Use of benchmarks

In 2019, the FCA introduced rules requiring Managers to:

- explain why they use particular benchmarks or, if they do not use benchmarks, to explain how investors should assess the performance of the fund; and
- ensure that, where a Manager uses benchmarks, the benchmarks must be referenced consistently across the fund’s documents.

The FCA set out three benchmark categories relating to their rules. These are:

1. A ‘constraint benchmark’ an index or similar factor that fund managers use to limit or constrain how they construct a fund’s portfolio;
2. A ‘target benchmark’ an index or similar factor that is part of a target a fund manager has set for a fund’s performance to match or exceed, which includes anything used for performance fee calculation; and
3. A ‘comparator benchmark’ an index or similar factor against which a fund manager invites investors to compare a fund’s performance.

Liontrust has identified benchmarks for all of its funds, which can be found below and the majority of which fall into the “comparator” category as defined above by the FCA.

Liontrust has chosen two broad types of benchmarks by which investors can measure or compare our funds against. These are:

1. An ‘Index benchmark’ an index produced by a recognised third party that is a good approximation of where a Fund is likely to invest, or is well recognised by investors as a proxy for the asset class / sector;
2. A ‘Fund Sector benchmark’ the aggregated performance and characteristics of a group of funds with similar objectives and constraints. The group of funds within a Fund Sector are mostly based on similarity of assets, such as equities and fixed income, and may also have a geographic or size focus. The Investment Association (the “IA”) has grouped Funds available for sale in the UK into 30 different sectors. The IA sectors were developed to allow investors to find and compare funds, for instance to look at performance and fund charges; and

Here are some other useful definitions:

‘Total Return’ The total return on a portfolio of investments takes into account not only the capital appreciation on the portfolio, but also the income received on the portfolio. The income typically consists of interest, dividends, and securities lending fees but after the deduction of relevant taxes including withholding taxes. It is a performance measure that reflects the actual rate of return of a fund over a given evaluation period.

‘Yield’ The yield of a fund is calculated as the sum of all distributions in an accounting period divided by the unit price at the start of said period. The distributions are paid out of the income received by the Fund over the accounting period (typically interest, dividends, and securities lending fees) after the deduction

of relevant taxes including withholding taxes. The yield of an index is calculated as the sum of all income paid out from the constituents of the index over the period after the deduction of relevant taxes including withholding taxes divided by the index value at the start of said period.

The investment objectives, policy and benchmark of each of the Funds are explained below:

Liontrust European Dynamic Fund

Investment Objective

The Fund aims to deliver capital growth over the long-term (5 years or more).

Investment Policy

The Fund will invest in companies which are incorporated, domiciled, listed or conduct significant business in the EEA or Switzerland, but excludes shares listed in the UK.

The Fund will typically invest 95% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

As result of the investment process employed, the proportion of the Fund that is invested in growth companies versus value opportunities will change dynamically over time depending on the investment opportunities available in the market.

The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes. Please refer to the Derivatives sections for further details.

The Fund also has the ability to implement hedging on hedged share classes. Please refer to the Exchange rate risk and Hedging sections for further detail.

Benchmark- non-hedged classes

For total return purposes	Benchmark Category	Benchmark Type
IA Europe Excluding UK	Comparator Benchmark	Fund Sector
MSCI Europe Excluding UK	Comparator Benchmark	Index

Rationale for choice of benchmark

Given that the Fund invests in European companies (excluding UK) the Manager believes it is appropriate for investors to compare the performance of the Fund (non-hedged classes) versus the relevant IA sector which in this case is the IA Europe Excluding UK sector.

In addition to the IA sector the Manager believes it is also appropriate for investors to compare the performance of the Fund versus the MSCI Europe Excluding UK Index, this being the benchmark index that most appropriately matches the investment universe of the Fund.

Benchmark - hedged classes

For total return purposes	Benchmark Category	Benchmark Type
MSCI Europe Excluding UK (hedged)	Comparator Benchmark	Index

Rationale for choice of benchmark

Given that the Fund invests in European companies (excluding UK) the Manager believes it is appropriate for investors to compare the performance of the hedged classes of the Fund versus the MSCI Europe Excluding UK (hedged) Index, this being the benchmark index that most appropriately matches the investment universe of the

Fund.

Liontrust Special Situations Fund

Investment Objective

The Fund aims to deliver capital growth over the long term (5 years or more).

Investment Policy

The Fund will invest at least 90% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK).

The Fund will typically invest 90% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes. Please refer to the Derivatives sections for further details.

Benchmark

For total return purposes	Benchmark Category	Benchmark Type
IA UK All Companies	Comparator Benchmark	Fund Sector
FTSE All-Share	Comparator Benchmark	Index

Rationale for choice of benchmark

Given that the Fund invests in UK companies the Manager believes it is appropriate for investors to compare the performance of the Fund versus the relevant IA sector which in this case is the IA UK All Companies sector.

In addition to the IA sector the Manager believes it is also appropriate for investors to compare the performance of the Fund versus the FTSE All-Share Index, this being the benchmark index that most appropriately matches the investment universe of the Fund.

Liontrust UK Growth Fund

Investment Objective

The Fund aims to deliver capital growth over the long term (5 years or more).

Investment Policy

The Fund will invest at least 90% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK).

The Fund will typically invest 90% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes. Please refer to the Derivatives sections.

Benchmark

For total return purposes	Benchmark Category	Benchmark Type
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IA UK All Companies	Comparator Benchmark	Fund Sector
FTSE All-Share	Comparator Benchmark	Index

Rationale for choice of benchmark

Given that the Fund invests in UK companies the Manager believes it is appropriate for investors to compare the performance of the Fund versus the relevant IA sector which in this case is the IA UK All Companies sector.

In addition to the IA sector the Manager believes it is also appropriate for investors to compare the performance of the Fund versus the FTSE All-Share Index, this being the benchmark index that most appropriately matches the investment universe of the Fund.

Liontrust UK Micro Cap Fund

Investment Objective

The Fund aims to deliver capital growth over the long term (5 years or more).

Investment Policy

The Fund will invest at least 90% in companies which are incorporated, domiciled or conduct significant business in the United Kingdom (UK).

At least 75% of the companies held by the Fund will have a market capitalisation of less than £175m at the time of purchase. Companies within the Fund that grow above a market capitalisation of £275m will be held until suitable replacement investments are found or until such time as the Manager deems it to be in Unitholders' interest to dispose of them.

The Fund will typically invest 90% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

The Fund is permitted to use derivatives for the purposes of efficient portfolio management. The Fund is also permitted to use derivatives and for investment purposes, although the Fund will only do so on providing investors with 60 days' notice. Please refer to the Derivatives sections for further details.

Benchmark

For total return purposes	Benchmark Category	Benchmark Type
IA UK Smaller Companies	Comparator Benchmark	Fund Sector
FTSE Small cap (excluding Investment Trusts)	Comparator Benchmark	Index
FTSE AIM All-Share	Comparator Benchmark	Index

Rationale for choice of benchmark

Given that the Fund invests in UK smaller companies the Manager believes it is appropriate for investors to compare the performance of the Fund versus the relevant IA sector which in this case is the IA UK Smaller Companies sector.

In addition to the IA sector the Manager believes it is also appropriate for investors to compare the performance of the Fund versus the FTSE Small cap (excluding Investment Trusts) and FTSE AIM All-Share Indices, these being the benchmark indices that are most widely used in the IA sector.

Liontrust UK Smaller Companies Fund

Investment Objective

The Fund aims to deliver capital growth over the long term (5 years or more).

Investment Policy

The Fund will invest at least 90% in companies which, are incorporated, domiciled or conduct significant business in the United Kingdom (UK).

At least 75% of the companies held by the Fund will have a market capitalisation of less than £1bn.

The Fund will typically invest 90% (minimum 80%) in equities or equity related derivatives but may also invest in collective investment schemes (up to 10% of Fund assets), corporate debt securities, other transferable securities, money market instruments, warrants, cash and deposits.

The Fund is permitted to use derivatives for the purposes of efficient portfolio management and for investment purposes. Please refer to the Derivatives sections for further details.

Benchmark

For total return purposes	Benchmark Category	Benchmark Type
IA UK Smaller Companies	Comparator Benchmark	Fund Sector
FTSE Small cap (excluding Investment Trusts)	Comparator Benchmark	Index

Rationale for choice of benchmark

Given that the Fund invests in UK smaller companies the Manager believes it is appropriate for investors to compare the performance of the Fund versus the relevant IA sector which in this case is the IA UK Smaller Companies sector.

In addition to the IA sector the Manager believes it is also appropriate for investors to compare the performance of the Fund versus the FTSE Small cap (excluding Investment Trusts) Index, this being the benchmark index that is most widely used in the IA sector.

13. INVESTMENT RESTRICTIONS

The investment objectives and policy are subject to the limits on investment under the COLL Sourcebook. The restricted limits, which apply to all the Funds, are summarised below:

- a. The Funds may invest without limit in approved securities which are transferable securities listed on an Eligible Securities Market and in approved money-market instruments.
- b. A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
 - i. the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
 - ii. its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying unitholder under the FCA Rules;
 - iii. reliable valuation is available for it as follows:
 - in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
 - iv. appropriate information is available for it as follows:

- in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
 - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the Manager on the transferable security or, where relevant, on the portfolio of the transferable security;
- v. it is negotiable; and
- vi. its risks are adequately captured by the risk management process of the Manager.

Unless there is information available to the Manager that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

- i. not to compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying unitholder; and
 - ii. to be negotiable.
- c. An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time. All the Funds are able to invest in approved money-market instruments.
- d. Under the terms of the COLL Sourcebook, up to 10% in value of the property of each of the Funds may consist of transferable securities which are not admitted to or dealt in on an Eligible Securities Market or money-market instruments that are not approved money-market instruments.
- e. No more than 5% in value of the property of a Fund may be invested in transferable securities or approved money-market instruments issued by any single body. As exceptions to this:
- i. up to 10% in value of the property of a Fund may be invested in such securities issued by any single body, if the value of all such holdings does not exceed 40% of the value of the property of that Fund;
 - ii. for all Funds up to 25% in value of the property of a Fund may be invested in respect of covered bonds, provided that where a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the property of the Fund; and
 - iii. as long as 35% or less of the property of the Fund is invested in government and public securities issued by any one body, there is no limit on the amount which may be invested in:
 - a. such securities; or
 - b. such securities issued by any one body or of any one issue.
- f. Each of the Funds (subject to paragraphs b):
- i. must not acquire transferable securities (other than debt securities) which:
 - a. do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
 - b. represent more than 10% of those securities issued by that body corporate;
 - ii. must not acquire more than 10% of the debt securities issued by any single body;
 - iii. must not acquire more than 10% of the units in a collective investment scheme; and
 - iv. must not acquire more than 10% of the approved money market instruments issued by any single body.
- g. Up to 100% in value of the property of a Fund may consist of warrants, provided that warrants may be held only if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene the limits applicable to each of the Funds. **Warrants can expose a Fund to a higher degree of risk because of the effect of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement in the price of a warrant. The prices of warrants can therefore be volatile. As up to 100% of the property of a Fund may be invested in**

warrants, the net asset value of that Fund may at times be highly volatile.

- h. Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing or potential call for any sum unpaid could be paid by the Fund at any time when the payment is required without contravening the COLL Sourcebook.
- i. Up to 10% in value of the property of a Fund may be invested in units or shares in collective investment schemes (“second schemes”) if the second schemes satisfy all of the conditions set out in COLL 5.2. 13R, including:

- (i) UCITS schemes; and

- (ii) schemes which are not UCITS schemes provided such schemes comply with the conditions necessary for them to enjoy the rights conferred by the UCITS Directive or they are recognised schemes under FSMA.

Each scheme in (i) and (ii) above must have terms which prohibit more than 10% of their assets consisting of units in other collective investment schemes.

Any investment in collective investment schemes run by the Manager or an associate can only be made where COLL 5.2.16R is complied with (there is no double charging of the initial charge).

- j. Underwriting and sub-underwriting may, subject to certain conditions, be entered into for the account of a Fund. The exposure of the Fund to such agreements and undertakings must, on any business day, 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 applicable to the Fund.

- k. In respect of each Fund:

- i) **the Fund may consist of permitted derivatives and forward transactions for investment or efficient portfolio management purposes which may increase the risk profile of the Fund. Derivatives may be used to create synthetic short positions. All derivatives will be subject to a risk management process to manage the risks associated with these derivatives;**

- ii) the exposure to any one counterparty in an OTC derivative transaction must not exceed 5 percent in value of the property of the Fund. This limit is raised to 10 percent where the counterparty is an approved bank;

- iii) a transaction in derivatives or a forward transaction must not be effected for the Fund unless the transaction is of a kind specified herein and the transaction is covered. Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the general limits on spread (noted in (e) to (i) above). Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section;

- iv) a transaction in a derivative must be in an approved derivative; or be one which complies with the requirements for entering into OTC transactions in derivatives. A transaction in a derivative must have the underlying consisting of any or all of the following to which the Fund is dedicated, i.e. transferable securities, money market instruments, deposits, derivatives, collective investment scheme units, financial indices, interest rates, foreign exchange rates, and currencies. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A transaction in a derivative must not cause the Fund to diverge from its investment objectives as stated in the Trust Deed constituting the Fund and the most recently published version of this Prospectus. A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, money market instruments, units in collective investment schemes, or derivatives. Any forward transaction must be with an approved counterparty. Any forward transaction must be made with an eligible institution or an approved bank. All derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee; and it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining;

- v) there is a requirement to cover sales; no agreement on behalf of the Fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Fund at the time of the agreement. This requirement does not apply to a deposit.

- vi) any transaction in an OTC derivative must be:

- in a future, an option, a contract for difference or a swap;
- with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank; or a person whose permission (including any requirements or limitations), as published in the FCA Financial Services Register or whose home state authorisation, permits it to enter into the transaction as principal off-exchange;
- on approved terms; the terms of the transaction in derivatives are approved only if, the Manager carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and can enter into one or more further transactions to sell, liquidate or close out that transactions at any time, at its fair value;
- capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager 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: on the basis of (i) an up-to-date market value which the Manager and the Trustee have agreed is reliable or (ii) if the value referred to in (i) is not available, on the basis of a pricing model with the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by (i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the Manager is able to check it or (ii) a department within the Manager which is independent from the department in charge of managing the property of the Fund and which is adequately equipped for such a purpose;

vii) collateral required under OTC derivative transactions must be:

- marked-to-market on a daily basis and exceed the value of the amount at risk;
- exposed only to negligible risks and is liquid;
- held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related third party; and
- be fully enforced by the Fund at any time;

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

- viii) the Manager uses a risk management process, as reviewed by the Trustee, enabling it to monitor and measure as frequently as appropriate the risk of the Fund's positions and their contribution to the overall risk profile of the Fund. Before using the process, the Manager will notify the FCA of the details of the risk management process;
- ix) the Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its property. Exposure will include any initial outlay in respect of that transaction. Cover ensures that the Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the property. Therefore, the Fund must hold property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Detailed requirements for cover of the Fund are set out below. A future is to be regarded as an obligation to which the 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 the 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). 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;
- x) transactions may only be entered into if the maximum potential exposure created by the transaction, in terms of the principal or notional principal of the derivative, does not exceed the net asset value of the scheme property and their global exposure to the underlying assets does not exceed the investment limit laid down in the COLL Sourcebook.

Global exposure within a Fund is a measure of the maximum potential loss to the Fund from the use of derivative instruments. Depending on the risk profile of the Fund, this is calculated using the

“commitment approach” or, where appropriate, the “Value-at-Risk approach”, which is considered to be an advanced risk measurement methodology.

The “commitment approach” converts derivatives into the equivalent position in the underlying assets and thereby measures the incremental exposure provided by derivatives, after all appropriate netting or hedging positions have been removed. The commitment approach is currently used by all of the Funds.

- l. The Manager must not acquire, or cause to be acquired for a Fund of which it is the manager, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if immediately before the acquisition, the aggregate of any such securities held for that Fund, together with any such securities already held for other Funds of which it is the manager, gives the Manager power to influence significantly the conduct of business of that body corporate; or the acquisition gives the Manager that power. The Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).
- m. Each Fund may invest the property of the Fund in deposits provided that not more than 20% in value of the property of the Fund is to consist of deposits with a single body.

Additional provisions: The following additional provisions, n – s inclusive, reflect the requirements of the European Securities and Markets Authority (“ESMA”) Guidelines ESMA/2012/832EN and are subject to changes thereto as well as any changes made through their incorporation into the COLL Sourcebook. These additional provisions apply to all Funds launched after 18 February 2013 (the “ESMA Guidelines Effective Date”):

- n. Repo contracts and stock lending arrangements

The following applies to repo contracts and stock lending arrangements, in particular:

- a. Repo contracts and stock lending may only be effected in accordance with normal market practice.
 - b. The Fund must have the right to terminate any stock lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.
 - c. Where a Fund enters into a repurchase agreement, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
 - d. Where a Fund enters into a reverse repurchase agreement, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value.
 - e. Fixed-term repo contracts that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.
- o. Risks and potential conflicts of interest involved in efficient portfolio management techniques

There are certain risks involved in efficient portfolio management activities and the management of collateral in relation to such activities (see further below). Please refer to the section of this Prospectus entitled “Risk Factors” and, in particular but without limitation, the risk factors relating to derivative risks and counterparty risk. These risks may expose investors to an increased risk of loss.

- p. Management of collateral for OTC derivative transactions and efficient portfolio management techniques
 - a. Collateral obtained in respect of OTC derivative transactions and efficient portfolio management techniques (“Collateral”), such as a repo contract or stock lending arrangement, must comply with the following criteria:
 - i. liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation;
 - ii. valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;

- iii. issuer credit quality: Collateral should be of high quality;
- iv. correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
- v. diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers; and
- vi. immediately available: Collateral must be capable of being fully enforced at any time without reference to or approval from the counterparty.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral such that it should be sufficiently diversified in terms of country, markets and issuers.

- b. Subject to the above criteria, Collateral must be in the form of one of the following:
 - i. cash; or
 - ii. a certificate of deposit; or
 - iii. a letter of credit; or
 - iv. a readily realisable security; or
 - v. commercial paper with no embedded derivative content; or
 - vi. a short-term money-market fund (as defined in ESMA's "guidelines on a common definition of European money market funds") or a qualifying money market fund.
- c. Until the expiry of the repo contract or stock lending arrangement, Collateral obtained under such contracts or arrangements:
 - i. must be marked to market daily; and
 - ii. is intended to equal or exceed the value of the amount invested or securities loaned.
- d. Collateral must be held by the Trustee, or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.
- e. Non-cash Collateral cannot be sold, re-invested or pledged.

q. Additional spread limits

With regard to OTC derivative transactions and efficient portfolio management techniques, including repo contracts and stock lending arrangements, a Fund's exposure to any one counterparty must not exceed 5 per cent in value of the property. This limit is raised to 10 per cent where the counterparty is an approved bank.

r. Haircut policy

The Manager has implemented a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. Subject to the framework of agreements in place with the relevant counterparty, which may or may not include minimum transfer amounts, it is the intention of the Funds that any Collateral received shall have a value, adjusted in light of the haircut policy, which equals or exceeds the relevant counterparty exposure where appropriate.

s. Financial Indices

Where a Fund invests in an index, or holds an index-based derivative, the financial index must satisfy the following criteria:

- i) the index must be sufficiently diversified;
- ii) the index must represent an adequate benchmark for the market to which it refers;

- iii) the index must be published in an appropriate manner; and
- iv) the financial index must be subject to independent valuation.

A financial index is sufficiently diversified if:

- i) 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;
- ii) where it is composed of assets in which a Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
- iii) where it is composed of assets in which a Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

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

- i) it measures the performance of a representative group of underlying assets in a relevant and appropriate way;
- ii) 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;
- iii) the underlying assets are sufficiently liquid, allowing users to replicate it if necessary; and
- iv) if it has not been created and calculated on the request of one, or a very limited number of, market participants and according to the specifications of those market participants.

A financial index is published in an appropriate manner if:

- i) 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
- ii) 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.

A fund will not invest in commodity indices that do not consist of different commodities.

14. BORROWING POWERS

The Trustee may, on the instructions of the Manager and subject to the COLL Sourcebook, borrow money from an “eligible institution” or an approved bank (please see FCA Handbook, for full definition of “eligible institution” and “approved bank”) for the use of a Fund on terms that the borrowing is to be repayable out of the property of the Fund.

Borrowing must be on a temporary basis and in any event must not exceed three months without the prior consent of the Trustee, which may be given only on such conditions as appear appropriate to the Trustee to ensure that the borrowing does not cease to be on a temporary basis. The Manager must ensure that borrowing does not, on any business day, exceed 10% of the value of the property of the Fund.

This 10% limit also applies to other arrangements designed to achieve a temporary injection of money into the property of each Fund, in the expectation that such borrowing will be repaid e.g. by way of a combination of derivatives which produces an effect similar to borrowings.

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.

15. DERIVATIVES – EFFICIENT PORTFOLIO MANAGEMENT

The Trustee (on the instructions of the Manager) and the Manager may utilise the property of all the Funds listed in this Prospectus to enter into transactions for the purposes of efficient portfolio management. The purpose of efficient portfolio management is to achieve one or more of the following in respect of that Fund: reduce risk, reduce cost and/or generate additional capital or income with a risk level which is consistent with the risk profile of the relevant Fund and the risk diversification rules laid down in the COLL Sourcebook.

There is no limit on the amount of the property of a Fund which may be used for efficient portfolio management but

the transaction must be economically appropriate to the reduction of the relevant risks (whether in property prices, interest rates or exchange rates) or to the reduction of the relevant costs and the exposure must be fully “covered” (i.e. not requiring a significant provision to be made in respect of it) by cash or other property sufficient to meet any obligation to pay or deliver that could arise. The use of derivatives for efficient portfolio management purposes will not affect the risk profile of any of the Funds.

These transactions (except stock lending transactions) may involve options, futures or contracts for differences which are dealt in or traded on an Eligible Derivatives Market or in special circumstances an “off-exchange option” or a “synthetic future” or a forward transaction in a currency. All transactions must be covered in order to limit the exposure to risk.

There are various possible ways in which economically appropriate transactions may be permitted as listed below:

Closing Out

The property of a Fund may be used in transactions to close out another transaction.

Reduction of Risk

The property of a Fund may also be used in a transaction which the Manager reasonably regards as economically appropriate to the reduction of risk or cost arising in the management of the Fund as a result of fluctuations in:

- the price of the property of the Fund or any part of the Fund; or
- the price of property which it is proposed should be acquired for the Fund; or
- the price of transferable securities of a particular description or relating to particular geographic or economic sectors where it is proposed that such securities should be acquired for the Fund; or
- interest rates; or
- exchange rates.

Better Pricing

The Manager may enter into transactions where it appears reasonably economically appropriate in order to acquire or dispose of property of a Fund where the total price of the transaction, including for example the exercise price of an option, is reasonably regarded by the manager as a better price than if the property was acquired or disposed of directly.

Efficient Investing

The Manager may enter into derivative transactions as an alternative to acquiring the underlying or the related securities, alone or in conjunction with the securities, in any case where such investment may be accomplished in a more efficient or less costly way through the use of derivatives.

Cash Flow Management

The Manager may also enter into transactions it reasonably regards as economically appropriate to the reduction of risk or cost arising in the management of a Fund by reason of any receipt or expenditure of money which is certain to take place at some time and is anticipated to take place within one month.

Additional Returns

The Manager is also permitted to enter into transactions it reasonably regards as economically appropriate with a view to generating additional income or capital for a Fund with no, or an acceptable degree of, risk but only on the basis that the Manager is certain (or certain barring accidents which are not reasonably foreseeable) that the Fund will derive some benefit whether by way of capital or income by:

- a. Arbitrage: enter into transactions to take advantage of pricing imperfections in the markets; or
- b. Writing options: call options may be written (giving the Fund an obligation to sell transferable securities if called on) on property which the Fund holds or may properly hold (or an index of securities wholly related to or reasonably congruent with such property) which appear to the Manager as certain to cause the Fund to derive some benefit. If a call option is written, there must be sufficient property to which the call option relates in the Fund, which may not be disposed of while the option is outstanding and which may be called on if the holder of the option decides to exercise it. If a put option is written, then it must have an expiry date within a reasonable time and must relate to property which the Manager wishes to include within the property of the Fund at the time of writing or exercise of the option.

Stock lending

As an element of efficient portfolio hedging and in order to generate additional income for the Funds with an acceptable degree of risk, the Manager may request the Trustee to enter into certain stock lending transactions in respect of the Funds. Briefly, such transactions are those where the Trustee delivers the securities which are the subject of the transaction, in return for which it is agreed that securities of the same kind and amount should be re-delivered to the Trustee at a later date. The Trustee at the time of delivery of the securities receives assets as collateral to cover the risk of the future re-delivery not being completed. The Trustee will ensure that it is at any time able to terminate any securities lending agreement into which it has entered.

Such transactions must always comply with the relevant requirements of the Income and Corporation Taxes Act 1988. The transactions must also comply with the relevant requirements in the COLL Sourcebook, in particular COLL 5.4, and other relevant rules and guidance. There is no limit on the value of the property of the Funds which may be the subject of stock lending transactions.

For each Fund the income received is split between the Fund and the Global Sub-Custodians (related parties to the Trustee) who will manage the Stock lending activity. The current split of the income received is that the Global Sub-Custodians will receive 30% and the Fund will receive the balance.

16. DERIVATIVES – INVESTMENT PURPOSES

The Funds may utilise derivative strategies to meet the investment objective and policy of the Fund. These strategies may include creating synthetic short positions. The use of these strategies will be subjected to a risk management process which will involve managing counterparty exposure, in respect of OTC derivative transactions, by holding collateral and/or netting positions with the same counterparty which are on equivalent terms.

Use of derivatives for efficient portfolio management will generally have the effect of reducing the risk profile and volatility of the Funds. Use of derivatives for investment purposes may increase the risk profile and volatility of the Funds, although the Manager does not intend that the use of derivatives will affect the risk profile and volatility of the Funds.

The Manager may use one or more separate counterparties for derivative instruments. The various limits and regulatory requirements relating to derivative instruments are described more fully in Section 13 above.

17. ELIGIBLE MARKETS

The Funds may invest or deal in the list of Eligible Markets listed in Appendix 2.

18. THE CHARACTERISTICS OF UNITS IN THE FUNDS

The nature of the rights represented by units is that of a beneficial interest under a Trust.

Voting Rights

Neither the Manager nor any Associate of the Manager shall be entitled to vote at any meeting of unitholders except that the Manager and such an Associate may vote in respect of units which either of them holds as bare trustee or nominee on behalf of the person from whom either of them has received voting instructions. On a show of hands, every unitholder, who being an individual present in person, or being a corporation is present by a properly authorised representative, has one vote. On a poll, votes may be given either personally or by proxy. The voting rights for each unit is the proportion of the voting rights attached to all of the units in issue that the price of the unit bears to the aggregate price or prices of all the units in issue.

Where all the units in a Trust are registered to, or held by, the Manager 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 Trustee to the process, instead be passed with the written consent of unitholders representing 50% or more, or for an extraordinary resolution 75% or more, of the units of the Fund in issue.

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

Type of Units

Income Units and Accumulation Units

There are two types of Unit, “Income Units” and “Accumulation Units”. An Income Unit is a unit in respect of which net distributable income attributed to such Units is distributed to holders on any relevant interim and annual allocation dates. However, holders of an Income Unit may elect at any time to have the distribution reinvested. Holders of Accumulation Units are not entitled to be paid the income attributed to such Units, but that income is

automatically transferred to (and retained as part of) the capital assets of the Trust on the relevant interim and/or annual accounting dates. This is reflected in the price of an Accumulation Unit.

Retail, Institutional, Advised, Mandate and “S” Class Units

There are various classes of unit (each a “Class”) in each fund (“R”, “A”, “I”, “M”, “S” and “B” class units) as set out in Table 2 below”.

1. “R” Class Units or Retail Units which are available to the general public with a minimum investment of £1,000;
2. “I” Class Units or Institutional Units which are available to professional investors with a minimum investment of £5,000,000;
3. “A” Class Units or Advised Units which are available to Professional Advisors with a minimum investment of £1,000;
4. “M” Class Units or Mandate Units which are available to Institutional Investors with a minimum investment as set out in table 7 below;
5. “S” Class Units which are available to Institutional Investors with a minimum investment as set out in table 8 below; and
6. “B” Class Units which are available to Retail Investors with a minimum investment as set out in table 4 below.

Hedged and Unhedged classes

All classes of all Liontrust funds are unhedged (the “Unhedged Classes”) except for Liontrust European Dynamic Fund which has three unit classes (the “Hedged Classes”) which use currency hedging to help protect the returns in pounds sterling terms.

Other

Further Classes of Unit may be established from time to time by the Manager with the approval of the FCA, the agreement of the Trustee and in accordance with the Trust Deed. On the introduction of any new Class, a revised Prospectus will be prepared, setting out the details of each Class.

The currency in which each new Class of Units 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 Units, currently all classes are denominated in pound sterling.

Table 2: List of available classes for each fund

Available classes	ISIN Codes
Liontrust European Dynamic Fund (B Class, Income)	GB00B7T92B14
Liontrust European Dynamic Fund (B Class, Income, Hedged)	GB00BMC77569
Liontrust European Dynamic Fund (Institutional, Income)	GB00B4ZM1M76
Liontrust European Dynamic Fund (Institutional, Accumulation)	GB00BMW30Z54
Liontrust European Dynamic Fund (Institutional, Income, Hedged)	GB00BMC77676
Liontrust European Dynamic Fund (“S” Class, Accumulation)	GB00BKPQVT86
Liontrust European Dynamic Fund (Retail, Income)	GB00B1GKBD09
Liontrust European Dynamic Fund (Retail, Income, Hedged)	GB00BMC77783
Liontrust Special Situations Fund (Advised, Income)	GB00B87GRQ11
Liontrust Special Situations Fund (B Class Income)	GB00BMWB3W78
Liontrust Special Situations Fund (Institutional, Income)	GB00B57H4F11
Liontrust Special Situations Fund (Institutional, Accumulation)	GB00BG0J2688
Liontrust Special Situations Fund (Retail, income)	GB00B0N6YF70
Liontrust Special Situations Fund (Mandate, Income)	GB00BG0J2795
Liontrust UK Growth Fund (B Class, Income)	GB00B8BTWR23

Liontrust UK Growth Fund (Institutional, Income)	GB00B56BDS09
Liontrust UK Growth Fund (Institutional, Accumulation)	GB00BNGB8J22
Liontrust UK Growth Fund (Retail, Income)	GB0007014557
Liontrust UK Growth Fund (Mandate, Income)	GB00BD5CY988
Liontrust UK Growth Fund (Mandate, Accumulation)	GB00BD5CYB01
Liontrust UK Growth Fund (S Class, Income)	GB00BMWB3X85
Liontrust UK Growth Fund (S Class, Accumulation)	GB00BMWB3Y92
Liontrust UK Micro Cap Fund (Institutional, Accumulation)	GB00BDFYHP14
Liontrust UK Smaller Companies Fund (Institutional, Accumulation)	GB00B8HWPP49
Liontrust UK Smaller Companies Fund (Institutional, Income)	GB00B57TMD12
Liontrust UK Smaller Companies Fund (Retail, Income)	GB0007420788

19. VALUATION OF PROPERTY

The value of the property of each Fund (with the exception of the Liontrust European Dynamic Fund) shall be determined in accordance with the relevant rules of the FCA for dual priced funds (contained in the FCA's Collective Investment Scheme Sourcebook).

The value of the property of the Liontrust European Dynamic Fund shall be determined in accordance with the relevant rules of the FCA for single priced funds (contained in the FCA's Collective Investment Scheme Sourcebook).

The property of the Funds will be valued on each Business Day (as defined within the FCA Handbook), at 12:00 noon, on a forward pricing basis, for the purpose of determining the issue and redemption prices of units. The calculation of the creation and cancellation prices of units will commence immediately thereafter. For all of the Funds (with the exception of the Liontrust European Dynamic Fund), the property will be valued on the offer basis for the purpose of calculating the creation price of units and the amount of the initial charge, and on the bid basis for the purpose of calculating the cancellation price of units or for determining the investment limits. For the Liontrust European Dynamic Fund the property will be valued on a mid basis for the purpose of calculating the unit price.

The Manager may at any time during any business day carry out an additional valuation of the property of a Fund if the Manager considers it appropriate to do so. Any such additional valuation would be undertaken after consulting with the Trustee.

For the purpose of calculating the Manager's and the Trustee's annual charge, the value of the property will be determined on a mid-market basis. On the issue or repurchase of units by the Manager the relevant prices respectively will not exceed those calculated on the offer basis (together with the initial charge) and will not be less than those calculated on the bid basis. See appendix 1 for more details on the valuation of the Funds.

Dilution (applicable to Liontrust European Dynamic Fund only)

The actual cost of purchasing or selling the investments of Liontrust European Dynamic Fund may be higher or lower than the mid-market value used in calculating the Unit price – for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on Unitholders' interest in the Fund.

In order to prevent this effect, called 'dilution', the Manager has the power to make a dilution adjustment, but may only exercise this power for the purpose of reducing dilution in the Fund, or to recover any amount which it has already paid or reasonably expects to pay in the future in relation to the issue or cancellation of Units. Any dilution adjustment charged is added to the Scheme Property and is effectively used to offset the expenses incurred through the purchase and sale of investments within the Fund. On the occasions when a dilution adjustment is not made there may be an adverse impact on the total assets of the Fund. Other expenses that may be charged in addition to any dilution adjustment are set out in the 'Charges, Fees and Expenses' section of this Prospectus.

Any decision made by the Manager on dilution adjustments must not be made for the purposes of creating a profit or avoiding a loss for the account of the Manager.

The price of each Class of Unit in the Fund will be calculated separately but any dilution adjustment will in percentage terms affect the price of Units of each Class identically.

The calculation methodology or rate of any dilution adjustment will be reviewed on a periodic basis as determined from time to time by the Manager. The calculation methodology or rate will include estimates of the spreads between the buying and selling prices of the underlying investments, professional fees such as brokers' commissions and taxes. The rate may also include an allowance for market impact.

The estimated rates of dilution adjustment, at the date of this Prospectus, excluding any allowance for market impact, are provided below and are split between occasions when the dilution adjustment reflects a net creation of units (offer basis) and occasions where the dilution adjustment reflects a net cancellation of units (bid basis).

The Manager operates a dilution adjustment policy to ensure that any dilution adjustment is applied consistently throughout the life of the Fund, it will be applied consistently throughout the categories of assets in which the Fund invests and that it reflects the underlying market conditions appropriately. Typically, the dilution adjustment will be applied in the following circumstances:

- (a) where the Fund is in continual decline;
- (b) where the Fund is experiencing large levels of net sales relative to its size;
- (c) where there is a net issue or cancellation of Units in the Fund above the Manager’s internal threshold which occurs in the period between one Valuation Point and the following Valuation Point, whether at the request of a single Unitholder or of a number of Unitholders;
- (d) in any other case where the Manager is of the opinion that the interests of Unitholders require the making of a dilution adjustment

The Manager is entitled to amend at its discretion the threshold value for the purposes of letter (c) above in respect of the Fund by giving 60 days’ notice to the Unitholders.

As dilution is directly related to the inflows and outflows of monies from the Fund, it is not possible to predict accurately whether dilution is likely to occur and whether dilution adjustment will be applied in the future. However, in future the below table will be populated on a historical basis to show the number of dilution adjustments made and the average rate for the previous calendar year.

Fund	Offer Basis		Bid Basis	
	Number of occasions	Average rate	Number of occasions	Average rate
Liontrust European Dynamic Fund	3	0.16%	2	0.7%

20. BUYING AND SELLING UNITS

Investors, after opening an account as detailed below, may apply in writing, on the telephone or via the MyLiontrust website to purchase or redeem units from the Manager on any Business Day (as defined within the FCA Handbook), between 09:00 am and 17:00 pm. Units may also be bought and sold through FCA regulated or exempt intermediaries (“Authorised Intermediaries”).

All purchases and sales of units will be acknowledged by a paper contract note or an electronic version. In the case of telephone applications, payment is due immediately on receipt of the contract note whether in paper form or an electronic version.

Units will be issued or redeemed at a Forward Price based on the buying / selling price calculated by reference to the next valuation point, i.e. units bought or sold prior to 12 noon will be valued at the price calculated at 12 noon on that dealing day. Certificates will not be issued in respect of registered units. Currently, transfers of title to units may not be effected on the authority of an electronic communication.

Remittances should be in pounds Sterling. Other currencies will only be acceptable at the Manager’s discretion.

Opening an account

An investor’s first instruction to open an account should be in writing, the investor must complete, sign and return to the Manager an Application Form and their cheques should accompany their applications. Cheques should be made payable to ‘Liontrust Fund Partners LLP’. Investors may also open an account via the MyLiontrust website with subscription monies paid via debit card.

Buying and Selling Units

Requests to buy and sell units may be made either by sending or faxing a completed instruction to the Manager or by telephoning our Customer Services Team on 0344 892 0349 or by electronic means acceptable to the Manager. The investor must complete, sign and return to the Manager a Form of Renunciation, unless a Contractual Settlement Agreement is in place. Partial disposals are permitted, but the Manager may refuse to accept an instruction to redeem part of a holding if by doing so the residual value of the units remaining in the holding would be less than the minimum investment requirement (or lower, at the Manager’s discretion) as stated in Tables 3-6 below.

Minimum Investment and Redemption

The minimum redemption amounts and minimum holdings for each of the Funds are listed in the Tables 3-6 below.

The Manager reserves the right to waive the minimum redemption amounts and minimum holdings requirements.

In-specie Redemptions

A redemption request from a unitholder representing 5% or more of a Fund and in respect of which redemption is requested may (either at the request of the unitholder or by election of the Manager) be redeemed *in specie* in accordance with the COLL Sourcebook. In which case, instead of payment in cash, the redeeming unitholder will be entitled to a pro rata transfer of property out of the Fund and the units to the equivalent value of the *in specie* securities will be cancelled.

Deferral of Redemptions

In relation to the Liontrust UK Micro Cap Fund only, the Manager may defer redemptions at a particular valuation point to the next valuation point where the requested redemptions exceed 10% of the Scheme's value. The Manager will ensure the consistent treatment of all holders who have sought to redeem units at any valuation point at which redemptions are deferred. The Manager will also ensure that all deals relating to an earlier valuation point are completed before those relating to a later valuation point are considered.

Suspension of a Fund

The Manager may, with prior agreement of the Trustee, or shall if the Trustee so requires, suspend the issue and redemption of units, ensuring that any such suspension is reviewed at least every 28 days, if the Manager or the Trustee is of the opinion that there is good and sufficient reason to do so having regard to the interests of the participants. In the event of a suspension of units, the Manager or the Trustee will immediately inform the FCA, stating the reason for its action. The Manager will ensure that a notification of the suspension is made to unitholders as soon as practicable after suspension commences and keep unitholders appropriately informed about the suspension including, if known, its likely duration. The calculation of creation and cancellation prices will recommence immediately following the valuation point following such circumstances ceasing to apply.

Settlement of Transactions

When entering into any transaction to buy or sell units with the Manager, the unitholder is entering into a legally binding contract which provides that each transaction should be fulfilled to completion. Any unsettled transactions which remain following a period of 35 days after the transaction was dealt, may be subject to cancellation if either, in the case of sales of units, the settlement monies are not received from the unitholder or, in the case of a repurchase of units from a unitholder, the renunciation details are not completed by the unitholder. The Manager reserves the right to pass to the unitholder any charges or resultant loss that may occur in cancelling an unsettled transaction.

Proceeds of a redemption are paid to a client within the time specified in the FCA rules (normally within four working days of receiving the signed renunciation).

Proceeds for a purchase are due from a client within the time specified in the FCA rules (within four working days of a deal being dealt).

Net Dealing

The Manager will not allow Net Dealing in any of its funds under any circumstances.

Switching

Subject to any restrictions on the eligibility of investors for a particular unit class, a unitholder in the Scheme may switch all or some of his units of one class ("the Original Units") for units of another class ("the New Units") at any Valuation Point of the Scheme. The number of New Units issued will be determined by reference to the respective prices of New Units and Original Units at the Valuation Point applicable at the time the Original Units are redeemed and the New Units are issued.

Telephone switching instructions may be given but unitholders are required to provide written instructions to the Manager (which, in the case of joint unitholders, must be signed by all the joint unitholders) before switching is effected.

If a partial switch would result in the unitholder holding a number of Original Units or New Units of a value which is less than the minimum holding in the class concerned, the Manager may, if it thinks fit, convert the whole of the applicant's holding of Original Units to New Units or refuse to effect any switch of the Original Units. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a switch. Written instructions must be received by the Manager before the Valuation Point for the Scheme to be dealt with at the prices at that Valuation Point. Switching requests received after a Valuation Point will be held over until the next Valuation Point of the Scheme.

The Manager may also carry out a compulsory conversion of some or all of the Units of one Class into another Class where it reasonably believes it is in the best interests of Unitholders (for example, to merge two existing classes). The Manager will give Unitholders 60 days' prior written notice as required before any compulsory Conversion is carried out.

Unitholders may also switch some or all of their units of one class for units of another class in another Liontrust Fund. Further details may be obtained from the Manager.

Please note that under UK tax law a switch of units in one Scheme for units in any other Scheme is treated as a redemption of the original units and a purchase of new units and will, for persons subject to taxation, be a realisation of the original units for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the unitholder's circumstances.

A unitholder who switches units in one Scheme for units in any other Scheme (or who switches between classes of units) will not be given a right by law to withdraw from or cancel the transaction.

Please note that any instruction to convert Original Units for New Units shall be treated as a switch.

Manager acting as principal

The Manager acts as principal, unless otherwise stated, when dealing in units in Funds and may hold them (from valuation point to valuation point) for that purpose. The Manager is under no obligation to account to the Trustee or Unitholders for any profit it makes on the subsequent sale or cancellation of such units and will absorb any losses it incurs for these activities.

Client Money

- 1) In accordance with the [Client Assets rulebook](#) ("CASS") of the FCA Handbook, by agreeing to subscribe to purchase units in any Liontrust fund, unitholders agree for any unclaimed redemption monies held for more than 6 years without any activity (disregarding any payment of distributions, charges or similar items), to be paid to a charity of the Manager's choice. Note that unclaimed redemption amounts will only be paid to charity after the Manager has taken all reasonable steps to trace the unitholder concerned in order to return the unitholder's monies. See section 26 of the prospectus for the Manager's policy for Unclaimed Distribution Payments.
- 2) In accordance with the CASS regulations the Manager chooses to operate under a Delivery versus Payment exemption. This exemption under FCA rules allows the Manager to not treat money as client money in the following two Delivery versus Payment scenarios:
 - a) where the money is received from a client one day before the due settlement date in relation to the issuance of units in one of Liontrust's funds; or
 - b) where the money is held by the Manager in the course of units being redeemed where the proceeds of that redemption are paid to a client within the time specified in the FCA rules.

In these scenarios where money is not treated as client money, money is not protected and in the event that the Manager should fail this money is at risk. By agreeing to subscribe to any Liontrust funds, unitholders are agreeing for the Manager to operate under such arrangements. Should the Manager cease at any time using the Delivery versus Payment exemption, you will be pre-notified in writing ahead of the relevant cessation date.

- 3) In accordance with the CASS regulations, we are obliged to obtain unitholder agreement to use the Delivery versus Payment exemption within use of the Commercial Settlement Systems¹ we utilise. By subscribing to any Liontrust fund, unitholders confirm agreement to the use of such systems.
- 4) In relation to the CASS regulations the Manager confirms that it will not pay any interest on any client money balances.
- 5) In relation to the CASS regulations, by agreeing to subscribe to purchase units in any Liontrust fund, unitholders agree for the Manager and any applicable third party to establish a contractual agreement to

¹ a system commercially available to firms that are members or participants, a purpose of which is to facilitate the settlement of transactions using money and/or assets held on one or more settlement accounts. An example of such a system that the Manager uses is Clearstream.

cover the holding of client money by the third party in a client transaction account showing that it is holding the monies on behalf of Liontrust’s clients.

- 6) In accordance with the CASS regulations, in a scenario where money is treated as a client money, the Manager will issue an annual client money statement as at 22 December. Additionally the client has the right to request a client money statement at any time. The Manager may apply a reasonable charge for any additional client money statements that are requested.
- 7) In the event of insolvency of the financial institution, unitholders may be an eligible claimant under the Financial Services Compensation Scheme and be entitled as an individual to claim up to £85,000 in respect of the total cash the relevant unitholder holds directly and indirectly with the failed financial institution.

If unitholders require further information on the Client Assets rules please contact Liontrust who will be happy to provide further information.

Table 3: Minimum Initial and Subsequent Investment, and Minimum Redemption: Retail Units

Fund	Retail Units (“R”)		
	Minimum Investment		Minimum Redemption
	Initial	Subsequent	
Liontrust European Dynamic Fund	£1,000	£1,000	£500
Liontrust Special Situations Fund	£1,000	£1,000	£500
Liontrust UK Growth Fund	£1,000	£1,000	£500
Liontrust UK Micro Cap Fund	n/a	n/a	n/a
Liontrust UK Smaller Companies Fund	£1,000	£1,000	£500

Table 4: Minimum Initial and Subsequent Investment, and Minimum Redemption: B Class Units

Fund	B Class Units (“B”)		
	Minimum Investment		Minimum Redemption
	Initial	Subsequent	
Liontrust European Dynamic Fund	£1,000	£1,000	£500
Liontrust Special Situations Fund	£1,000	£1,000	£500
Liontrust UK Growth Fund	£1,000	£1,000	£500
Liontrust UK Micro Cap Fund	n/a	n/a	n/a
Liontrust UK Smaller Companies Fund	n/a	n/a	n/a

Table 5: Minimum Initial and Subsequent Investment, and Minimum Redemption: Institutional Units

Fund	Institutional Units (“I”)		
	Minimum Investment		Minimum Redemption
	Initial	Subsequent	
Liontrust European Dynamic Fund	£5m	£100,000	£50,000
Liontrust Special Situations Fund	£5m	£100,000	£50,000
Liontrust UK Growth Fund	£5m	£100,000	£50,000
Liontrust UK Micro Cap Fund	£5m	£100,000	£50,000
Liontrust UK Smaller Companies Fund	£5m	£100,000	£50,000

Table 6: Minimum Initial and Subsequent Investment, and Minimum Redemption: Advised Units

	Advised Units (“A”)

Fund	Minimum Investment		Minimum Redemption
	Initial	Subsequent	
Liontrust European Dynamic Fund	n/a	n/a	n/a
Liontrust Special Situations Fund	£1,000	£1,000	£500
Liontrust UK Growth Fund	n/a	n/a	n/a
Liontrust UK Micro Cap Fund	n/a	n/a	n/a
Liontrust UK Smaller Companies Fund	n/a	n/a	n/a

Table 7: Minimum Initial and Subsequent Investment, and Minimum Redemption: Mandate Units

Fund	Mandate Units (“M”)		
	Minimum Investment		Minimum Redemption
	Initial	Subsequent	
Liontrust European Dynamic Fund	n/a	n/a	n/a
Liontrust Special Situations Fund	£500m	£1m	£1m
Liontrust UK Growth Fund	£75m	£1m	£1m
Liontrust UK Micro Cap Fund	n/a	n/a	n/a
Liontrust UK Smaller Companies Fund	n/a	n/a	n/a

Table 8: Minimum Initial and Subsequent Investment, and Minimum Redemption: S Class Units

Fund	S Class Units (“S”)		
	Minimum Investment		Minimum Redemption
	Initial	Subsequent	
Liontrust European Dynamic Fund	£50m	£1m	£1m
Liontrust Special Situations Fund	n/a	n/a	n/a
Liontrust UK Growth Fund	£10m	£1m	£1m
Liontrust UK Micro Cap Fund	n/a	n/a	n/a
Liontrust UK Smaller Companies Fund	n/a	n/a	n/a

21. PUBLICATION OF PRICES

Valuations of holdings and the Liontrust fund prices can be obtained on request by telephone during normal working hours to our Customer Services Team on 0344 892 0349. Please note that security checks will be undertaken before any client specific information can be released. Liontrust also offers a 24 hour telephone service to clients to receive a valuation or fund price through an automatic voice recognition facility. Clients will need to register for this service. Details are available on request. Liontrust fund prices are also available on the Liontrust website www.liontrust.co.uk/Products/FundPrices.

22. HISTORIC FUND PERFORMANCE

The following table shows the percentage movement in the price for Units in each of the Funds for the last five discrete calendar years, where the Fund has been in existence for more than one year. Where Retail Units are available, the performance of these is shown. Where Retail Units are not available, the performance of Institutional Units is shown.

Table 9: Historic Fund Performance for Units for each discrete calendar year, for the last five years.

	2019	2020	2021	2022	2023
Liontrust European Dynamic Fund (I)	24.56	20.14	24.03	0.75	16.95
Liontrust Special Situations Fund (I)	21.62	-1.21	20.52	-11.23	6.30
Liontrust UK Growth Fund (I)	19.94	-8.26	20.95	-1.09	4.71
Liontrust UK Micro Cap Fund (I)	29.07	12.08	33.62	-17.14	1.03

Liontrust UK Smaller Companies Fund (I)	30.99	15.22	24.73	-23.01	-0.81
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Source: Financial Express, total return bid to bid basis, discrete calendar performance table from UK Investment Association UT and OEICs universe. Figures are for the accumulation units where available and if not are for the income units. Figures to 31.12.20. Up to date (the last calendar quarter end) past performance information may be obtained from the most recent relevant Fund Factsheets, available on our web-site www.liontrust.co.uk or by calling our Broker Services Support desk on 0344 892 0349.

Warning

The units in each of the Funds represent an investment connected with stock exchange securities. The price of units and the income from them can go down as well as up and the unitholder may not get back all of the initial investment. The unitholder should regard any investment in the Funds as long-term.

23. THE MANAGER'S POWER TO DEAL

The Manager is under no obligation to account to the Trustee or to unitholders for any profit it makes on the issue, re-issue or cancellation of units which the Manager has redeemed.

24. TERMINATION OF THE FUNDS

A Fund shall be terminated if:

- the Order declaring the Fund to be an authorised unit trust scheme is revoked; or
- in response to a request to the FCA by the Manager or the Trustee for the Revocation of the Authorisation Order, the FCA has agreed, albeit subject to there being no material change in any relevant factor, that on the conclusion of the winding-up of the Fund, the FCA will accede to that request; or
- the expiration of any period specified in the Trust Deed as the period at the end of which the Fund is to terminate; or
- in accordance with the terms of a Scheme of Arrangement.

In the winding-up of a Fund for the purposes of a Scheme of Arrangement, the Fund shall be wound up in accordance with the terms of the Scheme of Arrangement or the Extraordinary Resolution approving it. The Scheme of Arrangement shall not result in the unitholders in the Fund becoming holders of units in any body other than a regulated collective investment scheme.

In any other case, the Trustee shall, as soon as practicable, realise the property of the Fund and, after discharging the liabilities of the Fund and making provision for the cost of the winding-up, distribute the net proceeds of such realisation to the unitholders and the Manager (upon production of such evidence of title as the Trustee may reasonably require) proportionately to their respective interests in the Fund.

Unclaimed Payments following the termination of a Portfolio Fund

Any unclaimed net proceeds or other cash (including unclaimed distribution payments) held by the Trustee after the expiration of twelve months from the date of payment shall be paid by the Trustee into Court, subject to the Trustee's right to retain thereout the costs incurred in making such a payment into Court.

25. CHARGES, FEES AND EXPENSES

Initial Charge

The price at which units can be purchased from the Manager may include an Initial Charge payable to the Manager. The current amount (or lower, as agreed with the Manager) of the Initial Charge as a percentage of the creation price are listed in the Table below. The Manager may make a charge on redemption of units but does not do so at the moment. These charges apply to each type of units, i.e. income, accumulation, hedged and unhedged classes.

Table 10: Initial Charge

Fund	Retail Units ("R")	Institutional Units ("I")	Advised Units ("A")	Mandate Units ("M")	S Class Units ("S")	B Class Units ("B")
Liontrust European Dynamic	Nil ¹	Nil	n/a	n/a	Nil	Nil ¹
Liontrust Special Situations	Nil ¹	Nil	Nil ³	Nil	n/a	Nil ¹
Liontrust UK Growth Fund	Nil ¹	Nil	n/a	Nil	Nil	Nil ¹
Liontrust UK Smaller Companies Fund	Nil ¹	Nil	n/a	n/a	n/a	n/a
Liontrust UK Micro Cap	n/a	Nil ²	n/a	n/a	n/a	n/a

¹The Manager reserves the right to introduce an initial charge of up to 5% on the Retail Units and the Class B Units of the Funds listed in the table above, currently the initial charge is 0%.

²The Manager reserves the right to introduce an initial charge of up to 2% on the Institutional Units of Liontrust UK Micro Cap Fund, currently the initial charge is 0%.

³The Manager reserves the right to introduce an initial charge of up to 2% on the Advised Units of the Funds listed in the table above, currently the initial charge is 0%.

The initial charges are not currently subject to Value Added Tax (VAT), but in the event of VAT (or any equivalent tax) being imposed this may be levied against the property of the Fund.

Annual Management Fee

The Manager takes a periodic charge typically out of the income property of all the Funds. This may constrain capital growth. The amount reimbursed from either the capital or income accounts may, at the Manager's discretion, vary during and/or between accounting periods. These charges apply to each type of units, i.e. income, accumulation, hedged and unhedged classes.

The current amount of the periodic charge per annum is listed in the table below. Any proposal to increase the present periodic charge requires advance notice to unitholders.

Table 11: Annual Management Fee

Fund	Retail Units ("R")	Institutional Units ("I")	Advised Units ("A")	Mandate Units ("M")	S Class Units ("S")	B Class Units ("B")
Liontrust European Dynamic Fund	1.5%	0.75%	n/a	n/a	0.6%	1.00%
Liontrust Special Situations Fund	1.75%	0.75%	1.00%	0.65%	n/a	1.25%
Liontrust UK Growth Fund	1.5%	0.75%	n/a	0.55%	0.65%	1.00%
Liontrust UK Smaller Companies Fund	1.5%	1.25%	n/a	n/a	n/a	n/a
Liontrust UK Micro Cap Fund	n/a	1.25%	n/a	n/a	n/a	n/a

The Annual Management Fee shall accrue daily based on the prior day net asset value of each Fund and the periodic charge accrued during a calendar month shall be paid to the Manager out of the property of each Fund on or as soon as is practicable after the last business day of that calendar month.

The Annual Management Fees are not currently subject to VAT, but in the event of Value Added Tax (or any equivalent tax) being imposed this may be levied against the property of the Fund.

Administration Fees

Ordinary operating expenses incurred by the Fund may be paid out of the Scheme Property of the relevant Fund(s). To protect the unitholders from fluctuations in these expenses, the Manager has agreed to meet these operating expenses and to be reimbursed out of the Scheme Property at a flat rate per annum of the net asset value of the relevant Fund ("**Administration Fees**"), the current amount of these Administration Fees is listed in the Table below.

Table 12: Administration Fees

Fund	Administration Fees (per annum)
Liontrust European Dynamic Fund	0.12%
Liontrust Special Situations Fund	0.09%
Liontrust UK Growth Fund	0.09%
Liontrust UK Smaller Companies Fund	0.09%
Liontrust UK Micro Cap Fund	0.09%

These rates have been determined based on historic costs and assume that the assets of a Fund do not exceed £500 million (see below for discount to be applied where the assets of a Fund do exceed £500 million). The Administration Fees will be reviewed annually. The Manager may amend the Administration Fee applicable to each Fund at any time at its discretion in accordance with the FCA Rules. In the event that the Manager exercises this discretion, unitholders will be notified in accordance with the FCA Rules relating to notifications of that nature and this Prospectus will be updated accordingly.

The Administration Fee shall accrue daily based on the prior day net asset value of each Fund and shall be

paid monthly to the Manager out of Scheme Property on or as soon as is practicable after the last business day of the relevant calendar month. The Administration Fee will be calculated taking account of any applicable discount as set out in Table 12 below, based on the net asset value of the Fund on the last business day of the previous month. In order to pass on any savings which may be made through economies of scale by any Funds which have significant levels of assets, the following discounts will be applied to the Administration Fee of the relevant Fund:

Table 13: Administration Fees

Net asset value	Discount to be applied to the Administration Fee (per annum)
Below £500 million	0.000%
£500 million to £1 billion	0.010%
£1 billion to £2 billion	0.020%
£2 billion to £3 billion	0.030%
£3 billion to £4 billion	0.040%
£4 billion to £5 billion	0.050%
Over £5 billion	0.060%

The above discounts will not apply in circumstances that the Administration Fees after the applicable discount would be below 0.06%. For example, if the Administration Fees for a Fund before any volume discount is 0.10% then the lowest it can go with the application of a volume discount is 0.06%. If the Administration Fees for a Fund before any volume discount is 0.05% then the volume discounts will not apply as the Administration Fee is already below 0.06%.

Where an applicable threshold level of net asset value is achieved by a Fund on the last business day of any month, the relevant above discount will apply to that Fund in relation to the following month.

The Administration Fees will typically be taken out of the income property of all the Funds. This may constrain capital growth. The amount reimbursed from either the capital or income accounts may, at the Manager's discretion, vary during and/or between accounting periods. These charges apply to each type of units, i.e. income, accumulation, hedged and unhedged classes.

The Manager will use the Administration Fees to pay for the following fees relating to the operation and administration of the Funds:

- a. The fees, expenses and disbursements payable to each service provider (being the Trustee, Registrar, Fund Accountant and Auditor);
- b. Custody fees and transaction charges
- c. Any costs incurred in modifying the Trust Deeds and/or the prospectuses and/or Key Investor Information Documents;
- d. Any costs incurred in respect of meetings of unitholders and communications with unitholders, including the costs of the postage;
- e. The fees of FCA under Chapter 10 of the Fees Manual;
- f. Any fees, expenses or disbursements of any investment, legal or other professional adviser of the Fund;
- g. All administration costs of the Funds, including but not limited to the costs of making and receiving payments to unitholders and any administration fees in relation to any derivative instruments, such as Collateral Management Fees;
- h. All costs in developing, purchasing and maintaining systems required to operate the Funds, including software; and
- i. VAT or any similar tax is payable in respect of the above.

In some periods, the Administration Fees may be less than the costs actually incurred. In these circumstances, the Manager will pay the difference from its own resources. Conversely, in some periods the Administration Fees may be more than the costs actually incurred. In these circumstances, the Manager will retain the difference, including

any cost savings. None of the Fund, the Trustee, the Manager, the Investment Adviser or any of their associates, nor the auditors, are liable to account to the unitholders of any Fund for any profits or benefits it makes or receives that are derived from or in connection with dealings in the units of such Fund, any transaction in such Fund's property or the supply of services to such Fund.

The Administration Fees are not currently subject to VAT, but in the event of Value Added Tax (or any equivalent tax) being imposed this may be levied against the property of the Fund.

Other Fees and Expenses

In addition to the annual management charge and Administration Fee, the following expenses may also be payable by the Fund(s) out of its capital or income at the discretion of the Manager:

- a. brokers' commission, fiscal charges and other disbursements which are:
 - i. necessary to be incurred in effecting transactions for the Funds, and
 - ii. normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- b. interest on borrowing permitted under the Funds and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- c. taxation and duties payable in respect of the property of the Funds, the Trust Deeds or the issue of units;
- d. liabilities on unitisation, amalgamation or reconstruction arising in certain circumstances specified by the COLL Sourcebook; and
- e. VAT or any similar tax is payable in respect of the above

Stamp Duty Reserve Tax

From April 2014, no SDRT charge will be levied on surrenders of units or shares unless the surrender is a non pro-rata in specie redemption. In those cases the underlying stock or marketable securities of the Fund are chargeable to SDRT by reference to the surrendered units or shares which constitute the consideration. The charge to SDRT does not apply to an agreement to transfer units or shares where that agreement would have been exempt from stamp duty under certain specified exemptions.

26. ACCOUNTING AND INCOME DISTRIBUTION DATES

The net income after taxation, fees, expenses and charges (where applicable) for a distribution period is distributable to the registered unitholders at the end of that period. For the Funds that distribute income, the distribution payment is made electronically direct to the unitholder's bank account by bank transfer, or can be reinvested at no charge. If bank details are not supplied when the account is set up, or no election is made, income will be automatically reinvested to purchase additional units which will be added to the unitholder's holding.

Unclaimed Distribution Payments

Where a client no longer retains a holding in a Fund and distributions due to them are failing to reach the client's nominated bank account, we will endeavour to contact the client at least once at the last known address to obtain further instructions regarding any unclaimed payment. After a period of six years from the date of each payment, any distribution payment that remains unclaimed will be transferred to and become part of the capital property of the Fund and thenceforth neither the payee nor the unitholder nor any successor in title to it will have any right except as part of the capital property. No interest will be paid on unclaimed distribution payments.

Where a client retains a holding in a Fund and distributions are failing to reach a client's nominated bank account, we will endeavour to contact the client at least once at the last known address to obtain further instructions regarding any unclaimed payment. After three consecutive failed payments, we will automatically re-invest the outstanding monies on behalf of the unitholder in the same fund that the unclaimed distribution relates to at no charge, and we will write to the unitholder at the last known address to advise them of the action we have taken, and also that their account has forthwith been changed to re-invest all future distributions. This action, following the failure of any attempt to contact the client for further instructions regarding payment, will be taken to avoid the unclaimed payments being transferred to and becoming part of the capital property of the Fund after a period of six years. The client's account can be amended back to bank transfer at any time following further instruction from them.

Where a client retains a holding in a Fund and their account is currently set to re-invest future distributions, but there are outstanding distributions that were previously paid in cash that have failed to either reach a client's nominated bank account or the client direct where paid by cheque, we will endeavour to contact the client at least once at the last known address to obtain further instructions regarding any unclaimed payment. Where it has not been possible to make contact with the client to obtain their further instruction, Liontrust will, at its discretion, re-invest the outstanding monies on behalf of the unitholder in the same fund that the unclaimed distribution relates,

in accordance with the current account setting to re-invest future distributions. This will ensure the distribution is not lost to the client after the period of six years from the date of each payment has passed.

The final accounting date and interim accounting date of each of the Funds are listed in the Table below.

Table 14: Accounting Dates

Fund	Accounting Dates	
	Interim	Final
Liontrust European Dynamic Fund	31 st October	30 th April
Liontrust Special Situations Fund	30 th November	31 st May
Liontrust UK Growth Fund	30 th June	31 st December
Liontrust UK Micro Cap Fund	31 st October	30 th April
Liontrust UK Smaller Companies Fund	31 st October	30 th April

The Income Ex dates and income distribution/income accumulation dates of each of the Funds are listed in the Table below.

Table 15: Income Distribution Dates

Fund	Income Ex Dates	Income Distribution/Income Accumulation Pay Dates
Liontrust European Dynamic Fund	1 st May	30 th June
Liontrust Special Situations Fund	1 st June	31 st July
Liontrust UK Growth Fund	1 st January	Last day of February
Liontrust UK Smaller Companies Fund	1 st May	30 th June
Liontrust UK Micro Cap Fund	1 st May	30 th June

27. EQUALISATION AND GROUPING

The Trust Deeds for the Funds permit equalisation payments to unitholders to be averaged over grouping periods which are currently the same as the half-yearly or annual accounting periods. Equalisation payments are made to investors on the first distribution date following the purchase of their units and represent the return of the amount included in the purchase price of those units in respect of accrued income from the last distribution to the date of purchase.

28. ANNUAL AND HALF-YEARLY REPORTS

The Manager will publish in respect of the funds an annual long report within four months after the end of each annual accounting period and a half-yearly long report within two months after the end of each interim accounting period. The annual and half-yearly report and accounts for each period is available to any person, free of charge, on request by either accessing the information on our web-site www.liontrust.co.uk or by contacting our Client Services team on 0344 892 0349.

In addition to the annual and half-yearly reports the Manager also issues Unit Trust, ISA and JISA statements half yearly within 30 days of 5 April and 5 October to retail clients. A retail client has the right to request, in writing, the provision of these statements every three months.

29. INSPECTION OF DOCUMENTS

The Trust Deeds, Supplemental Deeds, and the most recent annual and half-yearly reports may be inspected and copies thereof can be obtained from the office of the Manager during normal business hours at 2 Savoy Court, London WC2R 0EZ.

30. TAXATION

General and Disclaimer

The information below is a general guide based on current UK taxation legislation and HM Revenue & Customs practice, both of which are subject to change. It is not intended to be exhaustive and does not constitute legal or tax

advice. There may be other tax considerations which may be relevant to prospective investors. It summarises the tax position of the Unit Trusts and of UK tax resident investors who are the beneficial owners of Units that are held as investments. It does not apply to Unitholders who are subject to a special tax regime such as dealers in securities, life insurance companies, pension schemes, UK investment trust companies and UK authorised investment funds.

Prospective investors should consult their own professional advisers for specific advice in connection with the implications of subscribing for, purchasing, holding, converting, switching or disposing of Units under the laws of any jurisdiction in which they are subject to tax.

Unit Trusts

Each Unit Trust will be treated as a separate entity for UK tax purposes. A Unit Trust is liable to UK corporation tax at the basic rate of income tax (currently 20 per cent) on its net income, excluding dividends received from UK companies (including that part of a dividend distribution from another UK authorised investment fund that relates to dividend income) and most non-UK companies subject to certain conditions being satisfied. However, a Unit Trust may elect to tax dividend income from certain jurisdictions in order to maximise its post-tax return. Where a Unit Trust holds an investment in another UK authorised investment fund or an offshore fund that invests primarily in cash, debt securities and similar interest yielding assets, any amounts that are accounted for as income by the Unit Trust (including any dividends paid by such funds) will be treated as taxable interest income of the Unit Trust. Allowable expenses of management (and interest distributions payable by certain funds) are deducted from the taxable income of a Unit Trust to arrive at its net income.

Special tax rules apply to a Unit Trust which has more than 60 per cent by market value of its investments in interest yielding assets such as debt securities, money placed at interest, building society shares, certain derivative contracts and alternative finance arrangements (“a Bond Fund”). A Bond Fund is entitled to distribute its income as yearly interest. The income that is distributed by a Bond Fund as interest is generally deductible from its taxable income with the effect that a Bond Fund generally has no corporation tax liability.

Income and gains attributable to overseas investments may be subject to tax in the relevant overseas jurisdiction at varying rates. A Unit Trust may be entitled to offset some or all of any foreign tax suffered on its overseas income against its liability to UK corporation tax.

Stamp duty and other transfer taxes, including financial transaction taxes, may be incurred on the purchase, sale, transfer or any other financial transaction involving investments located in the UK or outside the UK. Certain EU member states have implemented financial transaction tax regimes. A number of EU member states have proposed introducing a wider financial transaction tax in the future.

The Unit Trusts do not pay UK corporation tax on any capital gains arising from the disposal of investments and is not taxable on capital profits, gains or losses arising in respect of creditor loan relationships or derivative contracts. However, a gain accruing in respect of the disposal of an investment in a non-reporting offshore fund could be taxed as income rather than being treated as an exempt capital gain

Unitholders

Unitholders may potentially suffer tax both on any income they receive from their Units and on any profit they realise on disposing of their Units.

Income equalisation

In respect of the first distribution of income after an acquisition of Units, part of the distribution may include an amount of income equalisation. This amount is not taxable as income. It represents a return of part of the original cost of the Units and should be deducted from the allowable cost of those Units for capital gains tax purposes.

Accumulation and income Units

Where income is allocated to a Unitholder by a Fund on a specified income allocation date, this is treated as a taxable distribution including where the income is retained by the Fund in the case of Accumulation Units.

ISA (Individual Savings Account) Unitholders

It is possible to invest in Units via an existing or new ISA. There are limits as to the amount that can be invested into an ISA in a tax year.

Distributions

A distribution from Units held via an ISA is not taxable. Unitholders holding Units through an ISA are entitled to receive interest distributions without deduction of UK income tax.

Profit on disposal of Units

Any profit arising from the disposal of Units held via an ISA is not taxable.

Other UK Resident Individual Unitholders

Distributions

Dividend distributions

No tax is deducted from dividend distributions. From 6 April 2018, the first £2,000 of dividend income received by a UK resident individual is exempt from tax. Dividend income in excess of that exempt amount is taxable at the following dividend tax rates:

- 7.5% if the dividend income falls within the basic rate income tax band;
 - 32.5% if the dividend income falls within the higher rate income tax band;
- and
- 38.1% if the dividend income falls within the additional rate income taxband.

Profit on disposal of Units

A profit arising on the disposal of Units is subject to capital gains tax. However, if the total gains realised from all sources by an individual Unitholder in a tax year, after deducting allowable losses, are less than the annual capital gains exemption, there is no tax to pay. If total gains exceed the annual exempt amount, capital gains tax is payable on the excess at 10 per cent for basic rate taxpayers and 20 per cent for both higher rate taxpayers and additional rate taxpayers.

If a Unitholder exchanges their Units for Units in a different Fund, capital gains tax may be payable on any profit calculated by reference to the market value of the Units at the date of the exchange. Capital gains tax will generally not be payable if Units are exchanged for Units of a different Class in the same Fund.

The capital gain in respect of a disposal of Units is the value of the Units at the time of disposal less the total of the following:

- the cost of acquiring the Units, less any equalisation received as detailed in the section headed Income equalisation; and
- in the case of accumulation Units only, all reinvested distributions during the period Units have been held.

UK Resident Corporate Unitholders

Dividend distributions

Dividend distributions have to be split into that part which relates to dividend income of a Fund and that part which relates to other income of a Fund (including, if applicable, “taxable foreign dividends”). The tax voucher will show the ratio between the part of the distribution that relates to dividend income and the part that relates to other income. The part relating to dividend income of a Fund is not taxable unless the distribution is paid in respect of a Fund to which section 490 of the Corporation Tax Act 2009 applies. The part relating to the other income of a Fund is treated as if it were an annual payment in the hands of the Unitholder and is subject to corporation tax. This part of the income is deemed to be received after deduction of income tax at the basic rate, currently 20 per cent (“deemed tax deducted”). Such Unitholders will be subject to corporation tax on the grossed up amount of the annual payment with the deemed tax deducted able to be reclaimed or offset against the Unitholder’s liability to corporation tax.

A Fund may receive income net of foreign tax and may offset this foreign tax against its UK corporation tax liability. In these circumstances, a corresponding element of the part of the dividend distribution that relates to other income and the related deemed tax deducted will be treated respectively as foreign income received and foreign tax paid by the corporate Unitholder. The foreign tax paid can be used to reduce the Unitholder’s liability to corporation tax on the foreign income.

Fluctuation in value of Units in a Fund which does not satisfy the qualifying investments test

In any case where a Fund does not satisfy the qualifying investments test (broadly where over 60 per cent of the value of its investments comprise interest yielding or economically similar assets) at any point during the accounting period of a corporate Unitholder, that Unitholder must treat the Unitholding in the Fund (including any distributions) as a loan relationship for UK corporation tax purposes. Movements in the fair value of the Units are subject to UK corporation tax irrespective of whether a disposal has occurred. Accordingly, a corporate investor in such a Fund may, depending on its circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding (or, likewise, obtain relief for an unrealised reduction in the value of its holding).

Certain types of corporate investor (e.g. life insurance companies) are subject to special tax rules which may take precedence over the general rules summarised above.

Profit on disposal of Units

Any profit arising on the disposal of Units in a Fund which does not satisfy the qualifying investments test (see the comments above) is subject to corporation tax under the rules for the taxation of loan relationships.

Any profit arising on the disposal of Units in a Fund which satisfies the qualifying investments test is subject to corporation tax on chargeable gains. The chargeable gain arising in respect of a disposal of such Units is the value of the Units at the time of disposal less the total of the following:

- the cost of acquiring the Units less any equalisation received as detailed in the section headed Income equalisation;
- in the case of accumulation Units only, all reinvested distributions during the period Units have been held; and

■ an indexation allowance, based on increases in the Retail Price Index during the period that the Units have been held. The indexation allowance cannot be used to either create or increase a capital loss.

As with UK resident individual Unitholders, a tax charge can also arise if Units are exchanged for Units in a different Fund.

Automatic exchange of information between tax authorities

In order to comply with legislation implementing the UK's obligations under various intergovernmental agreements and EU directives relating to the automatic exchange of information to improve international tax compliance (including but not limited to, the United States provisions commonly known as FATCA, the OECD Common Reporting Standard and the agreements between the UK and its Crown Dependencies and Overseas Territories), the Manager (or its agent) may collect and report information about Unitholders and their investments in a Fund (including information to verify their identity and tax status) to the relevant authorities.

FATCA has been effective from 1 July 2014 and broadly requires reporting of the direct and indirect ownership by Specified U.S. Persons of certain non- U.S. accounts and non-U.S. entities to the Internal Revenue Service of the United States of America. The UK has entered into an inter-governmental agreement ("IGA") with the United States of America to facilitate FATCA compliance, whereby financial institutions such as the Manager may need to disclose certain information to HM Revenue & Customs, who will in turn exchange that information with the Internal Revenue Service. Under this IGA, FATCA compliance is enforced under UK tax legislation and reporting.

The UK has entered into agreements with the Crown Dependencies of Guernsey, the Isle of Man and Jersey and the UK Overseas territories of Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Gibraltar, Montserrat and the Turks and Caicos Islands to automatically exchange information concerning financial accounts. The agreements with the three Crown Dependencies and with Gibraltar are reciprocal and, therefore, impose obligations on UK financial institutions to collect and report certain information to HM Revenue & Customs.

The UK and a number of other jurisdictions have also agreed to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development. This allows for the automatic exchange of financial information between tax authorities. These agreements and arrangements, as transposed into UK law, may require the Manager (or its agent) to provide certain information to HM Revenue & Customs about investors from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities by HM Revenue & Customs).

Where required by UK regulations, the Manager (or its agent) may report information about Unitholders to HM Revenue & Customs, who may exchange the information with the tax authorities in the jurisdictions where the Unitholder is or appears to be tax resident, in accordance with the applicable international tax agreements. The information which may be reported includes, in the case of an individual, the reportable person's name, address, tax identification number, date and place of birth, balance of the account and the total gross amount paid or credited to the financial account in respect of the relevant reporting period.

When requested to do so by the Manager (or its agent), Unitholders must provide certification of their tax status and information which can be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities. All Unitholders that are reportable under the various applicable rules will be reported. If a Unitholder does not provide the necessary certification, the manager may be required to report this to HM Revenue & Customs. By signing the application form to subscribe for Units, each affected Unitholder is agreeing to provide such information upon request from the Manager (or its agent). The Manager reserves the right to take any action and / or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of affected Unitholders (at any time upon any or no notice) if they fail to provide the information the Manager requests to satisfy its obligations.

While the Manager will use reasonable endeavours to avoid the imposition of U.S. federal withholding tax under FATCA, the extent to which the Manager is able to do so will depend on each affected Unitholder providing any information that the Manager determines is necessary to satisfy its obligations. A 30% withholding tax in respect of income and gross proceeds from the sale or other disposal of property could apply if there is a failure by Unitholders to provide certain information.

Investors should consult their own tax advisers regarding any potential obligations that an automatic exchange of information regime may impose on them.

31. ADDITIONAL INFORMATION

This Prospectus may be revised at any time to comply with the requirements of the COLL Sourcebook. The reader should, therefore, check that it represents the current issue before placing reliance on it.

Complaints

The Manager has a procedure for the effective investigation of complaints and the policy about it is available upon request to the Manager.

Any complaint in relation to Funds should initially be made to the Compliance Officer at Liontrust Fund Partners LLP-, PO Box 373, Darlington, DL1 9RQ. The procedure also allows for a complaint to be referred direct to the Financial Ombudsman Service if a satisfactory answer is not received from the Manager.

Details of the rights to compensation if the Manager is unable to meet any of its obligations to unitholders are available from the Compliance Officer at the above address.

You can contact the Financial Ombudsman Service by calling 0300 123 9 123, by emailing them at complaint.info@financial-ombudsman.org.uk or by going to their website.

Market Timing

Purchases and exchanges of units in the Funds should be made for investment purposes only. The Manager, as a matter of policy, seeks to prevent patterns of excessive purchases and redemptions or exchanges of units. Such practices are commonly referred to as “market timing” or “short duration trading”. The Manager will seek to prevent such practices and to the extent they are detected, if the Manager has reasonable grounds for doing so, the Manager may refuse to issue new units to an investor. If the Manager decides that it can apply this rule to a holder who requests to switch, it will carry out the instruction to redeem original units but will not issue new units as part of that request. The Manager will pay the holder the proceeds from the sale of the original units in line with this prospectus.

Money Laundering

The Manager, Trustee or Registrar may require evidence of the identity of an applicant for, holder or transferee of, units or another person to comply with statutory, regulatory or EU obligations. The Manager is not required to pay out the selling price of units when the Manager considers it necessary or appropriate to carry out or complete such identification procedures, and the Manager or the Trustee may on the same grounds decline to make or alter any entry in the Register or to accept any transfer. Similarly, the Trustee may refuse to distribute income on units, or the proceeds of realisation on a winding-up, to a holder. If the Manager buys units after a delay, the price of those units could be less favourable to the holder than that at the time the Manager received the application to sell units.

Exemption from Liability to Account for Profits

The Manager, Trustee and Custodian are not liable to account to the unitholders of any Fund for any profits or benefits it makes or receives that are derived from or in connection with:

- i) dealings in Units of a Fund;
- ii) any transaction in Fund property; or
- iii) the supply of services to the Fund.

Notices to Unitholders

A notice is duly served if it is delivered to the Unitholder’s address as appearing in the register or is delivered by electronic means in accordance with the COLL Sourcebook.

Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted. Any document left at a registered address or delivered other than by post is deemed to have been served on that day.

Restrictions Applying to US Persons

The unit trusts have not been and will not be registered under the United States Securities Act of 1933 as amended (Securities Act) and, subject to certain exceptions, may not be offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia (United States of America) or offered or sold to US Persons (as defined below).

The unit trusts have not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Manager has not been and will not be registered under the United States Investment Advisers Act of 1940.

US Person means:

- (a) a citizen or resident of the United States of America;
- (b) a partnership, limited liability company, corporation or similar entity organised or incorporated under the laws of the United States of America, or an entity taxed as such or required to file a tax return as such under the United States federal income tax laws;
- (c) any estate or trust the executor, administrator or trustee of which is a US Person unless, in the case of trusts of which any professional fiduciary acting as trustee is a US Person, a trustee who is not a US Person

- has sole or shared investment discretion with respect to trust assets and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- (d) any estate or trust whose income from sources outside the United States of America is includable in gross income for purposes of computing United States income tax payable by it;
 - (e) any agency or branch of a foreign entity located in the United States of America;
 - (f) any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary located within or outside the United States of America for the benefit or account of a US Person;
 - (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States of America, except that any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated or (if an individual) resident in the United States of America shall not be deemed a US Person;
 - (h) any firm, corporation or other entity, regardless of citizenship, domicile, situs or residence if, under the income tax laws of the United States of America from time to time in effect, any portion of the income thereof would be taxable to a US Person even if not distributed other than as a passive foreign investment company;
 - (i) any partnership, corporation or other entity if (i) organised or incorporated under the laws of any foreign jurisdiction and (ii) owned or formed by a US Person or Persons principally for the purpose of investing in securities not registered under the Securities Act (including but not limited to Units of the Unit Trusts);
 - (j) any employee benefit plan unless such employee benefit plan is established and administered in accordance with the laws of a country other than the United States of America and the customary practices and documentation of such country and is maintained primarily for the benefit of persons substantially all of whom are non-resident aliens with respect to the United States of America; or
 - (k) any other person or entity whose ownership of Units or solicitation for ownership of Units the Manager through its officers shall determine may violate any securities law of the United States of America or any state or other jurisdiction thereof.

Except that “US Person” shall not include any eligible investor or any person or entity, notwithstanding the fact that such person or entity may come within any of the categories referred to above, as to whom the Manager shall determine that ownership of Units or solicitation for ownership of Units shall not violate any securities law of the United States of America or any state or other jurisdiction thereof.

All US residents and citizens should note the requirements of the Foreign Account Tax Compliance Act (FATCA). Please refer to the ‘Taxation’ section of this Prospectus.

Execution

The Manager will execute purchases, sales and switches of units in the Funds. However, the execution of purchases and sales of underlying investments will be undertaken by the relevant Investment Advisers who are required to comply with their own execution policies. A copy of LIP’s execution policy are available on request by either accessing the information on our web-site www.liontrust.co.uk or by contacting our Administration Enquiries team on 0344 892 0349.

Voting

The Manager will delegate the exercise of voting rights in relation to underlying investments to the Investment Adviser who votes in accordance with their voting policy. A copy of LIP’s voting policy is available on request by accessing the information on our web-site www.liontrust.co.uk.

Conflicts of Interest

The Manager’s Conflicts of Interest Policy document summarises the conflicts of interest policy which Liontrust has in place under the EU Markets in Financial Instruments Directive (“MiFID”) to meet its obligations to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflicts of interests. This document provides key information designed to enable Unitholders and others to understand the measures Liontrust takes to safeguard their interests from any conflict of interest which arises or may arise in the course of providing investment services. A copy of the Conflicts of Interest Policy is available from the Manager on request.

Appointment in respect of other funds

Subject to compliance with COLL, the Manager and other entities within the Manager's group may, from time to time, act as investment managers or advisers to other funds or sub-funds, which follow similar investment objectives to those of the Funds. It is therefore possible that the Manager may in the course of its business have potential conflicts of interest with or a Fund. For example, transactions may be effected in which the Manager has, either directly or indirectly, an interest which may potentially involve a conflict with its obligations to a Fund. The Manager will, however, have regard in such event to its obligations under the Manager Agreement and, in particular, to its obligation to act in the best interests of the Funds so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise.

The Trustee

The Trustee may, from time to time, act as the depositary of other companies.

At the request of the Manager, the Trustee or any associate of the Trustee may (subject to COLL) hold money on deposit from, lend money to, or engage in stock lending transactions in relation to the Funds, so long as the services concerned are provided on arm's length terms.

Transactions by affected persons

COLL contains provisions on conflicts of interest governing any transaction concerning the Funds which is carried out by or with any "affected person", which means the Funds, an associate of the Funds, the Manager, an associate of the Manager, the Trustee, an associate of the Trustee, any investment manager and any associate of any investment manager.

These provisions, among other things, enable an affected person: (a) to sell or deal in the sale of property to the Funds or the Trustee for the account of the Funds; (b) vest property in the Funds or the Trustee against the issue of Shares in the Funds; (c) purchase property from the Funds (or the Trustee) acting for the account of the Funds; (d) enter into a stock lending transaction in relation to the Funds; or (e) provide services for the Funds. Any such transactions with or for the Funds are subject to best execution on exchange, or independent valuation or arm's length requirements as set out in COLL. An affected person carrying out such transaction is not liable to account to the Trustee, the Manager, any other affected person, or to the holders of Shares or any of them for any benefits or profits thereby made or derived.

Investment of the property of the Funds may be made on arm's length terms through a member of an investment exchange (acting as principal) who is an affected person in relation to the Manager. Neither the Manager nor any such affected person will be liable to account to the Funds or to the Unitholders for any profit made or derived out of such dealings.

Determination by Manager of the terms of its appointment

The Manager is entitled at its own discretion to determine the terms of its appointment as such, and consequently amend the terms of the Manager Agreement referred to in the paragraph above. The Trustee, the Manager, or any investment manager or any associate of any of them will not be liable to account to the Funds or any other person, including the Unitholders or any of them, for any profit or benefit made or derived from or in connection with:

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

Lending by the Trustee

Investors should note that the Trustee may from time to time provide the Funds with a lending facility in accordance with the Regulations..

Best Execution

Under the EU Markets in Financial Instruments Directive (MiFID) and COBS 11.2 of the Financial Conduct Authority Handbook, Liontrust is required to take all reasonable steps to obtain the best possible result (or “best execution”) when executing orders on behalf of its clients. These rules require firms to put in place an execution policy which sets out how it will obtain best execution for its clients and to provide appropriate information to its clients on its order execution policy. A copy of the Policy is available on the Manager’s website or from the Manager on request.

Pricing Errors

Where a pricing error occurs on the valuation of one of the funds, Liontrust will take no action if the impact is less than 0.50%. Where the impact of the pricing error is greater than 0.50% and is regarded as material, Liontrust will take such action as to ensure that unitholders are not disadvantaged as a result of the error. Notwithstanding the above, Liontrust reserves the right to apply a de-minimus on payments of less than £10 per unitholder before a compensation payment will be made.

Securities Financing Transactions Disclosures

The Manager is, as “UCITS manager” of the Funds, subject to the provisions of the European Regulation on Reporting and Transparency of Securities Financing Transactions (“SFTR”). Amongst other things, SFTR sets out certain disclosure requirements regarding the Manager’s (and therefore the Investment Adviser’s) use of certain securities financing transactions:

- (a) The Funds may use securities financing transactions (“SFT”, as defined in SFTR as a repurchase or reverse-repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction or a margin lending transaction (in each case as further defined in SFTR)) for efficient portfolio management purposes and total return swaps (“TRS”). The limitations on their use are explained in the section of this Prospectus entitled “Investment Restrictions”. The Funds’ use of SFT and TRSs is consistent with its investment objective and policy and accordingly SFTs and TRSs may be used to reduce risk, reduce cost and/or generate additional capital or income with a risk level that is consistent with that of the Funds and the risk diversification rules laid down in the COLL Sourcebook.
- (b) As is required by SFTR, the Manager will disclose in its annual report certain information regarding its use of SFTs and TRSs. Subject to the limitations referred to in (a) above, any assets of the Fund may be subject to SFTs or TRSs. 100% of the Fund’s assets may be the subject of any SFT or TRS with an expectation that at any time, no more than 20% of the Fund’s assets may be subject to such arrangements.
- (c) As described in the section of this Prospectus headed “Investment Restrictions” SFTs and TRSs will only be entered into with “approved counterparties” as defined in the FCA Handbook.
- (d) As collateral in connection with SFTs and TRSs, the Fund will accept cash and government-issued bonds of any maturity that comply with the following criteria:
 - i. i) Liquidity: bond collateral must be liquid and able to be traded at a price that is reasonably close to its pre-sale valuation;
 - ii. Valuation: bond collateral must be capable of being valued on a daily basis, and assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place;
 - iii. Issuer credit quality: collateral must be of relatively low credit risk when received;
 - iv. Correlation: collateral must be expected not to display a high correlation with the performance of the counterparty; and
 - v. Diversification: collateral that is in a currency of a G-7 country or issued by a G-7 country with a long-term rating of AA- or higher from Standard & Poors is not subject to diversification requirements. Other collateral from any country or single issuer must not, in aggregate from all recipients, be more than 20% of the Fund’s Net Asset Value.

Collateral received must be capable of being enforced by the Fund in the event of default without reference to or approval by the party providing the collateral.

- (e) Exposures and collateral value will typically be marked to observable market values each business day.

To the extent practicable, the prices will be determined from reputable pricing sources, reflecting recently traded prices. Where the Fund has a contractual entitlement to receive a material amount of collateral as variation margin then the Fund has a policy to request delivery of collateral.

The entitlement of the Fund to receive collateral will be determined as a matter of contract. The Fund will typically endeavour to negotiate terms that allow the Fund to collect variation margin in respect of mark-to-market

movements in favour of the Fund. However, in keeping with normal commercial practice of large dealers in SFTs and TRSs, it is common for the Fund to have to agree to deliver initial margin to dealer counterparties on SFTs and TRSs. This initial margin amounts to a debt obligation of the dealer and is a credit risk on that dealer. Any collateral entitlement of the Fund is typically calculated net of the initial margin requirement, meaning that the aggregate collateral received on the SFTs and TRSs will typically be less than the mark-to-market value in favour of the Fund.

- (f) The type of acceptable collateral as well as the diversification requirements are explained in the section of this Prospectus entitled “Investment Restrictions”.
- (g) Any collateral obtained by the Funds pursuant to an SFT shall be valued in accordance with the Manager’s valuation policy detailed in the section of this Prospectus entitled “Valuation of Property” but subject to the Manager’s haircut policy as described in the section of this Prospectus entitled “Investment Restrictions”. Such haircut policy accounts for the fact that the valuation of the collateral or liquidity profile may deteriorate over time.
- (h) The section of this Prospectus entitled “Specific Risk Factors” provides a description of the risks linked to the use of derivatives together with liquidity risk and counterparty risk.
- (i) The assets of the Funds that are subject to any SFT and TRS and any collateral received in connection with such arrangements are maintained by held via a tri-party collateral manager or are otherwise held in a segregated collateral account at Euroclear.
- (j) The Fund will have a significant credit and operational risk exposure to its counterparties which will require the Fund to pool collateral to support its obligations in connection with certain of its financing arrangements. This includes the credit risk created by the Fund delivering initial margin on SFTs and TRSs. Generally, counterparties will have the right to sell, pledge, re-hypothecate, assign, use or otherwise dispose of the collateral pooled by the Fund in connection with such transactions. Additionally, the Fund may lend securities on a collateralised or an uncollateralised basis.
- (k) The reuse of collateral is limited by the COLL Sourcebook to certain asset classes. Further the reuse should not result in a change to the Funds’ investment objectives to add substantial risks to the Funds’ risk profile. The section of the Prospectus entitled “Investment Restrictions” sets out the relevant diversification requirements.
- (l) As explained in the section of this Prospectus entitled “Derivatives – Efficient Portfolio Management”, the income received from SFTs will either be retained by the Fund or as in the case of stock lending is split between the Fund and the Manager for the administration of the stock lending on behalf of the Fund and the Global Sub-Custodians (related parties to the Trustee) who will manage the SFT activity.

Data Protection Notice

The Manager is a Data Controller and Data Processor within the meaning of the Data Protection Acts and undertakes to hold, process and be responsible for the destruction of personal information provided by investors in confidence and in accordance with the Data Protection Acts.

By signing the application form, prospective investors consent to the recording of telephone calls made to and received from investors by the Manager, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

Prospective investors should note that by completing the Application Form they are providing information to the Manager which may constitute personal data within the meaning of data protection legislation in the UK. This data will be used for the purposes of client identification and the subscription process, administration, transfer agency, statistical analysis, market research and to comply with any applicable legal or regulatory requirements, disclosure to the Manager (its delegates and agents) and, if an applicant’s consent is given, for direct marketing purposes.

Data may be disclosed and / or transferred to third parties including:

- (a) regulatory bodies, tax authorities; and
- (b) delegates, advisers and service providers of the Manager and their or the Manager’s duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in the UK) for the purposes specified. For the avoidance of doubt, each service provider to the Manager (including the Investment Adviser, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies) may exchange the personal data, or information about the investors in the Funds, which is held by it with another service provider to the Manager.

Personal data will be obtained, held, used, disclosed and processed for any one or more of the purposes set out in

the application form.

Investors have a right to obtain a copy of their personal data kept by the Manager and the right to rectify any inaccuracies in personal data held by the Company. As of 25 May 2018 being the date the General Data Protection Regulation (EU 2016/679) comes into effect, investors will also have a right to be forgotten and a right to restrict or object to processing in a number of circumstances. In certain limited circumstances a right to data portability may apply. Where investors give consent to the processing of personal data, this consent may be withdrawn at any time.

APPENDIX 1

Valuation of the Funds

For all of the Funds with the exception of the Liontrust European Dynamic Fund, the valuation will be in two parts: one on an issue basis, which will form the basis of the price at which units are issued (issue price) by the Funds; the other on a cancellation basis, which will form the basis of the price at which units are cancelled (cancellation price) by the Funds. The Manager is able to set a dealing spread between the maximum sale price (issue price plus the initial charge) and cancellation price, and to determine where dealing prices should lie within a range between the maximum sale price and the cancellation price.

Value of the property of the Funds

For all funds with the exception of the Liontrust European Dynamic Fund, the Manager must prepare each valuation on two bases, reflecting the differing bid and offer valuations of underlying assets where it is normal for such differences to be quoted..

The value of the property of a Fund must be valued at fair value and shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

All the property of a Fund (including receivables) is to be included, subject to the following provisions.

“Dealing Costs” means any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction. On the issue basis, Dealing Costs excludes any initial charge on the sale of units in the Fund. On the cancellation basis, Dealing Costs includes any charge payable on redemption of units (taking account of any expected reduction), except where the Manager of the Fund is also the authorised fund manager, or an associate of the authorised fund manager, of the fund whose units or shares form part of that property.

Property which is not cash (or other assets identified 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:

Units or shares in a collective investment scheme:

- if a single price for buying and selling units or shares is quoted, at that price (plus the initial charge minus any expected discount (plus Dealing Costs including any SDRT provision)) for valuations on an issue basis but where the Manager of the Fund is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Fund, must not include an initial charge which would be payable in the event of a purchase by the Fund of those units or shares; and at that price (less Dealing Costs) on a cancellation basis; or
- if separate buying and selling prices are quoted, at the most recent maximum sale price less any expected discount (plus Dealing Costs) when valuing on an issue basis but where the Manager or an associate of the Manager is also the Manager or authorised corporate director of the collective investment scheme whose units are held by the Fund, the issue price shall be taken instead of the maximum sale price; and the most recent cancellation price less Dealing Costs on a cancellation basis; or
- if, in the opinion of the Manager, 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 Manager's reasonable estimate of the value of the units or shares, at a value which, in the opinion of the Manager, is fair and reasonable.

Any other transferable security:

- if a single price for buying and selling the security is quoted, at that price (plus Dealing Costs) for valuations on an issue basis; and at that price (less Dealing Costs) on a cancellation basis; or

- if separate buying and selling prices are quoted, at the best available market dealing offer prices on the most appropriate market in a standard size (plus Dealing Costs) for valuations on an issue basis; and best available market dealing bid price on the most appropriate market in a standard size (less Dealing Costs) for valuations on a cancellation basis; or
- if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, or if the most recent price available does not reflect the Manager's reasonable estimate of the value of the security, at a value which, in the opinion of the Manager, is a fair and reasonable estimate of a buyer's price (plus Dealing costs) for valuations on an issue basis; and a fair and reasonable estimate of a seller's price (less Dealing Costs) for valuations on a cancellation basis.

Property other than units or shares in a collective investment scheme and other transferable securities:

- at a value which, in the opinion of the Manager, is a fair and reasonable estimate of a buyer's price (plus Dealing Costs) for valuations on an issue basis and a fair and reasonable estimate of a seller's price (less Dealing Costs) for valuations on a cancellation basis. The buyer's price or the seller's price is the consideration which would be paid or received by a buyer or seller, as appropriate, for an immediate transfer or assignment to him at arm's length.

Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values for valuations on both an issued and cancellation basis.

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

- if 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 on both an issue and cancellation basis but in the case of the calculation of the issue basis, deduct and in the case of the calculation of the cancellation basis add Dealing Costs. If the Property is an off-exchange derivative the method of valuation shall be agreed between the Manager and Trustee;
- if an off-exchange future, include at the net value of closing out, estimating the amount of profit or loss receivable or incurable by the Fund on closing out the contract and deducting minimum Dealing Costs in the case of profits and adding them back in the case of loss. If the Property is an off-exchange derivative in accordance with a valuation method, on both an issue and cancellation basis, agreed between the Manager and the Trustee;
- if any other forms of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value) on both an issue and cancellation basis. If the property is an off-exchange derivative, include at a valuation method agreed between the Manager and the Trustee.

In determining the value of the property of a Fund, all instructions given to issue or cancel units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

Subject to the next paragraph, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission will not materially affect the final net asset amount.

Futures or contracts for differences which are not yet due to be performed, and written or purchased options which have not expired or been exercised, shall not be included in the above paragraph. All agreements are to be included under the above paragraph which are, or ought reasonably to have been, known to the person valuing the property.

Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax (both realised and unrealised gains), income tax, corporation tax, value added tax and stamp duty reserve tax and any other fiscal charge not covered under this deduction.

Deduct an estimated amount for any liabilities payable out of the Fund property and any tax thereon treating periodic items as accruing from day to day.

Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.

Deduct the value of any option written (if the premium for writing the option has become part of the scheme property).

Deduct, in the case of a margined contract, any amount reasonably anticipated to be paid by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then payable, and the price of the contract at the valuation point).

Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable and any stamp duty reserve tax provision anticipated to be received.

Add any other credits or amounts due to be paid into the property of the Fund.

Add, in the case of a margined contract, any amount reasonably anticipated to be received by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then receivable, and the price of the contract at the valuation point).

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 unitholders or potential unitholders.

Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

Property which is a derivative constituting a contingent liability transaction shall be treated as follows:

- i. if a written option (and the premium for writing the option has become part of the scheme property) include an amount equivalent to the value net of premium on closing out the contract (whether as a positive or negative value). On expiry, where the contract remains unexercised and is “out-of-the-money”, no value will be attributable to the contract, other than by way of the premium received or receivable;
- ii. if a purchased option (and the premium for purchasing the option has been paid from the scheme property) include an amount equivalent to the value net of premium on closing out the contract (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded.) On expiry, where the contract remains unexercised and is “out-of-the-money”, no value will be attributable to the contract, other than by way of the premium paid or payable;
- iii. if an exchange-traded future or any other form of contingent liability transaction, include at the value net of margin on closing out the contract (estimated on the basis of the amount of variation margin (whether receivable or payable by the Fund on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded; and
- iv. if an off-exchange future or contract for differences (“OTC derivatives”) or forward foreign exchange contract, include at the net value of closing out the contract (estimated on the basis of the amount of profit or loss receivable or payable by the Fund on closing out the contract in accordance with the valuation methods in COLL 5.2.23R).

Liontrust European Dynamic Fund

For the Liontrust European Dynamic Fund a single price is calculated and units in the Fund will be issued or cancelled at this same single price.

The Manager will prepare each valuation on a single-price basis, reflecting the mid-market valuations of underlying assets.

The value of the property of the Scheme must be valued at fair value and shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

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

Property which is not cash (or other assets identified 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:

Units or shares in a collective investment scheme:

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

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

(iii) if, in the opinion of the Manager, 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 Manager's reasonable estimate of the value of the units or shares, at a value which, in the opinion of the Manager, is fair and reasonable.

Any other transferable security:

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

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

Property other than units or shares in a collective investment scheme and other transferable securities:

at a value which, in the opinion of the Manager, is a fair and reasonable estimate of a mid-market price.

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

Property which is a derivative constituting a contingent liability transaction shall be treated as follows:

(i) if a written option (and the premium for writing the option has become part of the scheme property) include an amount equivalent to the value net of the premium on closing out the contract (whether as a positive or negative value). On expiry, where the contract remains unexercised and is "out-of-the-money", no value will be attributable to the contract, other than by way of the premium received or receivable.

(ii) if a purchased option (and the premium for purchasing the option has been paid from the property of the Scheme) an amount equivalent to the value net of the premium on closing out the contract (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded.) On expiry, where the contract remains unexercised and is "out-of-the-money", no value will be attributable to the contract, other than by way of the premium paid or payable.

(iii) if an exchange-traded future or any other form of contingent liability transaction, include at the value net of margin on closing out the contract (estimated on the basis of the amount of variation margin (whether receivable or payable by the Fund on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded).

(iv) if an off-exchange future or contract for differences ("OTC derivatives") or forward foreign exchange contract, include at the net value of closing out the contract (estimated on the basis of the amount of profit or loss receivable or payable by the Fund on closing out the contract in accordance with the valuation methods in COLL 5.2.23R.)

In determining the value of the property of the Scheme, all instructions given to issue or cancel units shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

Subject to the next paragraph, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission will not materially affect the final net asset amount.

Futures or contracts for differences which are not yet due to be performed, and written or purchased options which have not expired or been exercised, shall not be included in the above paragraph. All agreements are to be included under the above paragraph which are, or ought reasonably to have been, known to the person valuing the property.

Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax (both realised and unrealised gains), income tax, corporation tax, value added tax and stamp duty reserve tax and any other fiscal charge not covered under this deduction.

Deduct an estimated amount for any liabilities payable out of the property of the Scheme and any tax thereon treating periodic items as accruing from day to day.

Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.

Deduct the value of any option written (if the premium for writing the option has become part of the property of the Scheme).

Deduct, in the case of a margined contract, any amount reasonably anticipated to be paid by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then payable, and the price of the contract at the valuation point).

Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable and any stamp duty reserve tax provision anticipated to be received.

Add any other credits or amounts due to be paid into the property of the Scheme.

Add, in the case of a margined contract, any amount reasonably anticipated to be received by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then receivable, and the price of the contract at the valuation point).

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 unitholders or potential unitholders.

Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

APPENDIX 2

Eligible Markets

A securities market is an eligible market if it is a regulated market (as defined for the purposes of COLL), a market in the United Kingdom or a state within the European Economic Area which is regulated, operates regularly and is open to the public, or any market listed below:

- a. Alternative Investment Market (for Liontrust UK Smaller Companies Fund, Liontrust Special Situations Fund, Liontrust UK Growth Fund and Liontrust UK Micro Cap Fund only)
- b. NYSE Euronext - LIFFE
- c. Aquis Exchange (for Liontrust UK Smaller Companies Fund and Liontrust UK Micro Cap Fund only)
- d. SIX Swiss Exchange (Liontrust UK Growth Fund, Liontrust Special Situations Fund, Liontrust European Dynamic Fund)

**APPENDIX 3
SUB-CUSTODIANS**

Country/Market	Subcustodian	Address
Argentina	The Branch of Citibank, N.A. in the Republic of, Argentina	Ciudad de Buenos Aires
Australia	Citigroup Pty Limited	Melbourne
Australia	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Austria	UniCredit Bank Austria AG	Vienna
Bahrain	HSBC Bank Middle East Limited	Kingdom of Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Belgium	The Bank of New York Mellon SA/NV	Brussels
Bermuda	HSBC Bank Bermuda Limited	Hamilton
Botswana	Stanbic Bank Botswana Limited	Gaborone
Brazil	Citibank N.A., Brazil	Sao Paulo
Brazil	Itaú Unibanco S.A.	Sao Paulo
Bulgaria	Citibank Europe plc, Bulgaria Branch	Sofia
Canada	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
Cayman Islands	The Bank of New York Mellon	New York
Channel Islands	The Bank of New York Mellon	New York
Chile	Banco Santander	Santiago
China	HSBC Bank (China) Company Limited	Shanghai
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
Costa Rica	Banco Nacional de Costa Rica	San José
Croatia	Privredna banka Zagreb d.d.	Zagreb
Cyprus	Citibank Europe Plc, Greece Branch	Athens
Czech Republic	Citibank Europe plc, organizacni slozka	Prague
Denmark	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Egypt	HSBC Bank Egypt S.A.E.	Cairo
Estonia	SEB Pank AS	Tallinn
Euromarket	Clearstream Banking S.A.	Luxembourg
Euromarket	Euroclear Bank SA/NV	Brussels
Finland	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
France	BNP Paribas Securities Services S.C.A.	Pantin

France	The Bank of New York Mellon SA/NV	Brussels
Germany	The Bank of New York Mellon SA/NV	Frankfurt
Ghana	Stanbic Bank Ghana Limited	Accra
Greece	Citibank Europe Plc, Greece Branch	Athens
Hong Kong	Citibank N.A. Hong Kong	Hong Kong
Hong Kong	Deutsche Bank AG	Hong Kong
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Hungary	Citibank Europe plc. Hungarian Branch Office	Budapest
Iceland	Landsbankinn hf.	Reykjavik
India	Deutsche Bank AG	Mumbai
India	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Indonesia	Standard Chartered Bank, Indonesia Branch (SCB)	Jakarta
Ireland	The Bank of New York Mellon	New York
Israel	Bank Hapoalim B.M.	Tel Aviv
Italy	The Bank of New York Mellon SA/NV	Brussels
Japan	Mizuho Bank, Ltd.	Tokyo
Japan	MUFG Bank, Ltd.	Tokyo
Jordan	Bank of Jordan	Amman
Kazakhstan	Citibank Kazakhstan Joint-Stock Company	Almaty
Kenya	Stanbic Bank Kenya Limited	Nairobi
Kuwait	HSBC Bank Middle East Limited, Kuwait	Safat
Latvia	AS SEB banka	Kekavas novads
Lithuania	AB SEB bankas	Vilnius
Luxembourg	Euroclear Bank SA/NV	Brussels
Malawi	Standard Bank PLC	Lilongwe
Malaysia	Standard Chartered Bank Malaysia Berhad (SCB)	Kuala Lumpur
Malta	The Bank of New York Mellon SA/NV	Frankfurt
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	Ebene
Mexico	Banco Nacional de México S.A. Integrante del Grupo Financiero Banamex	Ciudad de Mexico
Mexico	Banco S3 CACEIS Mexico, S.A., Institución de Banca Múltiple	Ciudad de Mexico
Morocco	Citibank Maghreb S.A.	Casablanca
Namibia	Standard Bank Namibia Limited	Kleine Kuppe, Windhoek

Netherlands	The Bank of New York Mellon SA/NV	Brussels
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	Auckland
Nigeria	Stanbic IBTC Bank Plc.	Lagos
Norway	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Oman	Standard Chartered Bank Oman branch	Muscat
Pakistan	Deutsche Bank AG	Karachi
Panama	Citibank N.A., Panama Branch	Panama City
Peru	Citibank del Peru S.A.	Lima
Philippines	Standard Chartered Bank, Philippines Branch	Makati City
Poland	Bank Polska Kasa Opieki S.A.	Warszawa
Portugal	Citibank Europe Plc	Dublin
Qatar	Qatar National Bank	Doha
Qatar	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Romania	Citibank Europe plc Dublin, Romania Branch	Bucharest
Russia	AO Citibank	Moscow
Russia	PJSC ROSBANK	Moscow
Saudi Arabia	HSBC Saudi Arabia	Riyadh
Serbia	UniCredit Bank Serbia JSC	Belgrade
Singapore	DBS Bank Ltd	Singapore
Singapore	Standard Chartered Bank (Singapore) Limited	Singapore
Slovak Republic	Citibank Europe plc, pobočka zahraničnej banky	Bratislava
Slovenia	UniCredit Banka Slovenija d.d.	Ljubljana
South Africa	Standard Chartered Bank, Johannesburg Branch	Sandton
South Africa	The Standard Bank of South Africa Limited	Johannesburg
South Korea	Deutsche Bank AG	Seoul
South Korea	The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch	Seoul
Spain	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
Spain	CACEIS Bank Spain, S.A.U.	Madrid
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Sweden	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Switzerland	Credit Suisse (Switzerland) Ltd.	Zurich

Switzerland	UBS Switzerland AG	Zurich
Taiwan	HSBC Bank (Taiwan) Limited	Taipei City
Tanzania	Stanbic Bank Tanzania Limited	Dar es Salaam
Thailand	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
Tunisia	Union Internationale de Banques	Tunis
Turkey	Deutsche Bank A.S.	Istanbul
U.A.E.	HSBC Bank Middle East Limited (HBME)	Dubai
U.K.	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	London
U.K.	The Bank of New York Mellon	New York
U.S.A.	The Bank of New York Mellon	New York
U.S.A. Precious Metals	HSBC Bank, USA, N.A.	New York
Uganda	Stanbic Bank Uganda Limited	Kampala
Ukraine	JSC "Citibank" Full name Joint Stock Company "Citibank"	Kiev
Uruguay	Banco Itaú Uruguay S.A.	Montevideo
Vietnam	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City
WAEMU	Société Générale Côte d'Ivoire	Abidjan
Zambia	Stanbic Bank Zambia Limited	Lusaka
Zimbabwe	Stanbic Bank Zimbabwe Limited	Harare

Note: Benin, Burkina-Faso, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal and Togo are members of the West African Economic and Monetary Union (WAEMU).

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