Jessop Fund Managers

Prospectus

Jessop (AAM) Personal Pension Trust

This document is issued as at 6 December 2007

This document constitutes the Prospectus for Jessop (AAM) Personal Pension Trust (the "Scheme") which has been prepared in accordance with the Financial Services and Markets Act 2000 (the "Act") and the Collective Investment Schemes Sourcebook (or COLL) (the "Regulations") and the principal trust deed for the Scheme dated ** (the "Principal Trust Deed and Rules"). Copies of the Prospectus have been sent to both the FSA and the Trustee.

This Prospectus is important and you should read all of the information contained in it carefully. If you are in any doubt as to the meaning of any information contained in this Prospectus, you should consult either the Manager or your financial adviser.

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PROSPECTUS

JESSOP (AAM) PERSONAL PENSION TRUST (the “Scheme”)

1 THE MANAGER

1.1 The Manager of the Scheme is Jessop Fund Managers Limited (the “Manager”). The Manager is authorised and regulated by The Financial Services Authority (the “FSA”) of 25 The North Colonnade, Canary Wharf, London E14 5HS. The Manager is a private company limited by shares and incorporated in England and Wales (company number 2419491) on 4th April 2006 with its Registered Office at Pegasus House, Kings Business Park, Liverpool Road, Prescot, Merseyside L34 1PJ.

1.2 The Manager’s authorised share capital is 500,000 ordinary shares of £1 each of which 500,00 ordinary shares have been issued and fully paid. The Manager is a wholly owned subsidiary of Vertex Administration Limited.

1.3 The Directors of the Manager are as follows:

1.3.1 David Michael Child

1.3.2 Jeffrey Chittenden

1.3.3 Stephan Dewi Forster

1.3.4 Richard Graham

1.3.5 Paul Jonathan Ewart Holden

1.3.6 Keith Robert Lionel Luckhoo

1.3.7 Dale Shepard

1.3.8 Sally Stephens

1.4 The Manager also manages the following Authorised Scheme for which a separate prospectus is available:

Jessop Personal Pension Trust

1.5 The Manager may delegate its management and administration of the Scheme to third parties including associates, subject to the rules in the Regulations.

2 THE TRUSTEE

2.1 The Trustee is ABN AMRO Mellon Global Securities Services B.V. The Trustee is a private company limited by shares and incorporated in the Netherlands. Its registered and head office is PO Box 79007, 1070 NB Amsterdam, The Netherlands. Its principal place of business in the United Kingdom is 160 Queen Victoria Street, London, EC4V 4LA.

2.2 ABN AMRO Mellon Global Securities Services B.V. is jointly owned by ABN AMRO Bank N.V. (incorporated in the Netherlands) and Mellon Financial Corporation (incorporated in the United States of America). The two shareholders each hold 50% of the equity in the company.

2.3 The principal business activity of the Trustee is the provision of global custody and related services, including trustee and depositary services. The trustee is authorised by the Dutch Central Bank (DE Nederlandsche Bank) and regulated by both the De Nederlandsche Bank and the Financial Services Authority.

3 THE INVESTMENT ADVISER

3.1 Aberdeen Asset Managers Limited (“AAM”) is Investment Adviser to the Underlying Funds. AAM is a private limited company incorporated in Scotland with its Registered office and principal place of business at 10 Queen’s Terrace, Aberdeen, AB10 1YG. AAM is authorised and regulated by the FSA.

3.2 The principal business activity of the Investment Adviser is the management of equity and fixed interest investments.

4 PROVISION OF ADMINISTRATION SERVICES

4.1 The Manager is the administrator of the Scheme.

4.2 The Manager has delegated the provision of the administration of the Scheme to Vertex Administration Limited, a company limited by shares and incorporated in England and Wales on 8 June 1987 with its Registered Office at Pegasus House, Kings Business Park, Liverpool Road, Prescot, Merseyside L34 1PJ.

5 PROVISION OF FUND ACCOUNTING SERVICES AND DEALING AND TRANSFER AGENCY

5.1 The Manager employs Mellon Bank N.A. of 160 Queen Victoria Street, London EC4V 4LA to provide fund accounting services to the Constituent Funds comprising the Scheme and to act as dealing and transfer agents.

5.2 Mellon Bank N.A. is authorised and regulated by the FSA.

6 REGISTER OF UNITHOLDERS

6.1 Mellon Bank N.A. maintains the Register of Unitholders of the Scheme.

6.2 The Register of Unitholders of the Scheme is kept and can be inspected at Mellon House, Ingrave Road, Brentwood, Essex, CM15 8TG.

7. AUDITORS OF THE SCHEME

7.1 PricewaterhouseCoopers LLP of Southwark Towers, 32 London Bridge, London SE1 9YS are employed by the Manager as auditors to each Constituent Fund and the Scheme.

8 CONSTITUTION AND OBJECTIVES

8.1 Jessop (AAM) Personal Pension Trust

8.2 Date of Establishment:

[28 September] 2007

8.3 Status:

An authorised unit trust scheme designed as a registered personal pension scheme under the Finance Act 2004 authorised by the Regulations and an appropriate personal pension scheme under the Pension Schemes Act 1993 to provide benefits for Members of the Jessop (AAM) Personal Pension Scheme ("Members").

8.4 Category:

The Scheme is a non-UCITS retail scheme for the purpose of the Regulations and is constituted as an umbrella scheme.

8.5 Investment Objective and Policy:

The objective of the Scheme is to provide Members with capital growth. The Scheme consists of three constituent parts (together the "Constituent Funds" and each individually a "Constituent Fund"). The purpose of each Constituent Fund is to invest in units of a sub-fund of a specific UCITS Scheme each having its own investment policy.

Each of the Constituent Funds would be categorised as a non-UCITS retail scheme for the purpose of the Regulations if it were separately authorised.

8.6 Details of the Constituent Funds are as follows:

8.6.1 The Jessop (AAM) Multi-Asset Personal Pension Fund:

Units in the Constituent Fund are designated as Jessop (AAM) Multi-Asset PPF Units.

The Constituent Fund invests in units of the Aberdeen Multi-Asset Fund ("Multi-Asset Fund") which in turn invests in a portfolio of transferable securities including a concentration of good quality U.K. companies government debt and money market instruments. The Multi-Asset Fund may also invest in overseas stock markets. The investment objective of the Multi-Asset Fund is to provide a long term total return from a diversified portfolio. The Multi-Asset Fund is a sub-fund of Aberdeen Investment Funds ICVC, a UK authorised OEIC.

8.6.2 The Jessop (AAM) Sterling Bond Personal Pension Fund:

Units in the Constituent Fund are designated as Jessop (AAM) Sterling Bond PPF Units.

The Constituent Fund invests in units of the Aberdeen Sterling Bond Fund ("Sterling Bond Fund") which in turn invests in UK transferable securities A proportion may be index-linked. The objective of the Sterling Bond Fund is to achieve an attractive level of total return. The Sterling Bond Fund is a sub-fund of Aberdeen Funds PLC, a Dublin incorporated OEIC.

Government and other public securities are loan stocks, bonds and other instruments issued by Governments or local authorities in the United Kingdom or any Member State of the EU. Securities issued by Governments of other countries listed in the Investment and Borrowing Regulations or by an international organisation of which any EU State is a Member may also be acquired.

8.6.3 The Jessop (AAM) Cash Personal Pension Fund:

Units in the Constituent Fund are designated as Jessop (AAM) Cash PPF Units.

The Constituent Fund invests in units of the Aberdeen Cash Fund ("Cash Fund") which in turn invests in cash deposits, certificates of deposit, treasury bills and commercial paper. All investments will be denominated in sterling and particular emphasis will be placed on the creditworthiness of the borrower. The investment objective of the Cash Fund is to achieve an attractive level of income commensurate with security through its investments. The Cash Fund is a sub-fund of Aberdeen Investment Funds ICVC, a UK authorised OEIC.

8.7 Base Currency:

The base currency of the three Constituent Funds is Pounds sterling.

8.8 Investment Restrictions:

8.8.1 The Constituent Funds:

The Constituent Funds invest in the relevant underlying fund being the Multi-Asset Fund in the case of the Jessop (AAM) Multi-Asset Personal Pension Fund, the Sterling Bond Fund in the case of the Jessop (AAM) Sterling Bond Personal Pension Fund and the Cash Fund in the case of the Jessop (AAM) Cash Personal Pension Fund (together the "Underlying Funds").

8.8.2 The Underlying Funds:

Further information in relation to the Underlying Funds is contained in Appendices A-C as follows:

(a) Multi-Asset Fund – Appendix A;

(b) Sterling Bond Fund – Appendix B; and

(c) Cash Fund – Appendix - C

8.9 Borrowing and Liquidity:

8.9.1 Each Constituent Fund may borrow sums of money repayable out of the property of such Fund in accordance with the Regulations.

8.9.2 The Manager must ensure that the borrowing of each Constituent Fund is not persistent, is on a temporary basis, and in particular must ensure that no period of borrowing exceeds 3 months without the prior consent of the Trustee (who may give such consent only on conditions which ensure that the borrowing does not cease to be temporary). The Manager must in addition ensure that borrowings do not, on any business day, exceed 10% of the value of the Constituent Fund.

8.9.3 Each Constituent Fund may at any time hold cash or near cash where this may reasonably be regarded as necessary in order to enable redemption of units, efficient management of each of the Constituent Funds in accordance with its objectives or other purposes which may reasonably be regarded as ancillary to the objectives of each Constituent Fund.

8.9.4 "Near cash" as defined in the Regulations, means money, deposits or investments, which fall within any of the following:

(a) money deposited with an eligible institution or an approved bank which is in a current account or a deposit account (if the money can be withdrawn immediately and without payment of a penalty exceeding seven days' interest calculated at ordinary commercial rates);

(b) certificates of deposit issued by an eligible institution or an approved bank if immediately redeemable at the option of the unitholder;

(c) government and other public securities, if redeemable at the option of the unitholder or bound to be redeemed within two years;

(d) bills of exchange which are government and public securities; and

(e) deposits with certain kinds of local authority if the money can be withdrawn immediately and without payment of a penalty as in (a) above.

8.9.5 The Manager's investment policy for the Constituent Funds may mean that at times, where it is considered appropriate, the property of a Constituent Fund will not be fully invested and that prudent levels of liquidity will be maintained.

8.10 Stamp Duty Reserve Tax:

8.10.1 SDRT arises on the surrender of units (i.e. their redemption or switching) in the Constituent Funds. The charge is 0.5% of the value of surrenders in the Constituent Fund each week reduced proportionately to the extent of the reduction during that week and the following week. The purchases of units are less by number than surrenders of units, and that investments held by the Constituent Fund are exempt assets.

8.10.2 The Manager has decided that any SDRT will normally be borne by the Constituent Fund whatever the size of the deal. In exceptional cases the manager may look to the unitholder or potential unitholder to pay it, in which case the unit proceeds will be reduced or cost of units increased.

8.10.3 No Constituent Fund has yet made a provision for SDRT and, based on expected transactions in units, the Manager does not expect to do so.

8.11 Winding-up procedure:

8.11.1 The Scheme may be wound up upon the happening of any of the following events:

(a) the order declaring the Scheme to be an authorised unit trust scheme is revoked; or

(b) in response to a request to the FSA by the Manager or the Trustee for the revocation of the order declaring the Scheme to be an authorised unit trust the FSA has agreed, albeit subject to there being no material change in any relevant factor, that, on the conclusion of the winding-up of the Scheme, the FSA will accede to that request.

(c) on the effective date of a duly approved scheme of arrangement which is to result in the Scheme or a Constituent Fund being left with no property.

8.11.2 In addition the Scheme may be wound up by the Manager, who must then notify each Member of his rights and options. This notification must include notice of the Members' rights to a transfer under Rule 15 of the Appendix to the Rules.

8.11.3 On a winding-up the Trustee is required as soon as practicable after the Scheme or Constituent Fund falls to be wound-up, to realise the property of the Scheme or Constituent Fund after paying out or retaining adequate provision for all liabilities payable and for costs of the winding-up and secure each Member's entitlement to benefits in accordance with the Rules.

8.12 Accounting Date:

Final: 31 December

Interim: 30 June

9 UNIT CHARACTERISTICS

9.1 Entitlement of Scheme Property:

The entitlement of each unitholder to participate in the assets less any liabilities of each of the Constituent Funds and the income less any expenses of each of the Constituent Funds is pro-rata to the number of units held by the unitholder and the number of units of such Constituent Funds in issue at any one time. Only accumulation units are issued.

9.2 Liability for debts of the Scheme:

Unitholders are not liable for the debts of the Scheme.

9.3 Contract Notes and Certificates:

Unitholders will not be issued with contract notes or certificates. Records of holdings will be sent in Annual Statements as detailed in Section 14.

9.4 Nature of the Right Represented by Units:

The nature of the right represented by units is that of a beneficial interest under a trust.

9.5 Voting Rights (including powers):

The Manager may requisition a general meeting at any time.

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

Rules for the calling and conduct of meetings of Unitholders and the voting rights of Unitholders at such meetings are governed by the Regulations. At a meeting of Unitholders a resolution put to the vote shall be decided on a show of hands unless a poll is demanded by the Chairman, by the Trustee or by two Unitholders present in person or by proxy. On a show of hands every unitholder who (being an individual) is present in person or, (being a corporation) is present by its representative properly authorised in that regard, has one vote. On a poll every unitholder who is present in person or by proxy has one vote for every complete unit and a further part of one vote proportionate to any fraction of a unit of which he is the unitholder. A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

A corporation being a unitholder may authorise such a person as it thinks fit to act as its representative at any meeting of Unitholders and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual unitholder.

On a poll votes may be given either personally or by proxy.

The Manager and its associates may hold units in the Scheme. They are entitled to receive notice of and attend any meeting but the Manager is not entitled to vote or be counted in the quorum and its units are not regarded as being in issue in relation to such meetings. An associate of the Manager may be counted in the quorum and if in receipt of voting instructions may vote in respect of units held on behalf of a person who, if himself the registered unitholder, would be entitled to vote, and from who the associate has received voting instructions.

10. VALUATIONS OF PROPERTY AND CHARGES

10.1 Frequency:

Valuation takes place on each business day at 12.00 noon for the Constituent Funds.

10.2 Valuation Basis:

The property of the Scheme will be valued on an issue basis and a cancellation basis for the purpose of calculating the issue and cancellation prices of units respectively. These are the prices which the Manager has to pay to the Trustee on the issue of units or which the Manager will receive from the Trustee on the cancellation of units. The Manager deals as principal in units and accordingly the sale/(offer) and redemption/(bid) prices that it publishes from time to time are the prices that are relevant to Unitholders or potential Unitholders. These prices must not be greater than the applicable issue price plus the Manager's preliminary charge on that day, nor less than the cancellation price.

Valuation of the property of the Scheme on an issue basis and a cancellation basis will be carried out in accordance with the rules applicable to dual-priced funds in the Regulations and, subject thereto, in accordance with the following provisions.

Where there are differences of approach in valuing assets or liabilities of a Constituent Fund on an issue basis or cancellation basis, these are highlighted below:

The following section applies to the Constituent Funds and the Underlying Funds.

10.2.1 Property which is not a contingent liability transaction shall be valued on an issue basis as follows:

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

(i) if a single price for buying and selling units or shares is quoted, at the most recent such price; or

(ii) if separate, buying and selling prices are quoted, at the buying price excluding any initial charge included therein; or

(iii) if no price or no recent price exists at a price which in the opinion of the Manager is fair and reasonable for buying such an investment,

The remainder of this section applies to the Underlying Funds only.

(b) any other transferable security:

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

(ii) if separate buying and selling prices are quoted, at the buying 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, at a value which in the opinion of the Manager reflects a fair and reasonable price for buying the investment.

(c) property other than that described in (a) and (b) above:

at a value which, in the opinion of the Manager, represents a fair and reasonable buying price.

10.2.2 Property which is not a contingent liability transaction shall be valued on a cancellation basis as follows:

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

(i) if a single price for buying and selling units or shares is quoted, at the most recent such price; or

(ii) if separate, buying and selling prices are quoted, at the selling price as increased by an exit or redemption charge attributable thereto; or

(iii) if no price or no recent price exists at a price which in the opinion of the Manager is fair and reasonable for selling such an investment.

(b) any other transferable security:

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

(ii) if separate buying and selling prices are quoted, at the selling 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, at a value which in the opinion of the Manager reflects a fair and reasonable price for selling the investment.

(c) property other than that described in (a) and (b) above:

at a value which, in the opinion of the Manager, represents a fair and reasonable selling price.

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

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

(a) if it is a written option (and the premium for writing the option has become part of the scheme property) the amount of the net valuation of premium receivable shall be deducted, if the property is an off-exchange derivative the method of valuation shall be agreed between the Manager and the Trustee;

(b) If it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the Manager and the Trustee;

(c) if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).

10.2.5 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.

10.2.6 Subject to paragraphs 10.2.7 and 10.2.8 below 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 valuation of the scheme property whether carried out on an issue basis or a cancellation basis.

10.2.7 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 10.2.6 above.

10.2.8 All agreements are to be included under paragraph 10.2.6 above which are, or ought reasonably to have been, known to the person valuing the property.

10.2.9 An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax and value added tax will be determined.

10.2.10 An estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day will be deducted.

10.2.11 The principal amount of any outstanding borrowings wherever repayable and any accrued but unpaid interest on borrowings will be deducted.

10.2.12 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.

10.2.13 Any other credits or amounts due to be paid into the scheme property will be added.

10.2.14 A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.

10.2.15 In the event of any conflict arising between any provision of the above valuation provisions and the Regulations, the Regulations shall prevail and these valuation provisions shall be construed and shall take effect accordingly.

10.3 Preliminary Charge:

In payment for carrying out its duties and responsibilities, the Manager is permitted to include in the sale price of the units a maximum initial charge of 7 % of the issue price of the units. At present the initial charge is 4.17% of the issue price of the units, equivalent to 4 % of the offer price.

10.4 Bid/Offer Spread:

The current spread between the published bid and offer prices of the units is 4.00% expressed as a percentage of the offer price. No maximum bid/offer price spread is stipulated in the Principal Trust Deed and Rules, but the Manager may vary the price of units within permitted limits in accordance with the Regulations.

10.5 Remuneration of Manager:

In payment for carrying out its duties and responsibilities, the Manager is currently entitled to a periodic charge at the rate of 1.25% per annum of the value of the Jessop (AAM) Multi-Asset Personal Pensions Fund 1% per annum in case the Jessop (AAM) Sterling Bond Personal Pensions Fund and 0.50% per annum of the value of the Jessop (AAM) Cash Personal Pensions Fund, valued on a basis mid-way between a cancellation basis and an issue basis. The remuneration of the Manager may be paid from the property of the Scheme or from the property of the Underlying Funds. Currently this remuneration is substantially paid from the property of the underlying funds, however in circumstances where this totals less than the percentages stated above, a balancing payment will be made by the Scheme. The total of both payments will not exceed the stated percentages. The periodic charge on any Constituent Fund may be increased up to a maximum of 2% per annum as permitted by the Principal Trust Deed and Rules if:

10.5.1 the Manager has given notice in writing to the Trustee and the Unitholders of his intention to increase the amount currently charged by way of periodic charge;

10.5.2 the Manager has revised this Prospectus to reflect the proposed increase in that amount; and

10.5.3 60 days have elapsed since the revised Prospectus Particulars became available.

The periodic charge accrues daily based on the value of the last valuation point in each proceeding month in respect of the period up to and including the last day of the succeeding month. The periodic charge is payable as soon as practicable after the last business day of each month.

The fees of the Investment Adviser, the Administration Service Providers and the Fund Accounting Service Provider are paid from the Manager's own resources.

10.6 Redemption Charge:

The Manager is authorised at its discretion to deduct and receive for its own account, on the redemption of units, a charge, out of the proceeds of redemption; subject to Section 6.7 of the Regulations. Currently the Manager is not making such a charge. If, at any time in the future, the Manager were to decide to make such a charge, it would, prior to introducing the charge, comply with the relevant requirements of the Regulations, including, not less than 60 days before such an introduction, giving notice to the current Unitholders of that introduction.

10.7 Remuneration of Trustee:

The Trustee is entitled to be paid for its services out of the property of each Constituent Fund, at the rate of 0.0125% per annum plus VAT (if applicable) together with custody fees at the rate of 0.0235% per annum plus VAT (if applicable), and other related charges including a charge of £30 payable out of the property of the Constituent Fund concerned, for transactions in the Underlying Funds. The fee is calculated by reference to the value of the Constituent Fund on the last valuation day of the preceding month. The first will be based on the first Net Asset Value struck. The fee will be paid as soon as practical after the last business day of each month. The Trustee's fees and charges are payable out of the property of each Constituent Fund.

10.8 Auditor's Fees:

The Principal Trust Deed and Rules permits the Auditor's fees, based on time spent, to be paid out of the property of each Constituent Fund.

10.9 Transfer Agency Fees:

Mellon Bank N.A. charges a fee of £45,000 per annum (exclusive of VAT) to the Scheme for transfer agency services. The fee is a charge for registration and servicing costs and covers up to 1200 transactions annually within the Scheme. The fee will be paid monthly in arrears and will be apportioned between, and payable from the assets of, the Constituent Funds according to the funds under management in each Constituent Fund at the end of each month. The fee will be reviewed annually, with such annual review commencing on 1 July 2008.

10.10 Other Expenses:

The following expenses are payable out of the property of each Constituent Fund:

10.10.1 broker's commission, fiscal charges and other disbursements necessary to be incurred in effecting transactions for a Constituent Fund and normally shown in contract notes, confirmation notes and difference accounts;

10.10.2 interest on borrowings permitted under the Scheme and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;

10.10.3 taxation and duties payable in respect of the property of the Scheme, the Principal Trust Deed and Rules or the issue of units;

10.10.4 any costs incurred in modifying the Principal Trust Deed and Rules, including costs incurred in respect of meetings of Unitholders convened for the purposes which include the purpose of modifying the Principal Trust Deed and Rules, where the modification is:

- (i) necessary to implement, or necessary as a direct consequence of, any change in the law (including changes made by the Regulations); or
- (ii) expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interests of Unitholders; or
- (iii) to remove from the Principal Trust Deed and Rules obsolete provisions;

(b) any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager;

(c) certain liabilities arising on a scheme of amalgamation or reconstruction in accordance with the Regulations.

The following expenses, are also permitted to be paid out of the property of a Constituent Fund.

(d) the fees, expenses and disbursements of any agent appointed by the Trustee in connection with its duties in relation to the Scheme and the trusteeship of the Scheme;

(e) the fees, expenses and disbursements of any legal, or accountancy adviser and any valuer, broker, or other professional person appointed by the Trustee in connection with its duties in relation to the Scheme and the trusteeship of the Scheme;

(f) all fees, expenses and disbursements incurred in relation to the acquisition, delivery, holding and disposal of investments and the registration and custody of them or any deposit or loan authorised under the Principal Trust Deed and Rules or the Regulations or otherwise (including bank charges, the charges of agents and nominees, and insurance costs);

(g) all expenses incurred in the collection and distribution of income (including bank charges, professional and accountancy fees, expenses and disbursements bona fide incurred in respect of the computation, claiming or reclaiming of all taxation reliefs and payments);

(h) all expenses incurred in the submission of tax returns;

(i) the fees of the FSA in terms of the FSA Fees Manual or the corresponding periodic fees of any regulatory authority in a country whose territory is outside the United Kingdom in which units in the Scheme are or may be marketed;

(j) expenses incurred as a result of unitisation, amalgamation or reconstruction in accordance with the Regulations;

(k) all such charges, expenses and disbursements properly incurred by the Trustee in performing duties imposed upon it (or exercising powers conferred upon it) by the Regulations and as under the general law the Trustee is entitled to charge to the property of the Scheme;

(l) all expenses incurred by the Trustee in preparing the Trustee's annual report in respect of the Scheme.

10.11 Income Distributions:

For accumulation units the income which would otherwise have been distributed will be retained as part of the capital property of each Constituent Fund at the end of each accounting period so augmenting the value of such units. No additional units are issued for such accumulations of income.

10.12 Allocations of Income:

Only accumulation units are issued and income is retained in each of the Constituent Funds and reflected in the price of units. The net income earned is allocated at the record date for each income allocation. The income allocation dates are 31 December (Final) and 30 June (Interim).

The income available for allocation is determined in accordance with the COLL Sourcebook and the IMA's Statement of Recommended Practice for Accounting Standards for Investment Funds (SORP).

Distributable income comprises all income received or receivable for the account of a Constituent Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Manager considers appropriate, after consulting with that Constituent Fund's auditors, in accordance with the COLL Sourcebook, in relation to taxation and other matters. However, income on debt securities – such as bonds – is calculated on an Effective Yield basis. The Effective Yield basis treats any projected capital gain or loss on a debt security (when compared to maturity or par value) as income and this, together with any future expected income streams on the debt security, is amortised over the life of that debt security (to maturity) to calculate an effective yield which is used for the calculation of distributable income.

On or before the relevant annual income allocation dates for a Constituent Fund, an amount, as determined by the Manager in accordance with the Trust Deed, is allocated to those Unitholders who are entitled to the allocation by evidence of their holding on the register at the previous annual accounting date for the Constituent Fund. If the annual income allocation date is not a business day, the allocation will be made on the next business day.

10.13 Income Equalisation:

An allocation of income (whether annual or interim) made in respect of each unit issued or sold during the accounting period in respect of which that income allocation is made may include income equalisation.

The capital sum representing income equalisation in respect of units of any class issued or sold during the accounting period in respect of which the income allocation is made shall be an amount arrived at by taking either the actual amount of income in question or the aggregate of the amounts of income included in the issue price in respect of units of the class in question issued or sold by the Manager in the course of such period and dividing that aggregate by the number of those units and applying the resultant average to each of the units in question; for this purpose the grouping periods for grouping of units shall be consecutive periods within each annual accounting period, being the interim accounting period or periods determined on by the Manager and specified in the most recently published Prospectus in accordance with Rule 6.8.2 of the Regulations, and the period from the last interim accounting period in an annual accounting period to the last day of the annual accounting period. If there is no interim accounting period in an annual accounting period, grouping is permitted for such annual accounting period.

11 PURCHASE AND REDEMPTION OF UNITS

11.1 Purchase/Redemption Procedure:

Every unitholder has the right to require that the Manager redeem his units on any dealing day unless the value of units which a unitholder wishes to redeem will mean that the unitholder will hold units with a value less than the required minimum holding, in which case the unitholder may be required to redeem his entire holding.

Requests to redeem units may be made to the Manager in writing.

11.2 Documents the Seller will receive:

Cheques in satisfaction of the redemption monies will be issued within four business days of the later of:

11.2.1 receipt by the Manager of the form of sufficient written instructions duly signed by all the unitholder and completed as to the appropriate number of units, together with any other appropriate evidence of title; and

11.2.2 the valuation point following receipt by the Manager of the request to redeem. However, where money is owing on the earlier sale of units and has not been received and cleared then redemption proceeds for those same units will not be sent until such time as the initial money has been received and cleared.

11.3 Direct Issue or Cancellation of units by a Trustee through the Manager:

Not applicable. Units are issued or cancelled by the Manager making a record of the issue or cancellation and of the number of units of each class concerned.

11.4 In specie redemption

In specie redemption is not permitted.

11.5 Dealing Availability:

The Manager is available to receive requests for the purchase, redemption and switching of units on each business day between 9.00 a.m. and 5.00 p.m. Units are only available to Members of the Scheme. The Manager deals at forward prices, that is to say, at the price ruling at the next valuation point. For the purposes of the Regulations a large deal is considered to be a transaction over £15,000.

Contirbutions received on any business day before the dealing cut-off of 9.00 a.m. will be priced by reference to that day's valuation. Contributions received after the dealing cut-off of 9.00 a.m. will be priced by reference to the next day's valuation.

11.6 Dealing Procedure:

Units in the Scheme may be purchased by completing an application form and returning it to the Manager, together with a Certificate of Eligibility, where applicable. All units issued will be held by the Manager as nominee for the Members. The Manager's entitlement to units will be evidenced by computer and other records maintained by the Manager. Each Member's entitlement to units will be evidenced by written periodic statements from the Scheme Administrator, which will be sent to Members annually as well as on request.

11.7 Switching Procedure:

A Member wishing to change the spread of investments by switching from one Constituent Fund to another should write to the Manager stating the instructions.

This will be treated as a request for redemption of units held in one Constituent Fund and the issue of units in exchange in another Constituent Fund as may be notified to the Manager. No preliminary charge will be added to the issue price of units issued in exchange when determining the maximum issue price of such units.

No charge will be made from one Constituent Fund to another.

In no circumstances will a Member who exchanges rights or units in one part of the Scheme for rights or units in another part of the Scheme be given a right by law to withdraw from or cancel the transaction. A switch from one Constituent Fund to another will constitute a disposal for UK tax purposes but, as the Scheme is an approved Personal Pension Scheme, will not result in a charge to taxation.

11.8 Minimum Holding:

There is no minimum amount or holding which may be invested or redeemed.

11.9 Suspension of Dealings:

The Trustee, or the Manager with the prior agreement of the Trustee, may suspend dealing if due to exceptional circumstances it is in the interests of the Unitholders to do so.

11.10 Time of Valuation:

The calculation of the issue and cancellation prices of units in the Constituent Funds will commence every business day at 12.00 noon.

11.11 Publication of Prices:

The purchase/sale and prices are available on the Manager's website at www.jfml.co.uk or by calling customer services on 0870 601 1131. The cancellation price last advised to the Trustee is available on request.

The Manager is under no obligation to account to the Trustee or to the Unitholders or Members for any profit made on the issue of units or on the reissue or cancellation of units which have been redeemed.

The Manager reserves the right to reject any application in whole or in part where empowered to do so by the Regulations. A purchase or sale of units in writing is a legally binding contract.

11.12 Mandatory Cancellation or Redemption:

In accordance with the Regulations, the provisions for cancellation or redemption on breach of law or rules, contained within the Principal Trust Deed and Rules, will also apply to all Unitholders.

11.13 Redemption or Cancellation of units on breach of law or rules:

The Manager may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no units in the Scheme are acquired or held by any person in circumstances ("Relevant Circumstances"):

11.13.1 which constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or

11.13.2 which would (or would if other units were acquired or held in like circumstances) result in the Scheme incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory);

and, in this connection, the Manager may, inter alia, reject at its discretion any subscription for, sale, exchange or transfer of, units.

If it comes to the notice of the Manager that any units have been acquired or are being held in each case whether beneficially or otherwise in any of the Relevant Circumstances referred to above ("Affected Units") or if it reasonably believes this to be the case the Manager may give notice to the holder of the Affected Units requiring the holder to transfer such units to a person who is qualified or entitled to own the same or to give a request in writing for the redemption or cancellation of such units in accordance with the Regulations. If any person upon whom such a notice is served pursuant to this requirement does not within thirty days after the date of such notice transfer his units to a person qualified to hold the same, or establish to the satisfaction of the Manager (whose judgement shall be final and binding) that he and any person on whose behalf he holds the Affected Units are qualified and entitled to hold the units, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of the Affected Units pursuant to the Regulations.

A person who becomes aware that he has acquired or holds, whether beneficially or otherwise, Affected Units in any of the Relevant Circumstances referred to above shall forthwith, unless he has already received such a notice pursuant to above, either transfer or procure the transfer of all the Affected Units to a person qualified to own the same or give a request in writing or procure that a request is so given for the redemption or cancellation of all the Affected Units pursuant to the Regulations.

When the holder of any units in any unit class fails or ceases for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of units in a manner, in terms of the Scheme making or not making any deduction of United Kingdom tax prior to the distribution or allocation to the holder, as is envisaged for such unit class, he shall, without delay, give notice thereof to the Manager and the Manager shall, upon receipt of such notice, treat the holder concerned as if he had served on the Manager a notice requesting exchange of all of the relevant units owned by such holder for units of the class or classes of units in the Scheme which, in the opinion of the Manager, such holder is entitled to hold and most nearly equate to the class or classes of units being exchanged by that holder.

If at any time the Manager becomes aware that the holder of any units, that make or intend to make distributions or allocations without any tax being deducted or accounted for by the Scheme, has failed or ceased for whatever reason to be entitled to receive distributions or have allocations made in respect of his holding of such units without deduction of United Kingdom tax, then the Manager shall, without delay, treat the holder concerned as if he had served on the Manager a notice requesting exchange of all of the relevant units owned by such holder for units of the class or classes which, in the opinion of the Manager, such holder is entitled to hold and most nearly equate to the class or classes of units held by that holder.

An amount equal to any tax charge incurred by the Scheme or for which the Scheme mat be held liable as a result of an exchange pursuant to the provisions above shall be recoverable from the holder concerned and may be accounted for in any adjustment made of the number of new units to be issued pursuant to the provisions above.

If at any time the Manager is not entitled to receive distributions or have income allocations made in respect of units held by it without deduction of United Kingdom tax and has redeemed, pursuant to the Regulations, any units that make distributions or allocations without any tax being deducted or accounted for by the Scheme, the Manager shall forthwith following such redemption arrange for the Trustee to cancel any such units or (at its discretion) the Manager shall forthwith sell such units to a person who is (or appears to the Manager to be) entitled to hold the same.

12 DEALINGS BY THE MANAGER, THE TRUSTEE AND THE INVESTMENT ADVISER

12.1 The Regulations contain provisions governing any transaction concerning the Scheme which is carried out by or with an "affected person", that is to say:

12.1.1 the Manager;

12.1.2 the Trustee;

12.1.3 any Investment Advisor of the Manager; or

12.1.4 any associate of any person in 12.1.1, 12.1.2 or 12.1.3.

Those provisions enable an affected person to (inter alia) sell or deal in the sale of property to the Trustee for the account of the Scheme; vest property in the Trustee against the issue of units in the Scheme; purchase property from the Trustee acting for the account of the Scheme; or provide services for the Scheme. Any such transactions with or for the Scheme are subject to best execution or (alternatively) independent valuation or arm's length transaction requirements set out in the Regulations. Any services provided for the Scheme must comply with the arm's length transaction requirements.

12.2 Investment of the property of the Scheme may be made on arm's length terms through a Member of an investment exchange (acting as principal) who is an associate of the Manager. Such a person may make a profit out of such dealings, although the Manager will always deal on best execution terms, and neither the Manager nor any such associate will be liable to account for any such profit.

13 TYPICAL INVESTOR PROFILE

It is envisaged that the Constituent Funds will be utilised as a specialist investment vehicle for use primarily by private investors. It is recommended that private individuals who are considering investing in the Constituent Funds seek independent financial advice before doing so.

14 GENERAL INFORMATION

14.1 Annual Statements:

Annual statements are sent to all Members. These statements detail all investments during the fiscal year and the value of the Members' Scheme at the date of the statement.

14.2 Annual and Interim Reports:

Annual and half-yearly Reports are published as at the 31 December and 30 June respectively within four months (for annual reports) and two months (for half-yearly reports) of the end of the periods to which they relate.

14.3 Risk Management:

A statement on the methods used for risk management in connection with the Underlying Funds and quantative limits used together with the current risk yields on the main categories of investment is available from the Manager on request by a unitholder.

14.4 Client Money Account:

Any monies received by Jessop Fund Managers which cannot be invested immediately, whether received by cheque or direct credit into the bank account, will be transferred to the client money account. No interest is payable on monies held in the client money account

14.5 Taxation:

Members are entitled to tax relief on their contributions to the Scheme. A Member may deduct an amount equal to income tax at the basic rate from each contribution they pay. The Scheme Administrator will recover an amount equal to the deduction by making a claim to HM Revenue and Customs. If a Member pays income tax at a rate higher than the basic rate, he may claim repayment of the balance of his tax relief from HM Revenue & Customs.

Pensions paid to Members will be treated as earned income if paid as an entitlement under the terms of a Member's arrangements but as unearned income if paid for a term certain following the death of the Member. Income tax at the basic rate will be deducted from the pension before it is paid.

Income of, and capital gains realised by, the Scheme are not subject to United Kingdom taxation.

14.6 Summary of the Pension Rules:

14.6.1 Tax status - the Scheme is a Scheme designed for registration as a Registered Pension Scheme under Chapter 2 of Part 4 of the Finance Act 2004.

14.6.2 Purpose - the purpose of the Scheme is to provide pension (and lump sums on death) for, and in respect of, Members.

14.6.3 Eligibility - if the Scheme Administrator agrees, any employee who is simultaneously accruing benefits under a retirement benefits scheme of his employer may join the Scheme. If he leaves his employer's compatible scheme while still in service, contributions to the Scheme may be paid directly.

14.6.4 Contributions – these may be made to the Scheme only by a Member. A Member's employer may not make contributions or donations to the Scheme. Contributions must not exceed the annual allowance prescribed under the Finance Act 2004 (this changes from year to year).

14.6.5 Member's benefits – the Scheme will provide money purchase benefits additional to those provided by the employer's' scheme.

14.6.6 All lump sums and pensions payable to a Member must be permitted under the "lump sum rule" and the "pension rules" (respectively) of the Finance Act 2004.

14.6.7 Death benefits - a Member may choose that, if he dies before his pension starts, the value of his account will be used to buy a survivor's pension for one or more of his spouse and dependants. Otherwise the fund will be paid as a lump sum as described in the Rules.

When a Member's pension starts, he may choose a pension that includes a pension for his spouse and/or one or more dependants, payable after the Member dies.

Where a lump sum is paid, it is for the scheme administrator to decide to whom any lump sum is paid. In exercising its discretion, the scheme administrator may take account of (but cannot be bound by) any expression of the Member's wishes and must abide by the Rules as explained above.

All lump sums and pensions payable on a Member's death must be permitted under the "lump sum death benefit rule" and the "pension death benefit rules" (respectively) of the Finance Act 2004.

14.6.8 Transfers - subject to the conditions specified in the rules, a Member may ask for the value of his fund to be transferred to another free standing additional voluntary contributions pension scheme or to another Registered Pension Scheme. Subject to the conditions specified in the Rules, he may ask for the value of his rights under another free standing additional voluntary contributions pension scheme, or the other Registered Pension Scheme, to be transferred to the Scheme.

14.6.9 General rules about benefits - pensions must be provided by a life assurance company or friendly society chosen by the Member or person entitled to the pension, or failing such choice, by the Scheme Administrator. Rights to any pension or lump sum retirement benefit cannot be assigned or surrendered, except that a pension which continues after the pensioner's death may be assigned by his will or in the distribution of his estate. In the event of the Member getting divorced, and if a pension sharing order is received, part or all of the Scheme will may be assigned or surrendered to the ex spouse.

The rules set out various conditions that apply to the payment of benefit generally, and in special circumstances.

14.6.10 Closing or winding-up the Scheme - see the separate section of these particulars.

14.6.11 Further information - the Rules are available for inspection at Jessop House, Jessop Avenue, Cheltenham, Gloucestershire, GL50 3SH Copies of the Rules are also available upon payment of a reasonable charge.

14.7 Complaints:

The marketing and investment management of unit trusts is regulated by the FSA. The Manager is authorised and regulated by the FSA.

All formal complaints about the operation or marketing of the Scheme should initially be communicated to the Operations Director, Jessop Fund Managers Limited, PO Box 1043, Cheltenham, Gloucestershire, GL50 9JB. If not satisfied with the response from the Compliance Officer, the client may lodge a complaint with the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

14.8 Risk Factors:

It must be emphasised that the price of units and the income produced by the Scheme can fall as well as rise and are not guaranteed.

Where a Constituent Fund invests in securities denominated in currencies other than sterling, the price of units in the Constituent Fund will be affected by the fluctuation of exchange rates.

Additional risk factors for each Underlying Fund are contained in the Appendix relating to that Underlying Fund.

14.9 Additional Information:

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

Unitholders will be sent short reports in respect of each Constituent Fund in which they hold units for annual and half-yearly accounting periods within four months of the end of each annual accounting period and two months of the end of each half-yearly accounting period. Long reports and accounts for the Scheme are also available on request free of charge from the Manager.

Copies of the Principal Trust Deed this Prospectus and Rules, any supplementary deeds, the most recent annual and half-yearly report, the most recent annual and half-yearly short report and the Prospectus in respect of the Scheme may be inspected at or obtained from Jessop Fund Managers Limited, PO Box 1043, Cheltenham, Gloucestershire, GL50 9JB during normal business hours and from the Manager's website at www.jfml.co.uk

The Manager reserves the right to cancel, in whole or in part, any contract in respect of which a payment remains overdue and to recover any resulting loss.

The Manager may record on magnetic tape all telephone conversations and reserves the right to use such records in any dispute that may arise.

Existing and intending Unitholders should note that nothing contained herein can be relied upon as giving a binding indication of future policies to be adopted either in respect of the Scheme or the management or administration thereof. Existing and intending Unitholders should also be aware that past performance is not necessarily a guide to performance in the future. The price of units and the income from them is not guaranteed and can fall as well as rise.

Subject to the Principal Trust Deed and Rules and the Regulations, notices will be published on the Manager's website at www.jfml.co.uk or where sent to Unitholders in writing shall be sent by first class post to each unitholder at the address for that unitholder in the Register.

14.10 Historical Performance:

Performance figures for each Underlying Fund are contained in the Appendix relating to that Underlying Fund.

APPENDIX A

Information relating to the Multi-Asset Fund

PART 1

In this Appendix the "Company" means Aberdeen Investment Funds ICVC.

Investment objective and policy:

The investment objective of the Multi-Asset Fund is to provide long term total return from a diversified portfolio. The Multi-Asset Fund may invest in transferable securities and may also hold units in collective investment schemes (in particular, schemes managed by the Investment Adviser), money market instruments, warrants, derivatives and forward transactions, cash and near cash and deposits.

Income:	Income will be calculated six-monthly as at 31 January and 31 July (final), with the appropriate distributions or allocations made within 3 months of these dates.
Initial issue of shares:	Shares were first issued pursuant to the conversion of existing authorised unit trusts, Aberdeen Balanced Unit Trust and Aberdeen Managed Unit Trust both of which were managed by Aberdeen Unit Trust Managers Limited, on 21 June 2002.
Classes of Shares	A Shares - net accumulation B Shares - net income C Shared - net accumulation

Performance

Percentage Growth

Year to 29/12/06 %	Year to 31/12/05 %	Year to 31/12/04 %	Year to 31/12/03 %	Year to 31/12/02 %
14.44	23.5	12.4	16.6	-25.6

Source: Lipper, total return, Bid to Bid, UK Net Income Reinvested

The above performance figures are based on bid to bid prices. These performance figures are presented as a matter of historical record. Performance is determined by many factors, not just the skill of the ACD or Investment Adviser, including the general direction and volatility of markets and may not be repeatable. Past performance is not a guide to future rates of return. The latest performance figures may be obtained from the ACD. Performance information is shown for a period of five years. On 17 August 2006 Aberdeen Balanced Managed Fund changed its investment policy following shareholder approval of its use of wider investment power sunder COLL. At the same time it changed its name to Aberdeen Multi-Asset Fund to reflect this. Historic performance figures are those of Aberdeen Balanced Managed Fund.

Risk Warnings appropriate to the Multi-Asset Fund

- The value of shares and the income from them can go down as well as up and you may get back less than the amount invested.
- Movements in exchange rates can impact on both the level of income received and the capital value of your investment. If the currency of your country of residence strengthens against the currency in which the underlying investments of the Multi-Asset Fund are made, the value of your investment will reduce and vice versa.
- Past performance is not a guide to the future.
- The annual management charge for the Multi-Asset Fund will be charged to the Multi-Asset Fund's income account. If insufficient income is generated by the Multi-Asset Fund to cover the annual management charge, the balance will be deducted from the Multi-Asset Fund's capital and to that extent will constrain capital growth.
- The Multi-Asset Fund may invest in derivates for investment purposes which may, in certain circumstances, increase the volatility of the Multi-Asset Fund.
- The Multi-Asset Fund may invest up to 100% in warrants which may at times make the portfolio composition highly volatile.
- When cancellation rights apply, and you exercise them, you may not get back the full amount you invested if the share price falls before we receive written confirmation that you wish to cancel the contract.

PART 2

Investment and borrowing powers:

The full investment and borrowing powers that may be adopted by the Company are contained within the FSA's Collective Investment Scheme Sourcebook (COLL), a copy of which is available on their website (www.fsa.gov.uk), which is also available from the ACD upon request. The following restrictions apply to these Funds:

1 General investment restrictions

The property of the Multi-Asset Fund will be invested with the aim of achieving its investment objective but subject to the limits on investment set out in the COLL Sourcebook and its investment policy. These limits apply to each Fund as summarised below.

Generally the Multi-Asset Fund will invest in the investments to which it is dedicated including transferable securities (generally listed on eligible markets), units in collective investment schemes, warrants, money market instruments, deposits, derivatives and forward transactions and cash and near cash. It is not intended that the Multi-Asset Fund will have an interest in any immoveable property or tangible moveable property.

Eligible markets are regulated markets or markets established in an EEA State which are regulated, operate regularly and are open to the public; and markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the Company having regard to the relevant criteria in the COLL Sourcebook and guidance from the FSA. Such markets must operate regularly, be regulated, recognised, open to the public, adequately liquid and have arrangements for unimpeded transmission of income and capital to or to the order of the investors.

New eligible securities markets may be added to the existing list in accordance with the COLL Sourcebook.

2 Transferable securities

Up to 10% of the value of the Multi-Asset Fund may be invested in transferable securities which are not approved securities.

Up to 5% of the Multi-Asset Fund may be invested in transferable securities or money market instruments other than Government and public securities issued by any single body. However, up to 10% in value of the Multi-Asset Fund may be invested in those securities and instruments (or certificates representing those securities) issued by any single body if the value of all such holdings combined does not exceed 40% of the value of the property of the Multi-Asset Fund. Up to 20% in value of the scheme property of the Multi-Asset Fund can consist of transferable securities or money market instruments issued by the same group (being companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards).

Up to 35% of the scheme property of the Multi-Asset Fund may be invested in government and public securities issued by or on behalf of or guaranteed by a single named issuer.

If more than 35% in value of the scheme property of the Multi-Asset Fund is invested in government and public securities issued by any one body, no more than 30% in value of the scheme property of the Multi-Asset Fund may consist of such securities of any one issue and the scheme property must include at least six different issues whether of that issuer or another issuer.

3 Collective Investment Schemes

Except where the investment policy of the Multi-Asset Fund is inconsistent with this, up to 100% in value of the scheme property of the Multi-Asset Fund may be invested in units in other schemes, although not more than 20% in value of the scheme property of the Aberdeen Investment Fund ICVC is to consist of the units of any one collective investment scheme. Up to 100% of the scheme property of the Multi-Asset Fund may be invested in collective investment schemes managed by the ACD, or an associate of the ACD, subject to the rules contained in COLL 5.2.15. Investment may only be made in other collective investment schemes managed by the ACD, or an associate of the ACD, whose maximum annual management charge does not exceed 5%.

The investee schemes must comply with 3.1 and 3.2 (although no more than 30% in value of the scheme property of the Multi-Asset Fund may be invested in units in collective investment schemes which do not comply with the conditions necessary for them to enjoy the rights conferred by the UCITS Directive).

3.1 Any schemes in which the Multi-Asset Fund invests need to:

- 3.1.1 satisfy the conditions necessary for them to enjoy the rights conferred by the UCITS Directive; or
- 3.1.2 be recognised under the provision of section 270 of the Financial Services and Market Act 2000; or
- 3.1.3 be authorised as a non UCITS retail scheme; or

3.1.4 be authorised in another EEA state.

Provided that for 3.1.3 and 3.1.4 the requirements of article 19(1)(e) of the UCITS Directive are also met.

3.2 Investee schemes must also comply with the rules relating to investment in other group schemes contained in the COLL Sourcebook and themselves be schemes which have terms which prohibit more than 10% of their assets consisting of units in other collective investment schemes.

The Multi-Asset Fund may invest in units of collective investment schemes and pay any related charges or expenses for investing in such units unless the schemes are managed, operated or administered by the ACD (or one of its associates) in which case, the ACD will comply with the provisions of COLL 5.2.16.

4 Warrants and nil and partly paid securities

Except where the investment policy of a Fund is inconsistent with this, up to 100% in value of the scheme property of a Fund may consist of warrants (which may at times make the portfolio composition highly volatile), provided that the exposure created by the exercise of the right conferred by that warrant does not exceed the spread limits under the COLL Sourcebook.

Transferable securities and money market instruments on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Multi-Asset Fund at any time when the payment is required without contravening the COLL Sourcebook.

5 Money market instruments

Except where the investment policy of the Multi-Asset Fund is inconsistent with this, up to 100% in value of the scheme property of a Fund can consist of money market instruments, which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time provided the money market instrument is admitted to or normally dealt on an eligible market; or is issued or guaranteed by a central, regional or local authority or central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EEA States belong; or issued by a body, any securities of which are dealt in on an eligible market; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by Community law or by an establishment which is subject to and complies with prudential rules considered by the FSA to be at least as stringent as those laid down by Community law.

Notwithstanding the above up to 10°% of the scheme property of the Multi-Asset Fund may be invested in money market instruments which do not meet these criteria.

6 Deposits and Cash

6.1 Except where the investment policy of the Multi-Asset Fund is inconsistent with this, up to 20% in value of the scheme property of a Multi-Asset Fund can consist of deposits with a single body. The Multi-Asset Fund may only invest in deposits with an approved bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.

6.2 Cash and near cash must not be retained in the scheme property of the Multi-Asset Fund except to the extent that this may reasonably be regarded as necessary in order to enable: (a) the pursuit of the Multi-Asset Fund's investment objective; or (b) redemption of shares; or (c) efficient management of the Multi-Asset Fund in accordance with its investment objective; or (d) other purposes which may reasonably be regarded as ancillary to the investment objective of the Multi-Asset Fund.

7 Derivatives and forward transactions

Depending on the investment policy of the Multi-Asset Fund, scheme property may be used to enter into derivatives and forward transactions for the purposes of investment or hedging using efficient portfolio management (EPM) style techniques. Using them for investment purposes will change the risk profile of those Funds. The Multi-Asset Fund may use derivatives for both hedging and investment purposes, which means that its net asset value is likely to have high volatility owing to their portfolio composition. In pursuing the Multi-Asset Fund's objective the ACD may make use of a variety of derivative instruments in accordance with the COLL Sourcebook. If derivatives are being used for hedging, using efficient portfolio management techniques, then this should not compromise the risk profile of the Multi-Asset Fund. Use of derivatives will not contravene any relevant investment objectives or limits.

7.1 Except as set out in 7.4 below there is no upper limit on the use of transactions in derivatives or forward transaction for the Multi-Asset Fund but they must fall under 7.2 and 7.3.

7.2 A transaction in a derivative must be:

7.2.1 a permitted OTC; or

7.2.2 be in a future, an option or a contract for differences effected on or under the rules of an eligible derivatives market which must be entered into with a counterparty that is acceptable in accordance with the COLL Sourcebook, must be on approved terms as to valuation and close out and must be capable of valuation.

have the underlying consisting of any or all of the following to which the Multi-Asset Fund is dedicated:

7.2.3 transferable securities:

7.2.4 permitted money market instruments;

7.2.5 permitted deposits;

7.2.6 permitted derivatives;

7.2.7 permitted collective investment scheme units;

7.2.8 financial indices;

interest rates:

7.2.9 foreign exchange rates; and

7.2.10 currencies.

be effected on or under the rules of an eligible derivatives market, it must not cause the Multi-Asset Fund to diverge from its investment objective, 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 and must be with an approved counterparty.

Use of derivatives must be supported by a risk management process maintained by the ACD which should take account of the investment objective and policy of the Multi-Asset Fund.

Any forward transaction must be made with an eligible institution or an approved bank.

7.3 A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the scheme is or may be committed by another person is covered globally under 7.3.1.

7.3.1 Exposure is covered globally if adequate cover from within the scheme property for the Multi-Asset Fund is available to meet its total exposure, taking into account the initial outlay, the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

7.3.2 Cash not yet received into the scheme property of the Multi-Asset Fund, but due to be received within one month, is available as cover for the purposes of 7.3.1.

7.3.3 Property the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re acquisition) in time to meet the obligation for which cover is required.

7.3.4 The global exposure relating to derivatives held in the Multi-Asset Fund may not exceed the net value of its scheme property.

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 provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R (3) (Requirement to cover sales) are satisfied.

7.4 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the scheme property of the Company. This limit is raised to 10% where the counterparty is an approved bank.

Use of derivatives will not contravene any relevant investment objectives of the Multi-Asset Fund.

8 Combinations of Investments

8.1 In applying the limits in 2, 6.1 and 7 not more than 20% in value of the scheme property is to consist of any combination of two or more of the following: (a) transferable securities or money market instruments issued by; or (b) deposits made with: or (c) exposures from OTC derivatives transactions made with: a single body.

8.2 For the purpose of calculating the limits in 7 and 8.1 the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the conditions specified in COLL 5.2.11R(12).

9 Concentration and Significant Influence

9.1 The Company must not hold more than:

9.1.1 10% of the transferable securities (other than debt securities) issued by a body corporate which do not carry rights to vote on any matter at a general meeting of that body; or

9.1.2 10% of the debt securities issued by any single body; or

9.1.3 10% of the money market instruments issued by any single body; or

9.1.4 25% of the units in a collective investment scheme.

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

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

9.2.2 the acquisition gives the Company that power.

9.3 For the purpose of 9.2, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

10 General

The Multi-Asset Fund may not invest in the shares of another sub-fund of the Company.

Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of the Company. Cash or near cash must not be retained in the scheme property of the Multi-Asset Fund except in order to enable the pursuit of the investment objective; or for redemption of shares in the Multi-Asset Fund; or efficient management of the Multi-Asset Fund in accordance with it's investment objective or for a purpose which may reasonably be regarded as ancillary to the investment objectives of the Multi-Asset Fund.

11 Stock lending

The Company, or the Depositary at the Company's request, may enter into stock lending transactions (under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date) when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for the Company with an acceptable degree of risk. Such transactions must comply with conditions set out in the COLL Sourcebook, which require (inter alia) that:

11.1 the stock lending transaction must be of a kind described in Section 263B of the Taxation of Chargeable Gains Act 1992;

11.2 the terms of the agreement under which the Depositary is to re acquire the securities for the account of the Company must be acceptable to the Depositary and in accordance with good market practice;

11.3 the counterparty must be acceptable in accordance with the COLL Sourcebook.

The collateral obtained must be acceptable to the Depositary and must also be adequate and sufficiently immediate as set down in the COLL Sourcebook.

12 Borrowing powers

The Company may, subject to the COLL Sourcebook, borrow money from an eligible institution or an approved bank for the use of the Company on the terms that the borrowing is to be repayable out of the scheme property.

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

The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of the scheme property of the Multi-Asset Fund.

These borrowing restrictions do not apply to "back to back" borrowing to be cover for transactions in derivatives and forward transactions.

Eligible Securities Markets in which the Multi-Asset Fund may invest

Country	Market
EU or EEA	Any market established in an EU or EEA State on which transferable securities admitted to official listing in an EU or EEA State are dealt in or traded
Australia	Australian SE
Brazil	Sao Paulo SE
Canada	Montreal SE
China	Shanghai SE
Hong Kong	Hong Kong Exchanges
India	The Bombay Stock Exchange
Indonesia	Jakarta SE
Israel	Tel Aviv SE
Japan	Tokyo SE
Republic of Korea	Korea Exchange Incorporated
Malaysia	Bursa Malaysia Berhard
Mexico	Mexican SE
New Zealand	New Zealand SE
Peru	Lima SE
Philippines	The Philippines Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange
Sri Lanka	Colombo SE
Switzerland	SWX Swiss ExchangeVirt-X
Taiwan	Taiwan SEGretai Securities Market
Thailand	Stock Exchange of Thailand
Turkey	Istanbul SE
United States	NASDAQ New York SE American SE Philadelphia SE Boston SE Chicago SE Pacific SE

APPENDIX B

Information relating to the Sterling Bond Fund

In this Appendix the following definitions apply:

"the Company"	means Aberdeen Funds PLC;
"Base Currency"	means pounds Sterling;
"Administrator"	means the administrator of the Company from time to time;
"Discretionary Investment Adviser"	means Aberdeen Fund Management Limited or any successor;
"Shares"	means participating shares in the capital of the Company and may be issued in respect of different sub-funds and different Classes;
"Class"	means a class of Shares within a sub-fund of the Company;

PART 1

The Sterling Bond Fund is a sub-fund of Aberdeen Funds plc which is an open-ended umbrella investment company with variable capital incorporated with limited liability in Ireland pursuant to the European Communities (Undertakings for Collective Investments in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003), as amended.

There are six Classes of Shares in the Sterling Bond Fund, A, B, D, F, G and H Shares of which A Shares are income Shares and B, D, F, G and H Shares are reinvestment Shares.

Past Performance

	Annualised performance						
	1 month	3 months	6 months	1 year	3 years	5 years	Launch
Fund	0.11	0.72	0.72	2.58	3.60	3.68	4.60
Benchmark	-0.08	0.29	0.87	2.85	4.27	4.29	-
Ninety Day.1K Average	0.30	0.89	1.70	3.16	2.99	2.76	3.32
Difference	0.19	0.43	-0.15	-0.27	-0.67	-0.61	-
Sector Average	0.12	0.39	1.37	3.21	3.67	3.50	4.89
Sector Ranking	6/9	6/9	6/9	6/8	4/5	3/4	2/2
Quartile	3	3	3	3	3	3	-

Discrete annual returns (%) – year ended 31/05

	2007	2006	2005	2004	2003
Fund	2.58	2.86	5.38	1.55	6.11

Calendar year performance (%)

	Year to date	2006	2005	2004	2003
Fund	1.33	1.79	4.40	3.95	2.92
Benchmark	0.89	2.60	5.05	4.74	2.99
Ninety Day . 1K Average	1.45	2.87	2.96	2.70	2.33
Difference	0.44	-0.81	-0.65	-0.79	-0.07
Sector Average	1.41	2.37	3.90	3.80	2.71
Sector Ranking	6/9	6/8	3/8	6/8	4/8
Quartile 3	3	2	3	2	

Source: Lipper, total return, NAV to NAV, net of annual charges, gross income reinvested..

These figures are gross of an initial charge: to the extent that this is paid, it will reduce performance from that shown.

1 Investment Objective

The objective of the Sterling Bond Fund is to achieve an attractive level of total return primarily through investment in pounds Sterling denominated Investment Grade Debt and Debt Related Securities.

2 Investment Policies

The Sterling Bond Fund will invest primarily in Investment Grade pounds Sterling denominated Debt and Debt Related Securities.

The Sterling Bond Fund may invest in securities which are not denominated in pounds Sterling.

The Sterling Bond Fund will primarily have exposure to pounds Sterling.

The Sterling Bond Fund may invest up to 10% of its net assets in below Investment Grade assets. Any security which is downgraded after purchase to below Investment Grade will not be sold unless in the opinion of the Discretionary Investment Adviser, this is in the best interest of Shareholders.

The Sterling Bond Fund may also hold ancillary liquid assets.

Where the Sterling Bond Fund invests in bonds they shall be Investment Grade, government and/or corporate, fixed and/or floating bonds.

The Sterling Bond Fund may invest in financial derivative instruments and/or utilise techniques and instruments for hedging and/or investment purposes efficient portfolio management and/or to manage foreign exchange risks, subject to the conditions and within the limits laid down by the Irish Financial Regulator. In general, these financial derivative instruments include, but are not limited to, futures, options, swaps, (including, but not limited to, credit and credit-default, interest rate and inflation swaps), forward foreign currency contracts, and credit linked notes. The Sterling Bond Fund may enter into interest rate, equity, index and government bond futures and may also purchase and write call and put options on securities, securities indices, government bond futures and interest rate futures.

The Sterling Bond Fund may use these techniques for a wide variety of purposes, including, but not limited to, the following:

2.1 to manage the Sterling Bond Fund's interest rate and currency exposure;=

2.2 as a substitute for taking a position in the underlying asset (where the Discretionary Investment Adviser feels that a derivative exposure to the underlying asset represents better value than a direct exposure);

2.3 to gain an exposure to the composition and performance of a particular index (provided always that the Fund may not have an indirect exposure through an index to an instrument or currency to which it could not have direct exposure); and

2.4 to take short positions via derivatives in securities, interest rates, credits, currencies and markets.

In addition to the use of financial derivative instruments, the Sterling Bond Fund may also employ other techniques for efficient portfolio management, such as securities lending and reverse repurchase transactions.

Without limiting the generality of the foregoing, the Discretionary Investment Adviser may alter the currency exposure of the Sterling Bond Fund, solely through the use of derivative contracts (without buying or selling underlying Transferable Securities or currencies). Performance may be strongly influenced by movements in currency rates because the Sterling Bond Fund may have exposure to a particular currency that is different to the value of the securities denominated in that currency held by the Fund. Furthermore, the Sterling Bond Fund's portfolio may be fully or partially hedged back to the Base Currency if, in the opinion of the Discretionary Investment Adviser, this is believed to be appropriate.

The Discretionary Investment Adviser may also alter the geographical exposure of the Sterling Bond Fund (i.e. the Sterling Bond Fund's exposure to different countries or regions) through the use of derivative contracts (without buying or selling underlying Transferable Securities).

Investment in financial derivative instruments may lead to increased volatility, more limited liquidity and a higher than normal risk profile compared to a UCITS scheme which does not use financial derivative instruments for investment purposes. Please refer to the section headed "Risk Warnings" in the main body of the prospectus for more detailed information on risk factors.

Should supplementary information be required in respect of risk management methods, to include internal investment limits applied by the Discretionary Investment Adviser's risk management team, and any recent developments in the risk and yield characteristics of the main category of financial derivative instruments, such supplementary information will be available from the Discretionary Investment Adviser upon request by the Shareholder.

The Sterling Bond Fund employs a risk management process, which enables it to monitor, measure and manage the risks attached to financial derivative instrument positions. Financial derivative instruments which have not been included in the Funds risk management process will not be utilised until a revised risk management process incorporating those instruments has been prepared and submitted to the Financial Regulator.

3 Borrowing and Lending Powers

The Directors may exercise all the powers of the Company to borrow money (including the power to borrow for the purpose of repurchasing Shares) and hypothecate, mortgage, charge or pledge its undertaking, property, and assets or any part thereof, and to issue debentures, debenture stock or other securities, whether outright or as collateral security for any debt liability or obligation of the Company or of any third party.

The Sterling Bond Fund may only borrow an amount which in the aggregate does not exceed 10% of the Net Asset Value of the Sterling Bond Fund. Such borrowings may, however, only be made on a temporary basis. The Custodian may give a charge over the assets of the Sterling Bond Fund in order to secure borrowings. Further, each Fund may not invest more than 10% of its Net Asset Value in partly paid securities.

The Sterling Bond Fund may acquire foreign currency by means of a “back-to-back” loan. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions contained in the Regulations and the limits in the previous paragraph provided that the offsetting deposit:

(i) is denominated in the base currency of the Sterling Bond Fund;

(ii) equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 70 of the Regulations and (1) above.

The Sterling Bond Fund may not, save as set out in (1) above, mortgage, hypothecate or in any manner transfer as security for indebtedness, any securities owned or held by the Sterling Bond Fund provided that the purchase or sale of securities on a when-issued or delayed-delivery basis, and margin paid with respect to the writing of options or the purchase or sale of forward or futures contracts, are not deemed to be the pledge of the assets.

Without prejudice to the powers of the Sterling Bond Fund to invest in transferable securities, the Sterling Bond Fund may not lend or act as guarantor on behalf of third parties.

The Sterling Bond Fund may engage in stocklending for the purpose of efficient portfolio management, in accordance with the guidelines set out by the Irish Financial Regulator.

The Sterling Bond Fund may not use borrowings to cover exposure to financial derivative instruments.

4 Risk Warnings

It should be noted that the amount of principal invested in Shares in the Sterling Bond Fund is capable of fluctuation by reference to fluctuations in the value of the assets as a result of interest rate movements and that an investment in Shares is thus different in character to the placing of such principal on deposit and involves risks of a different nature.

General

It should be remembered that the price of Shares and the income from them may fall as well as rise, and that investors may not get back the amount they have invested. In addition to market factors, changes in exchange rates may cause the value of Shares to go up or down.

Persons interested in purchasing Shares should inform themselves as to (a) the legal requirements within their own countries of residence for the purchase of Shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of the purchase and repurchase of Shares.

Investment in certain securities markets involves a greater degree of risk than usually associated with investment in the securities of other major securities markets. Potential investors should consider the following risks and any further risks set out in the relevant Supplements before investing in the Sterling Bond Fund.

Market Risk

Some of the Recognised Exchanges on which the Sterling Bond Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Sterling Bond Fund may liquidate positions to meet repurchase requests or other funding requirements. Potential investors should also note that some Fund may have exposure to the securities of small capitalisation companies which are less liquid than larger capitalisation companies and this may result in fluctuations in the price of the Shares of the Sterling Bond Fund.

Settlement and Credit Risks

The trading and settlement practices of some of the stock exchanges or markets on which the Sterling Bond Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by the Sterling Bond Fund. In addition, Sterling Bond Fund will be exposed to credit risk on parties with whom they trade and will bear the risk of settlement default. The Custodian may be instructed by the Manager to settle transactions on a delivery free of payment basis where the Manager believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to the Sterling Bond Fund if a transaction fails to settle and the Custodian will not be liable to the Sterling Bond Fund or to the Shareholders for such a loss if the Custodian is acting pursuant to specific proper instructions.

Regulatory Risks and Accounting Standards

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed OECD member countries and there may be less publicly available information on the issuers than is published by or about issuers in such OECD member countries. Consequently, some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed OECD member countries. In particular, greater reliance may be placed by the auditors on representations from the manager of a company and there may be less independent verification of information than would apply in many developed OECD member countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

Political Risks

The performance of the Sterling Bond Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. The Sterling Bond Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

Valuation Risk

The Sterling Bond Fund may invest some of its assets in unquoted securities or quoted securities for which there is no reliable price source available. Such investments will be valued at the probable realisation value. Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. The Sterling Bond Fund may, for the purpose of efficient portfolio management and for investment purposes, invest in derivative instruments and there can be no assurance that the value so determined reflects the exact amount at which those instruments may be “closed out”.

Liquidity Risk

The Sterling Bond Fund endeavours to acquire only such financial instruments for which a liquid market exists. However, not all securities invested in by the Sterling Bond Fund will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. Each Sterling Bond Fund may also encounter difficulties in disposing of assets at their fair market price due to adverse market conditions leading to limited liquidity.

Custody Risk

The Sterling Bond Fund may invest in markets where custodial and/or settlement systems are not fully developed. As such the assets of the Sterling Bond Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances where the Custodian will have no liability.

Discretionary Investment Adviser Risk

The Manager may consult the Discretionary Investment Adviser with respect to the valuation of unlisted investments. Whilst there is an inherent conflict of interest between the involvement of the Discretionary Investment Adviser in determining the valuation price of each Sterling Bond Fund’s investments and the Discretionary Investment Adviser other duties and responsibilities in relation to the Sterling Bond Fund, the Discretionary Investment Adviser has in place a pricing committee charged with reviewing all pricing procedures and which follows industry standard procedures for valuing unlisted investments.

Taxation Risk

Potential investors' attention is drawn to the taxation risks associated with investing in the Company.

Interest Rate Risk

The fixed and floating rate securities in which the Sterling Bond Fund may invest may be interest rate sensitive, which means that their value and, consequently, the Net Asset Value of that Sterling Bond Fund may fluctuate as interest rates fluctuate. An increase in interest rates will generally reduce the value of the fixed income securities. Such the Sterling Bond Fund's performance, therefore, will depend in part on the Discretionary Investment Adviser's ability to anticipate and respond to such fluctuations in market interest rates and to utilise appropriate strategies to maximise returns to such the Sterling Bond Fund while attempting to minimise the associated risks to its investment capital.

Currency Risk

Assets of the Sterling Bond Fund may be denominated in a currency other than the Base Currency of the Sterling Bond Fund. Changes in the exchange rate between the Base Currency and the currency of such assets may lead to a depreciation of the value of the Sterling Bond Fund's assets as expressed in the Base Currency. The Sterling Bond Fund's Discretionary Investment Adviser may or may not try to mitigate this risk by using financial instruments.

The Sterling Bond Fund may from time to time enter into currency exchange transactions either on a spot (i.e. cash) basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of the Sterling Bond Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline.

The Sterling Bond Fund may enter into currency exchange transactions in an attempt to protect against changes in currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions or for speculative purposes. The Sterling Bond Fund may also enter into forward contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the Base Currency of the Sterling Bond Fund. For example, the Sterling Bond Fund could enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the Base Currency of that Sterling Bond Fund. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of the Sterling Bond Fund cannot be assured.

Cross-Liability of Sterling Bond Fund

All liabilities, irrespective of which sub-fund of the Company they are attributable to, shall (in the event of a winding up of the Company, or a repurchase of all the Shares of the Sterling Bond Fund), unless otherwise agreed upon with the creditors, be binding on the Company as a whole and, accordingly, liabilities of one Sterling Bond Fund may impact on and be paid out of one or more other Sterling Bond Fund.

Hedged Class Risk

The adoption of a currency hedging strategy for a Class may substantially limit the holders of such Class from benefiting if the currency of such Class depreciates against the currencies in which the assets of the relevant Sterling Bond Fund are denominated.

Non-Investment Grade Debt and Debt-Related Securities

Non-Investment Grade Debt and Debt-Related Securities may involve greater price volatility and risk of loss of principal and income than Investment Grade Debt and Debt-Related Securities.

Investment in Structured Notes

The Sterling Bond Fund may invest in structured notes, the returns on which are linked to companies in which the Sterling Bond Fund will have a direct equity investment, or will be referable to the cash flow characteristics of a pool of assets such as auto loans, credit cards, rents receivable and/or government receivables. These notes may be listed or unlisted. The structured notes will be freely transferable, will not be leveraged and will comply with the Irish Financial Regulators conditions and criteria for investment in such securities. If the notes are unlisted the Sterling Bond Fund may invest no more than 10% of its net assets in such securities.

Financial Derivatives, Techniques and Instruments Risks

General

The prices of derivative instruments, including futures, options and swap prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, amongst other things, interest rate fluctuations. The use of these techniques and instruments 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 price movements of the derivatives and price movements of related instruments, (3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by any of the Sterling Bond Fund, (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption.

The Sterling Bond Fund may invest in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

The Sterling Bond Fund may from time to time utilise both exchange traded and over the counter credit derivatives, such as collateralised debt obligations or credit default swaps as part of its investment policy and for hedging purposes. These instruments may be volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of the Sterling Bond Fund actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited. Furthermore, when used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged. Transactions in over the counter derivatives, such as credit derivatives, may involve additional risk as there is no exchange market on which to close out an open position.

Liquidity of Futures Contracts

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as “daily price fluctuation limits” or “daily limits”. Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once a price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Sterling Bond Fund from liquidating unfavourable positions.

Futures and Options Risk

Due to the nature of futures, cash to meet margin monies will be held by a broker with whom the Sterling Bond Fund has an open position. In the event of the insolvency or bankruptcy of the broker there can be no guarantee that such monies will be returned to the Sterling Bond Fund. On execution of an option the Sterling Bond Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

Forward Trading

Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised, rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to the Sterling Bond Fund.

Over-the-Counter Markets Risk

Certain of the securities which the Sterling Bond Fund acquires on over-the-counter markets may have limited liquidity and comparatively high price volatility. Although it is intended that the securities that the Sterling Bond Fund invests in on over-the-counter markets will be highly liquid, certain of the securities may have limited liquidity and comparatively high price volatility, and as such there can be no guarantee that the Sterling Bond Fund will be able to realise the fair value of such securities.

Counterparty Risk

The Sterling Bond Fund may have credit exposure to counterparties by virtue of investment positions in swaps, options, repurchase transactions and forward exchange rate and other contracts held by the Sterling Bond Fund. To the extent that a counterparty defaults on its obligations and the Sterling Bond Fund is delayed or prevented from exercising its rights with respect to the investment in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

PART 2

Use of Financial Derivative Instruments and Portfolio Management Techniques

The Sterling Bond Fund may invest in financial derivative instruments and/or utilise techniques and instruments for hedging and/or investment purposes and/or efficient portfolio management and/or to manage foreign exchange risks, subject to the conditions and within the limits laid down by the Irish Financial Regulator. The financial derivative instruments which may be used for hedging and/or investment purposes and/or efficient portfolio management and/or to manage foreign exchange risks include, but are not limited to, futures, options, swaps, (including, but not limited to, credit and credit-default, interest rate and inflation swaps), forward foreign currency contracts, and credit linked notes. The Sterling Bond Fund may enter into interest rate, equity, index and government bond futures and may also purchase and write call and put options on securities, securities indices, government bond futures and interest rate futures. The Sterling Bond Fund has received a derogation from the provisions of paragraph 7 of UCITS 10. Accordingly, when calculating the 15% limit referred to therein, the premiums paid by a Sterling Bond Fund can be netted against the premiums received by the Sterling Bond Fund in respect of options that form part of the same "collar".

The Sterling Bond Fund may invest in repurchase/reverse repurchase agreements for hedging and/or investment purposes and/or efficient portfolio management and/or to manage foreign exchange risks, subject to the conditions and within the limits laid down by the Irish Financial Regulator.

The Sterling Bond Fund may also invest in the types of swap contracts set out below, for hedging and/or investment purposes and/or efficient portfolio management and/or to manage foreign exchange risks, subject to the conditions and within the limits laid down by the Irish Financial Regulator.

The Company employs a risk management process, which enables it to monitor, measure and manage the risks attached to financial derivative instrument positions. Financial derivative instruments which have not been included in this Prospectus will not be utilised until a revised risk management process and prospectus incorporating those instruments has been prepared and submitted to the Irish Financial Regulator.

A description of the main techniques and instruments that may be used for efficient portfolio management and/or investment purposes are set out below.

Forwards

Currency Forward

A currency forward is a form of OTC derivative that obligates one party to purchase a currency from another party at a fixed future date for a price and currency specified in the terms of the contract. Initiating a position in a forward does not require any financial outlay, so allows for leveraged positions to be taken.

Currency forwards may be used to increase or reduce exposure to currency price movements.

Contracts for Difference

A contract for difference is a type of derivative, similar to a forward that either pays out or requires payment of the change in value of an underlying security between the time the contract was taken out and the time it was closed. The holder has the right to close the position at any time of their choosing.

Contracts for differences may be used for liquidity and tax reasons.

Futures

General

Futures are a standardised form of exchange traded forward designed to simplify trading and to provide increased liquidity. They differ from forwards in that they have standardised terms, and are marked to market at the end of each trading day.Margin payments may be used to settle daily movements, and funds must retain sufficient liquidity to meet their margin requirements according to regulations governing likely future movements of the market.

Futures may be used to increase or reduce bond, currency or equity market exposure.

Equity Future, Equity Index Futures and Bond Index Futures

The value of both equity and index futures remain in one-to-one correlation with their underlying. Settlement can be in the form of either cash or stock according to contractual terms.

As with all futures contracts they may be used to introduce increased liquidity, to take either long or short positions, to take positions in baskets of stocks (i.e. indexes), and to introduce leverage by taking an exposure without the need for initial contractual outlay.

Currency Futures

The underlying component of a currency future is a defined amount in one currency that is different from the payment currency of the contract. It effectively short sells one currency by an equal and opposite value to another currency. It differs from a forward in its requirement for margin (either to be paid or received).

Currency futures may be used to increase or reduce exposure to currency price movements.

Interest Rate Futures

Futures contracts are particularly useful due to their increased liquidity relative to that of the underlying assets, and also due to the small amount of capital required to take a futures position relative to their direct equivalents. Typical contracts are based on US Treasury Bills, Eurodollar deposits and LIBOR.

Futures contracts may be used to increase or reduce exposure to interest rate movements.

Bond Futures

The underlying instruments for intermediate and long-term interest rate futures are government notes and bonds. Their liquidity and capital properties are essentially the same as for short-term contracts.

Bond futures may be used to increase or reduce exposure to currency price movements.

Options

Currency Options, Equity Index Options, Bond Index Options, Equity Option, Bond Options, Interest Rate Options, Options on Bond Futures and Options on Interest Rates

An option is a derivative contract that conveys to its purchaser the right (but not the obligation) to buy or sell the underlying at a pre-specified price (strike price) over a period that is defined within the terms of the contract. If the option is exercised, the writer of the contract is obliged to fulfil the terms and conditions of the contract through transfer of the underlying (or its cash equivalent, if so defined). If the option is not exercised, then it expires worthless, and the only transfer of cash would have been the premium paid by the purchaser at the time that the contract was written.

Options exist as calls (the right to buy the underlying) and puts (the right to sell the underlying). Calls and puts can be either purchased or written to achieve a desired exposure to the underlying security without the capital constraint of physically purchasing that security.

Unlike futures contracts, option contracts require an initial premium, for which they confer the right to pass up exercise if that remains within the purchaser’s interests. An out-of-the-money option would expire worthless (with loss of premium) whilst an in-the-money-option would be exercised under contractual terms. There are no offsetting margin payments under option contracts.

Similarly to futures contracts, the underlying can be any of a wide variety of securities or even other contracts such as futures or swaps (see swaptions below).

An option contract may be used to provide exposure to an underlying asset but offers increased liquidity, the ability to take either long or short positions, the ability to take positions in baskets of stocks (i.e. indexes), and the ability to introduce leverage through only minimal outlay, which would not be available through trading of the underlying itself.

The Sterling Bond Fund may also combine different options contracts to achieve a variety of low risk exposures. For example, buying a call and a put with the same exercise price (known as a straddle) allows the Fund to benefit (less premium outlay) by either a rise or fall in the price of the underlying. If the Investment Manager expects the underlying price to be volatile then this (or a similar strategy) may be employed.

Options, contrary to popular press, can offer timely, low risk, and highly liquid solutions to previously unattainable portfolio rebalancing requirements.

Credit Linked Notes

Credit-linked notes are fixed income securities in which the issuer has the right to withhold payment to the holder if a credit event on another financial instrument occurs.

Credit linked notes may be used to gain exposure to particular credit risks.

Reverse Repurchase and Repurchase Agreements

Reverse repurchase and repurchase agreements are agreements between a buyer and a seller, usually of fixed income securities, whereby the buyer agrees to buy the securities and the seller agrees to repurchase them at a later date.

A reverse repurchase and repurchase agreement may be used to gain leverage.

Stocklending

Stocklending is the lending of stock from one investor to another that entitles the lender to continue to receive income generated by the stock plus an additional payment by the borrower.

Stocklending may be used as means of increasing returns from assets.

Warrants

Equity Warrants, Bond Warrants and Fixed Index Warrants

Warrants are a type of option issued by corporation giving the holder of the option the right to buy shares of the corporation for a pre-specified price. When exercised, the corporation is obligated to issue new shares of its stock and deliver these to the holder of the warrant in exchange for the strike price. The main conceptual difference between a standard exchange traded option and a warrant is that the exercise of a warrant results in the issuance of new stock whereas the writer of an exchange traded option delivers previously issued stock upon exercise, which can result in a drop in the price of the underlying stock when the warrant is exercised (known as the dilution effect). Typically warrants possess a much longer life until expiry than regular options.

Warrants may be used to gain exposure to the underlying equity or bond.

Convertibles

Convertible Equity and Convertible Bonds

Convertible bonds are a structured form of corporate bond (usually junior grade). They are same as regular corporate bonds except that the holder of the bond has the option to exchange the bond for a specific number of shares of the company's stock (this can be preferred or common stock). This embedded option affects the risk of the bond and it exhibits characteristics similar to both regular fixed income securities and equity as a result. When the underlying stock is performing poorly the convertible continues to earn interest and so tends to behave like a bond when the option is out of the money, when the underlying stock starts to perform well the value of the embedded option increases and as a result the convertible will start to behave like the underlying stock as the option goes into the money.

Convertibles may be used to gain exposure to the underlying equity or bond.

Swaps

Currency Swaps, Interest Rate Swap, Inflation Swap, Total Return Swap, Asset Swap, Index Swap and Swaption

A swap is a form of derivative in which two parties agree to exchange streams of payment at fixed intervals according to terms specified by the contract. These payments are either at fixed rates of return or indexed rates of return relative to a notional value, the most common type of swap is an interest rate swap in which one party agrees to pay a fixed rate of interest in return for receiving a floating rate from the other party. Other types of swaps that are commonly used are currency swaps (where the parties exchange cash flows denominated in different currencies), total return swaps (where one party exchanges a cash flow indexed to a non-money market asset e.g. an equity index in exchange for an interest rate), and swaptions (an option on a swap - typically giving the holder the right to enter into a swap at a point in time in the future at a pre-specified level of interest on both payment streams of the swap).

Swaps may be used to increase or reduce exposure to interest rate or currency price movements.

Credit Default Swap

A credit default swap is a type of credit derivative which transfers the third party credit risk of a bond from one party to another. Typically the long party in the swap is a lender and faces default risk from a bond issued by a third party. The short party of the instrument agrees to insure against this risk of default in exchange for regular periodic payments (these are essentially an insurance premium). If the third party defaults on its payment obligations to its lender the short party of the CDS is obligated to pay the par value of the defaulted bond to the long party in exchange for the defaulted bond.

A CDS may be used to increase or reduce exposure to the credit risk of an individual borrower.

Spread Lock

Spread Locks may be used to hedge credit spreads (the difference between yields on corporate and government debt). Spread Locks make money if swap spreads widen, effectively covering the equivalent loss from credit positions.

Swap contracts purchased by the Sterling Bond Fund may include but are not limited to interest rate swaps, spreadlocks, asset swaps, index swaps, inflation-linked swaps and credit default swaps (or such other swap contracts as may be permitted by the Financial Regulator).

In addition, the exposures to each swap counterparty (inclusive of all other exposures such as those arising from direct investments or cash holdings) must not exceed 10% of the Net Asset Value of the Sterling Bond Fund. This limit can be increased to 30% in the case of an EU credit institution.

INVESTMENT RESTRICTIONS

The permitted investments and investment restrictions applying to the Company, in accordance with the qualifications and exemptions contained in the Regulations, and in the Notices issued by the Irish Financial Regulator, are set out below. The Manager may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shares of the Company are placed. Any such further restrictions shall be in accordance with the requirements of the Irish Financial Regulator's Notices;

General

1 Permitted Investments

Investments of the Company are confined to:

1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.

1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.

1.3 Money market instruments, as defined in the Irish Financial Regulator Notices, other than those dealt on a regulated market.

1.4 Units/shares of UCITS.

1.5 Units/shares of non-UCITS as set out in the Irish Financial Regulator's Guidance Note 2/03.

1.6 Deposits with credit institutions as prescribed in the Irish Financial Regulator's Notices.

1.7 Financial derivative instruments as prescribed in the Irish Financial Regulator's Notices

2 Investment Restrictions

2.1 The Sterling Bond Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.

2.2 The Sterling Bond Fund may invest no more than 10% of its Net Asset Value in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.2) within a year. This restriction will not apply in relation to investment by the Sterling Bond Fund in certain US securities known as rule 144A securities provided that:

2.2.1 the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and

2.2.2 the securities are not illiquid securities i.e. they may be realised by the Sterling Bond Fund within seven days at the price, or approximately at the price, at which they are valued by the Sterling Bond Fund.

2.3 The Sterling Bond Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

2.4 Subject to the prior approval of the Irish Financial Regulator, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Sterling Bond Fund.

2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.

2.6 The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

2.7 The Sterling Bond Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution.

Deposits with any one credit institution, other than a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein), a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20% in the case of deposits made with the Custodian.

2.8 The risk exposure of the Sterling Bond Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value.

This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:

2.9.1 investments in transferable securities or money market instruments;

2.9.2 deposits, and/or

2.9.3 risk exposures arising from OTC derivatives transactions.

2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of Net Asset Value.

2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.

2.12 The Sterling Bond Fund may invest up to 100% of its Net Asset Value in transferable securities and money market instruments issued by or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members. The individual issuers must be listed in the prospectus and may be drawn from OECD Governments (provided the relevant issues are Investment Grade), the European Investment Bank, the European Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, Euratom, the Asian Development Bank, the European Central Bank, the Council of Europe, Eurofima, the African Development Bank, the International Bank for Reconstruction and Development (The World Bank), the Inter American Development Bank, the European Union, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), the Student Loan Marketing Association (Sallie Mae), the Federal Home Loan Bank, the Federal Farm Credit Bank and the Tennessee Valley Authority.

However, the Sterling Bond Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of the Net Asset Value of that Fund.

3 Investment in Collective Investment Schemes ("CIS")

3.1 The Sterling Bond Fund may invest no more than 10% of its Net Asset Value in any one CIS.

3.2 Investment in non-UCITS may not, in aggregate, exceed 30% of its Net Asset Value.

3.3 The CIS which the Sterling Bond Fund may invest in are prohibited from investing more than 10 per cent of their own net asset value in other CIS.

3.4 When the Sterling Bond Fund invests in the shares/units of other CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, the Manager or other company may not charge subscription, conversion or redemption fees on account of the Sterling Bond Fund's investment in the shares/units of such other CIS.

3.5 Where a commission (including a rebated commission) is received by the Manager or the Discretionary Investment Adviser by virtue of an investment in the units/shares of another CIS, this commission must be paid into the property of the Sterling Bond Fund.

4 General Provisions

4.1 The Sterling Bond Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

4.2 The Sterling Bond Fund may acquire no more than:

4.2.1 10% of the non-voting shares of any single issuing body;

4.2.2 10% of the debt securities of any single issuing body;

4.2.3 25% of the shares/units of any single CIS;

4.2.4 10% of the money market instruments of any single issuing body.

NOTE: The limits laid down in 4.2.2, 4.2.3 and 4.2.4 above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of securities in issue cannot be calculated.

4.3 4.1 and 4.2 shall not be applicable to:

4.3.1 transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

4.3.2 transferable securities and money market instruments issued or guaranteed by a non-Member State;

4.3.3 transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;

4.3.4 shares held by the Sterling Bond Fund in the capital of a company incorporated in a non-State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 4.1, 4.2, 4.4, 4.5 and 4.6 and provided that where these limits are exceeded, 4.5 and 4.6 are observed;

4.3.5 shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares / units at shareholders / unitholders' request exclusively on their behalf.

4.4 The Sterling Bond Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

4.5 The Financial Regulator may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1 and 3.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

4.6 If the limits laid down herein are exceeded for reasons beyond the control of the Sterling Bond Fund, or as a result of the exercise of subscription rights, then that Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

4.7 Neither the Manager, nor the Sterling Bond Fund, may carry out uncovered sales of:

4.7.1 transferable securities;

4.7.2 money market instruments;

4.7.3 units of CIS; or

4.7.4 financial derivative instruments.

In addition, for sales of financial derivative instruments, the Sterling Bond Fund must comply with the coverage requirements of the Irish Financial Regulator's Notices and Guidelines, as may be amended from time to time, and the Company's risk management process.

4.8 The Sterling Bond Fund may hold ancillary liquid assets.

5 Financial Derivative Instruments ("FDIs")

5.1 The Sterling Bond Fund's global exposure (as prescribed in the Irish Financial Regulator's UCITS Notices) relating to FDI must not exceed its total net asset value.

5.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Irish Financial Regulator's UCITS Notices. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Irish Financial Regulator's UCITS Notices.)

5.3 The Sterling Bond Fund may invest in FDIs dealt in over-the-counter ("OTC's") provided that the counterparties to OTC's are institutions subject to prudential supervision and belonging to categories approved by the Financial Regulator.

5.4 Investment in FDIs is subject to the conditions and limits laid down by the Irish Financial Regulator.

The Sterling Bond Fund will have power to avail of any change in the investment restrictions laid down in the Regulations which would permit investment by the Sterling Bond Fund's in securities, derivative instruments or in any other forms of investment in which investment is from time to time restricted or prohibited under the Regulations.

Restrictions on Borrowing, Lending and Dealing

1 The Sterling Bond Fund may only borrow an amount which in the aggregate does not exceed 10% of the Net Asset Value of the Sterling Bond Fund. Such borrowings may, however, only be made on a temporary basis. The Custodian may give a charge over the assets of the Sterling Bond Fund in order to secure borrowings.

Further, the Sterling Bond Fund may not invest more than 10% of its Net Asset Value in partly paid securities.

2 The Sterling Bond Fund may acquire foreign currency by means of a "back-to-back" loan. Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions contained in the Regulations and (1) above, provided that the offsetting deposit:

(iii) is denominated in the base currency of the Sterling Bond Fund;

(iv) equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 70 of the Regulations and (1) above.

(3) The Sterling Bond Fund may not, save as set out in (1) above, mortgage, hypothecate or in any manner transfer as security for indebtedness, any securities owned or held by the Sterling Bond Fund provided that the purchase or sale of securities on a when-issued or delayed-delivery basis, and margin paid with respect to the writing of options or the purchase or sale of forward or futures contracts, are not deemed to be the pledge of the assets.

(4) Without prejudice to the powers of the Sterling Bond Fund to invest in transferable securities, each Fund may not lend or act as guarantor on behalf of third parties.

5 The Sterling Bond Fund may engage in stocklending for the purpose of efficient portfolio management, in accordance with the guidelines set out by the Financial Regulator.

6 The Sterling Bond Fund may not use borrowings to cover exposure to financial derivative instruments.

Exchanges/Markets

The following is a list of regulated stock exchanges and markets in which the assets of the Sterling Bond Fund may be invested from time to time and is set out in accordance with the Irish Financial Regulator's requirements. With the exception of permitted investments in unlisted securities, investment will be restricted to the stock exchanges and markets below. The Irish Financial Regulator does not issue a list of approved stock exchanges or markets.

(i) any stock exchange which is:

- located in any Member State of the European Union; or
- located in any of the following countries:-

Australia
Canada
Japan
New Zealand
Norway
Switzerland
United States of America
Hong Kong; or

(ii) Any stock exchange included in the following list:-

Argentina	Mercado a Término de Buenos Aires S.A. (BCBA); Bolsa de Comercio de Buenos Aires; Bolsa de Comercio de Cordoba; Bolsa de Comercio de Rosario; Bolsa de Comercio de Mar del Plata; Bolsa de Comercio de Mendoza S.A.; Bolso de Comercio de Santa Fe; Mercado Abierto Electrònico (MAE); Mercado a Termino de Rosario; Mercado de Valores de Rosario; Mercados dde Futuros y Opciones SA (Merfox) Rosario Futures Exchange (ROFEX);
Bangladesh	the stock exchange in Dhaka;
Bolivia	Bolsa Boliviana de Valores;
Botswana	the stock exchange in BA swana;
Brazil	Bolsa de Mercadorias e Futuros (BM&F); Bolsa de Valores Bahia, Sergipe, Alagoas; Bolsa de Valores do Extremo Sul; Bolsa de Valores Minas; Espirito Sandto, Brasilia; Bolsa de Valores do Paraná; Bolsa de Valores de Pernambuco e Paraiba; Bolsa de Valores Regional; Bolsa de Valores de Rio de Janerio; Bolsa de Valores de São Paulo (BOVESPA); Bolsa de Valores de Santos; Sociedade Operadora de Mercado de Ativos (SOMA);
Chile	the stock exchange in Santiago;
China	the stock exchange in Shanghai and Shenzhen;
Colombia	the stock exchange in Bogota;
The Czech Republic	the stock exchange in Prague;
Ecuador	the stock exchange in Quito;
Egypt	the stock exchanges in Cairo and Alexandria;
Hungary	the stock exchange in Budapest;
Iceland	the stock exchange in Reykjavik;

India	the stock exchanges in Bombay, Madras, Delhi, Ahmedabab, Bangalore, Cochin, Gauhati, Magadh, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta;
Indonesia	the stock exchanges in Jakarta and Surabaya;
Israel	the stock exchange in Tel Aviv;
Ivory Coast	the stock exchange in Abidjan;
Jamaica	the stock exchange in Kingston;
Jordan	the stock exchange in Amman;
Kenya	the stock exchange in Nairobi;
Korea	Korea Futures Exchange (KOFEX), Korea Stock Exchange (KSX); Korean Securities Dealers Association Automated Quotation (KOSDAQ);
Malaysia	the stock exchange in Kuala Lumpur;
Mexico	Bolsa Mexicana de Valores; Mercado Mexicana de Derivados;
Nigeria	the stock exchanges in Nigeria;
Pakistan	the stock exchange in Karachi;
Peru	the stock exchange in Lima;
Philippines	Manila International Futures Exchange; Philippine Stock Exchange;
Poland	the stock exchange in Warsaw;
Singapore	the stock exchange in Singapore;
South Africa	the stock exchange in Johannesburg;
Sri Lanka	the stock exchange in Colombo;
Taiwan	GreTai Securities Market (GTSM); Taiwan Futures Exchange (TAIFEX); Taiwan Stock Exchange; Market for Alternative Investments (MAI); Stock Exchange of Thailand (SET);
Trinidad & Tobago	the stock exchange in Port of Spain;
Turkey	the stock exchange in Istanbul;
Uruguay	the stock exchange in Montevideo;
Venezuela	the stock exchanges in Caracas and Maracaibo;

(iii) any of the following:

the market operated by the members of the International Securities Market Association;

the market in U.S. government securities conducted by primary dealers regulated on the Federal Reserve Bank of New York;

the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;

NASDAQ in the United States

the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan;

The French Market for Titres de Creances Negotiables (The Over The Counter Market in Negotiable Debt Instruments);

AIM - The Alternative Investment Market in the U.K., regulated and operated by the London Stock Exchange;

NASDAQ Europe (is a recently formed market where the general level of liquidity may not compare favourably to that found on more established markets);

The over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;

The markets and exchanges described above are set out herein in accordance with the requirements of the Irish Financial Regulator which does not issue a list of approved markets;

Subject to the prior agreement of the Irish Financial Regulator, the Sterling Bond Fund may, in the future, invest in other stock exchanges and markets which operate regularly and are recognised and open to the public. Details of such regulated stock exchanges and markets, if any, will be included in the subsequent semi-annual and annual audited accounts of the Sterling Bond Fund.

(iv) All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

- in a Member State
- in a Member State in the European Economic Area (European Union Norway, Iceland and Liechtenstein);

In the United States of America, on the

- Chicago Board of Trade
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- New York Board of Trade
- New York Mercantile Exchange;

In China, on the Shanghai Futures Exchange;

In Hong Kong, on the Hong Kong Futures Exchange;

In Japan, on the

- Osaka Securities Exchange;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

In New Zealand, on the New Zealand Futures and Options Exchange;

In Singapore, on the

- Singapore International Monetary Exchange;
- Singapore Commodity Exchange.

For the purposes only of determining the value of the assets of the Sterling Bond Fund, the term "Recognised Exchange" shall be deemed to include, in relation to any futures or options contract utilised by the Sterling Bond Fund for the purposes of efficient portfolio management or to provide protection against exchange rate risk any organised exchange or market on which such futures or options contract is regularly traded.

(v) the market in US Government securities which is conducted by primary dealers which are regulated by the Federal Reserve Bank of New York, the over-the-counter market in the United States conducted by primary dealers as above and secondary dealers which are regulated by the US Securities and Exchange Commissions and by the National Association of Securities Dealers, the Japan Over-the-Counter Markets regulated by the Securities Dealers Association of Japan, NASDAQ (the market organised by the National Association of Securities Dealers), and the market organised by the International Securities Market Association.

The markets and exchanges described in paragraphs (i), (ii), (iii), (iv) and (v) above are set out in accordance with the requirements of the Irish Financial Regulator which does not issue a list of approved markets

APPENDIX C

Information relating to the Cash Fund

PART 1

In this Appendix the "Company" means Aberdeen Investments Funds ICVC

Investment objective and policy:

The investment objective of the Cash Fund is to produce an attractive level of income commensurate with security principally by investing in cash deposits and money market instruments. The Cash Fund may also invest in transferable securities and in collective investment schemes, including those managed by the ACD or companies related to the ACD.

Income: Income will be calculated quarterly as at 31 January, 30 April, 31 July (final) and 31 October, with the appropriate distributions or allocations made within 3 months of these dates.

Share Classes: A Shares – net accumulation

A Shares – net income

Performance

Percentage Growth

Year to 29/12/06 %	Year to 31/12/05 %	Year to 31/12/04 %	Year to 31/12/03 %	Year to 31/12/02 %
7.26	3.06	2.83	2.35	2.54

Source: Lipper, Total Return, Bid to Bid, UK Net Income Reinvested

The above performance figures are based on bid to bid prices. These performance figures are presented as a matter of historical record. Performance is determined by many factors, not just the skill of the ACD or Investment Adviser, including the general direction and volatility of markets and may not be repeatable. Past performance is not a guide to future rates of return. The latest performance figures may be obtained from the ACD. Performance information is shown for a period of five years. However, it should be noted that the performance information reflects that of Aberdeen Deposit Fund, which merged into the Aberdeen Cash Fund, a sub-fund of the Company, on 17 November 2006.

Risk Warnings appropriate to the Cash Fund

- The value of shares and the income from them can go down as well as up and you may get back less than the amount invested.
- Exposure to a single country market increases potential volatility.
- Past performance is not a guide to the future.
- Derivatives may be used to hedge against various risks as permitted by the regulations but may not be used for speculative purposes. The use of derivatives for hedging in a rising market may restrict potential gains.
- The annual management charge for the Cash Fund will be charged to the Cash Fund's income account. If insufficient income is generated by the Cash Fund to cover the annual management charge, the balance will be deducted from the Cash Fund's capital and to that extent will constrain capital growth.
- When cancellation rights apply, and you exercise them, you may not get back the full amount you invested if the share price falls before we receive written confirmation that you wish to cancel the contract.

PART 2

INVESTMENT AND BORROWING POWERS

1 General investment restrictions

The property of the Cash Fund will be invested with the aim of achieving its investment objective but subject to the limits on investment set out in the COLL Sourcebook and its investment policy. These limits apply as summarised below.

The Cash Fund will invest in the investments to which it is dedicated, generally cash and near cash, government and public securities, bills of exchange, debentures, deposits with banks and other instruments acknowledging indebtedness. It is not intended that Cash Fund will have an interest in any immoveable property or tangible moveable property.

2 Transferable securities

Up to 10% of the value of the Cash Fund may be invested in transferable securities which are not approved securities.

Up to 5% may be invested in transferable securities other than Government and public securities issued by any single body. However, up to 10% in value of the Cash Fund may be invested in those securities and instruments (or certificates representing those securities) issued by any single body if the value of all such holdings combined does not exceed 40% of the value of the property of the fund. Up to 20% in value of the scheme property of the Fund can consist of transferable securities issued by the same group (being companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards).

Up to 35% of the scheme property of the Cash Fund may be invested in government and public securities issued by or on behalf of or guaranteed by a single named issuer.

3 Collective Investment Schemes

Up to 10% in value of the scheme property of the Cash Fund may be invested in units in other schemes, including collective investment schemes managed by the ACD, or an associate of the ACD, subject to the rules contained in COLL 5.2.15 and provided investee schemes are equivalent to 'money-market schemes' (being authorised funds dedicated to: (a) deposits; and (b) debentures which are not transferable securities; whether with or without securities which are transferable securities). Investment may only be made in other collective investment schemes managed by the ACD, or an associate of the ACD, whose maximum annual management charge does not exceed 5%.

The investee schemes must comply with 5.1 and 5.2.

3.1 Any schemes in which the Cash Fund invests need to:

3.1.1 satisfy the conditions necessary for them to enjoy the rights conferred by the UCITS Directive; or

3.1.2 be recognised under the provision of section 270 of the Financial Services and Market Act 2000; or

3.1.3 be authorised as a non UCITS retail scheme; or

3.1.4 be authorised in another EEA state.

Provided that for 3.1.3 and 3.1.4 the requirements of article 19(1)(e) of the UCITS Directive are also met.

3.2 Investee schemes must also comply with the rules relating to investment in other group schemes contained in the COLL Sourcebook and themselves be schemes which have terms which prohibit more than 10% of their assets consisting of units in other collective investment schemes.

The Cash Fund may invest in units of collective investment schemes and pay any related charges or expenses for investing in such units unless the schemes are managed, operated or administered by the ACD (or one of its associates) in which case, the ACD will comply with the provisions of COLL 5.2.16.

4 Warrants and nil and partly paid securities

Up to 5% in value of the scheme property of the Cash Fund may consist of warrants, provided that the exposure created by the exercise of the right conferred by that warrant does not exceed the spread limits under the COLL Sourcebook.

Transferable securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by Cash Fund at any time when the payment is required without contravening the COLL Sourcebook.

5 Money market instruments

At least 50% in value of the scheme property of the Cash Fund must consist of instruments or deposits which are:

5.1 redeemable or repayable within two weeks; or

5.2 in the case of money market instruments, capable of being transferred without the consent of a third party (and for this purpose the issuer of the instrument must be regarded as a third party).

6 Deposits

Up to 100%, although no more than 20% in value of the scheme property of Cash Fund can consist of deposits with a single body. The Cash Fund may only invest in deposits with an approved bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.

7 Cash

Cash and near cash must not be retained in the scheme property except to the extent that this may reasonably be regarded as necessary in order to enable: (a) the pursuit of the Cash Fund's investment objective; or (b) redemption of shares; or (c) efficient management of the Cash Fund in accordance with its investment objective; or (d) other purposes which may reasonably be regarded as ancillary to the investment objective of the Cash Fund.

8 Derivatives and forward transactions

Scheme property may be used to enter into derivatives and forward transactions for the purposes of investment or hedging using efficient portfolio management (EPM) style techniques. Using them for investment purposes will increase the risk profile of the Cash Funds. In pursuing the Cash Fund's objective the ACD may make use of a variety of derivative instruments in accordance with the COLL Sourcebook. If derivatives are being used for hedging, using efficient portfolio management techniques, then this should not compromise the risk profile of the relevant Cash Fund. Use of derivatives will not contravene any relevant investment objectives or limits.

8.1 Except as set out in 8.4 below there is no upper limit on the use of transactions in derivatives or forward transaction for the Cash Fund but they must fall under 8.2 and 8.3.

8.2 A transaction in a derivative must be:

8.2.1 a permitted OTC; or

8.2.2 be in a future, an option or a contract for differences effected on or under the rules of an eligible derivatives market which must be entered into with a counterparty that is acceptable in accordance with the COLL Sourcebook, must be on approved terms as to valuation and close out and must be capable of valuation.

have the underlying consisting of any or all of the following to which the Fund is dedicated:

8.2.3 transferable securities:

8.2.4 permitted money market instruments;

8.2.5 permitted deposits;

8.2.6 permitted derivatives;

8.2.7 permitted collective investment scheme units;

8.2.8 financial indices;

interest rates:

8.2.9 foreign exchange rates; and

8.2.10 currencies.

be effected on or under the rules of an eligible derivatives market, it must not cause the Cash Fund to diverge from its investment objective, 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 and must be with an approved counterparty.

Use of derivatives must be supported by a risk management process maintained by the ACD which should take account of the investment objective and policy of the Cash Fund.

Any forward transaction must be made with an eligible institution or an approved bank.

8.3 A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the scheme is or may be committed by another person is covered globally under 8.3.1.

8.3.1 Exposure is covered globally if adequate cover from within the scheme property for the Cash Fund is available to meet its total exposure, taking into account the initial outlay, the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

8.3.2 Cash not yet received into the scheme property of the Cash Fund, but due to be received within one month, is available as cover for the purposes of 8.3.1.

8.3.3 Property the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re acquisition) in time to meet the obligation for which cover is required.

8.3.4 The global exposure relating to derivatives held in the Cash Fund may not exceed the net value of its scheme property.

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 provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R (3) (Requirement to cover sales) are satisfied.

8.4 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the scheme property of the Company. This limit is raised to 10% where the counterparty is an approved bank.

Use of derivatives will not contravene any relevant investment objectives of the Cash Fund.

9 Combinations of Investments

9.1 In applying the limits in 2, 6 and 8 not more than 20% in value of the scheme property is to consist of any combination of two or more of the following: (a) transferable securities or money market instruments issued by; or (b) deposits made with: or (c) exposures from OTC derivatives transactions made with: a single body.

9.2 For the purpose of calculating the limits in 8 and 9.1 the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the conditions specified in COLL 5.2.11R(12).

10 Concentration and Significant Influence

10.1 The Company must not hold more than:

10.1.1 10% of the transferable securities (other than debt securities) issued by a body corporate which do not carry rights to vote on any matter at a general meeting of that body; or

10.1.2 10% of the debt securities issued by any single body; or

10.1.3 10% of the money market instruments issued by any single body; or

10.1.4 10% of the units in a collective investment scheme.

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

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

10.2.2 the acquisition gives the Company that power.

10.3 For the purpose of 10.2, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

11 General

No sub-fund of the Company may invest in the shares of another sub-fund of the Company.

Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of the Company. Cash or near cash must not be retained in the scheme property of a sub-fund of the Company except in order to enable the pursuit of the investment objective; or for redemption of shares in a sub-fund of the Company; or efficient management of the sub-fund of the Company in accordance with it's investment objective or for a purpose which may reasonably be regarded as ancillary to the investment objectives of a sub-fund of the Company.

12 Stock lending

The Company, or the Depositary at the Company's request, may enter into stock lending transactions (under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date) when it reasonably appears to the Company to be appropriate to do so with a view to generating additional income for the Company with an acceptable degree of, risk. Such transactions must comply with conditions set out in the COLL Sourcebook, which require (inter alia) that:

12.1 the stock lending transaction must be of a kind described in Section 263B of the Taxation of Chargeable Gains Act 1992;

12.2 the terms of the agreement under which the Depositary is to re acquire the securities for the account of the Company must be acceptable to the Depositary and in accordance with good market practice;

12.3 the counterparty must be acceptable in accordance with the COLL Sourcebook.

The collateral obtained must be acceptable to the Depositary and must also be adequate and sufficiently immediate as set down in the COLL Sourcebook.

13 Borrowing powers

The Cash Fund may, subject to the COLL Sourcebook, borrow money from an eligible institution or an approved bank for the use of the Fund on the terms that the borrowing is to be repayable out of the scheme property.

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

The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of the scheme property of the Cash Fund.

These borrowing restrictions do not apply to “back to back” borrowing to be cover for transactions in derivatives and forward transactions.

Eligible Securities Markets in which the Cash Fund may invest

Country	Market
EU or EEA	Any market established in an EU or EEA State on which transferable securities admitted to official listing in an EU or EEA State are dealt in or traded
Australia	Australian SE
Brazil	Sao Paulo SE
Canada	Montreal SE
China	Shanghai SE
Hong Kong	Hong Kong Exchanges
India	The Bombay Stock Exchange
Indonesia	Jakarta SE
Israel	Tel Aviv SE
Japan	Tokyo SE
Republic of Korea	Korea Exchange Incorporated
Malaysia	Bursa Malaysia Berhard
Mexico	Mexican SE
New Zealand	New Zealand SE
Peru	Lima SE
Philippines	The Philippines Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Securities Exchange
Sri Lanka	Colombo SE
Switzerland	SWX Swiss ExchangeVirt-X
Taiwan	Taiwan SEGretai Securities Market

Thailand	Stock Exchange of Thailand
Turkey	Istanbul SE
United States New York American Philadelphia Boston Chicago Pacific	NASDAQ SE SE SE SE SE SE

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