ES RIVER AND MERCANTILE FUNDS ICVC

An open-ended investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC000489

PRINCIPAL PROSPECTUS

Prepared in accordance with the Collective Investment Schemes Sourcebook of the Financial Conduct Authority's Handbook of Rules and Guidance

This Prospectus is dated and valid as at 01 December 2023

This document is the Prospectus of ES RIVER AND MERCANTILE FUNDS ICVC (the "Company"). Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

The Company	ES River and Mercantile Funds ICVC
Registered and Head Office of the Company	4th Floor 6 Pountney Hill House Laurence Pountney Hill London EC4R 0BL
Authorised Corporate Director of all Funds	Equity Trustees Fund Services Ltd 4th Floor 6 Pountney Hill House Laurence Pountney Hill London EC4R 0BL (authorised and regulated by the Financial Conduct Authority)
Investment Manager	River Global Investors LLP 30 Coleman Street London EC2R 5AL
Depositary	The Bank of New York Mellon (International) Limited One Canada Square London E14 5AL (authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)
Auditors	PricewaterhouseCoopers LLP Hay's Galleria 1 Hays Lane London SE1 2RD (authorised and regulated by the Financial Conduct Authority)
Administrator	The Bank of New York Mellon (International) Limited
General correspondence address of the Administrator	ES River and Mercantile Funds ICVC PO Box 372 Darlington DL1 9RP
Courier address of the Administrator	ES River and Mercantile Funds ICVC 372/9RP Stead House Faverdale West Darlington DL3 0PS

Registrar (and address where Register is kept)	The Bank of New York Mellon (International) Limited Capital House 2 Festival Square Edinburgh EH3 9SU (authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority)

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INTERPRETATION

In this Prospectus the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Prospectus but not defined herein shall have the same meanings as in the Act or Regulations (as defined below) unless the contrary is stated. The definitions are as follows:

ACD	Equity Trustees Fund Services Ltd or such other person appointed from time to time by the Company or otherwise pursuant to the Regulations as the authorised corporate director of the Company
Act	the Financial Services and Markets Act 2000
Administrator	The Bank of New York Mellon (International) Limited or such other person appointed from time to time to be the administrator of the Company
Business Day or Dealing Day	Monday to Friday excluding UK public and bank holidays or any day on which the London Stock Exchange is not open for the normal full duration of its trading hours
Collective Investment Schemes Sourcebook or COLL	the Collective Investment Schemes Sourcebook issued by the FCA pursuant to the Act (as amended or replaced from time to time), forming part of the FCA Rules
Company	ES River and Mercantile Funds ICVC
Covered Bonds	means in general a bond that is issued by a credit institution which has its registered office in an EEA State and is subject by special law to public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest, and which may be collateralised
Depositary	such person appointed from time to time by the Company or otherwise pursuant to the Regulations to which all of the scheme property of the Company is entrusted for safe keeping pursuant to the Regulations, being The Bank of New York Mellon (International) Limited
Directors	the directors of the Company for the time being (including the ACD) or, as the case may be, the directors of the Company for the time being assembled as a board including any committee of such board
EEA State	a member state of the European Economic Area

Eligible Market(s)	a regulated market; a market in an EEA State which is regulated, operates regularly and is open to the public; or the ACD after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the scheme property, the market is listed in the prospectus, and the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market and all reasonable steps have been taken by the ACD in deciding whether that market is eligible
Emerging Market	An emerging market economy is the economy of a developing nation that is becoming more engaged with global markets as it grows
Environmental	A measure of a company's impact on the natural environment.
ESG	Environmental, Social and Governance
FCA	Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN or any other regulatory body which may assume its regulatory responsibilities from time to time
FCA Rules	the Handbook of Rules and Guidance published by the FCA (as amended from time to time)
Funds	the sub-funds from time to time of the Company and Fund shall mean one of the sub-funds
Global Exposure	calculated in accordance with COLL 5.3.7R
Governance	How a company operates in terms of audits, board diversity, internal controls and shareholder rights.
Investment Manager	River Global Investors LLP
OEIC Regulations	The Open-Ended Investment Companies Regulations 2001 (as amended from time to time)
RGI	River Global Investors LLP, the Investment Manager
Registrar	The Bank of New York Mellon (International) Limited or such other person appointed from time to time to be the registrar of the Company
Regulations	the OEIC Regulations, the SFTR and the FCA Rules
REIT	Real Estate Investment Trust
Remuneration Policy	the policy as described in the section entitled “General” including, but not limited to, a description as to how remuneration and benefits are calculated and identification of those individuals responsible for awarding remuneration and benefits
SFT	securities financing transaction as defined in article 3 of the SFTR, i.e., any or all of the following: (i) a repurchase contract; (ii) securities or commodities lending and securities or commodities borrowing; (iii) a buy-sell back transaction or sell-buy back transaction; or (iv) a margin lending transaction

SFTR	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, and any secondary or implementing legislation, regulations and procedures made pursuant hereto
share or shares	a share or shares in the Company
Social	How a company treats people such as employees, customers, and the communities in which it operates.
TRSs	total return swaps
UCITS	means an undertaking established in the United Kingdom or an EEA State in accordance with section 236 A of FSMA, as amended
UCITS - related direct EU legislation	means a) Commission Regulation (EU) 2010/583 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website, or (b) Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries
UCITS Scheme	a UK UCITS authorised by the FCA which complies with the conditions necessary for it to enjoy the rights conferred by the Financial Services and Markets Act 2000
UK	United Kingdom of Great Britain and Northern Ireland.
UK UCITS	means an undertaking established in accordance with section 236 A and 237 of FSMA, as amended

THIS PROSPECTUS IS IMPORTANT

IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT THE ACD OR YOUR FINANCIAL ADVISER.

This Prospectus is intended for distribution in the United Kingdom. Its distribution and the offering of Shares in the Company may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified so to do, or to anyone to whom it is unlawful to make such an offer or solicitation. Intending investors should investigate and observe the legal requirements within their own countries for the acquisition of shares of the Company and any taxation or exchange control legislation affecting them personally, including the obtaining of any necessary governmental or other consents and the observation of any other formalities.

The shares of the Company have not been and will not be registered under the US Securities Act of 1933 (as amended). They may not be offered or sold in the US, its territories and possessions, or any state of the United States of America and the District of Columbia. The shares of the Company also may not be offered, sold or transferred to US persons (who fall within the definition of US Person as defined in rule 902 of regulation S of the United States Securities Act 1933 (as amended)). The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been registered under the United States Investment Advisers Act of 1940.

All communications by the Investment Manager and the ACD in relation to this Prospectus shall be in English.

The Company is offering Shares in its Funds on the basis of the information contained in this Prospectus. No person has been authorised by the Company to give any information or to make any representations in connection with the offering of the shares other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon.

The delivery of this Prospectus or the issue of Shares shall not, under any circumstances, imply that the affairs of the Company have not changed since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

This Prospectus is based on information, law and practice at the date hereof. The Company cannot be bound by an out-of-date prospectus when it has issued a new prospectus and investors should check with Equity Trustees Fund Services Limited that this is the most recently published prospectus. Further copies of this Prospectus are available, free of charge from Equity Trustees Fund Services Limited.

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

CONSTITUTION

ES RIVER AND MERCANTILE FUNDS ICVC (the “Company”) is an investment company with variable capital incorporated under the OEIC Regulations. It is authorised as a UK UCITS Scheme (as defined in COLL) by the Financial Conduct Authority under product reference number 457692 and is an umbrella company for the purposes of the OEIC Regulations. Please note that approval by the FCA in this context does not in any way indicate or suggest endorsement or approval of the Company as an investment. The Company is incorporated in England and Wales with registered number IC000489. The head office of the Company is 4th Floor, Pountney Hill House, London, EC4R 0BL. This is also the address for the service on the Company of notices or other documents required or authorised to be served on it.

The Company will issue shares in the following Funds (please refer to Appendix 5 for details of previous names these Funds have had):

- ES River and Mercantile UK Alpha Fund;
- ES River and Mercantile UK Listed Smaller Companies Fund;
- ES River and Mercantile UK Dynamic Equity Fund;
- ES River and Mercantile UK Recovery Fund;
- ES River and Mercantile UK Equity Income Fund;
- ES River and Mercantile Global Recovery Fund;
- ES River and Mercantile Global Alpha Fund; and
- ES River and Mercantile European Fund

The property attributable to each of the Funds is managed as if such fund belonged to the UCITS Scheme category as specified in COLL. Subject to the terms set out in this Prospectus, holders of shares in a Fund are entitled to receive (or, in the case of accumulation shares, to have re-invested) the net income derived from the Fund and to redeem their shares at a price linked to the value of the property of the Fund. Shareholders do not have any proprietary interest in the underlying assets of any Fund.

Under the OEIC Regulations, each Fund is a segregated portfolio of assets and, accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company or any other Fund, and shall not be available for any such purpose.

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

For the purposes of this Prospectus, each obligation, requirement, restriction, or other provision applicable to a Fund should be read as applying to each Fund individually and not collectively unless stated otherwise.

The shareholders of the Company will not be liable for the debts of the Company.

The ACD additionally acknowledges that where a shareholder subscribes for shares in the Company as a trustee on behalf of a trust, such shareholder’s liability to the ACD and the Company in relation to those shares will be limited to the assets of that trust. The base currency for the Company is pounds sterling. The maximum size of the Company's share capital is £100,000,000,000 and the minimum size is £1.

The Company was authorised by an order made by FCA with effect from 2nd October 2006. The operation of the Company is governed by the Regulations, the Company's Instrument of Incorporation and this Prospectus.

INVESTMENT OBJECTIVES AND POLICIES

The investment objective and policy of each of the Funds is set out below. The base currency of each Fund is pounds sterling (or such other currency as shall be the lawful currency of England and Wales from time to time).

Investors should note that the Funds are subject to the investment and borrowing restrictions applicable to UCITS Schemes as set out in COLL.

ES River and Mercantile UK Alpha Fund

Investment objective:

The investment objective of the Fund is to grow the value of your investment (known as “capital growth”) in excess of the MSCI United Kingdom Investable Market Index (IMI) Net Total Return (the “Benchmark”) over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund’s capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment policy:

The Fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the Fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the Fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the Fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), excluding emerging markets, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The Fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the Fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The Fund is actively managed, meaning the Investment Manager uses their expertise to pick investments to achieve the Fund’s objectives.

The fund will have a bias towards “Value” metrics (as described in the fund’s Investment Strategy).

The term ‘Alpha’ (as used in the name of the Fund), is typically defined as the excess return (or performance) of an investment relative to the return (or performance) of a benchmark.

The Fund will invest in a broad range of companies by industry group and size and does not have to hold the same companies that are included in the Benchmark or in the same weights. However, where the Fund invests in companies which are included in the Benchmark the Fund’s exposure to any one company will not be more than 4% above or below the Benchmark's exposure to that company. Exposure to any industry group will not be more than 8% above or below the Benchmark's exposure to that industry group, measured at the industry group level of MSCI GICS (Global Industry Classification Standard).

Investment Strategy:

The Funds Investment Strategy is based on the Investment Manager's long-standing PVT (Potential, Valuation and Timing) Investment Philosophy, which has been designed to discover the most promising investment opportunities regardless of market conditions. The PVT Investment Philosophy looks for companies that are considered by the Investment Manager to have attractive "Potential" (the ability to grow shareholder value through increases in profits and cash), "Valuation" (the price of shares on the stock market is lower than the value the Investment Manager gives to the shares) and "Timing" (the extent to which analytical indicators are supportive of investing at the time of analysis). All stocks are evaluated and continuously monitored against a combination of these clearly defined investment factors.

The long-standing PVT Investment Philosophy is further enhanced by the Investment Manager's Sustainable Investment Framework, to create an overarching Sustainable PVT (SPVT) Investment Philosophy. The Investment Manager believes it is important that its approach to sustainability is defined separately and as a specific dimension of the overarching Investment Philosophy. The Investment Manager's Sustainable Investment Framework is a holistic approach based on an assessment of key parameters grouped under the defined sustainability pillars of People, Innovation and Environment, the three factors that the Investment Manager believes most commonly impact a company's long-term value creation potential. The framework seeks to blend quantitative measures, such as key performance indicators guided by the Sustainable Accounting Standards Board's materiality map, with qualitative assessments, for example around the sustainability culture of a business.

The SPVT Investment Philosophy applies exclusively to investment in shares of companies.

As a consequence of the Investment Manager's bias towards the 'Valuation' element of the PVT Investment Philosophy, the Fund's assets will in aggregate have higher 'Value' metrics such as price-to-book ratio and price-to-sales ratio (both defined below), than the aggregate of these metrics for the companies that constitute the Fund's Benchmark.

- Price-to-book ratio – A metric that measures whether a company is over or undervalued by comparing the net value (assets - liabilities) of a company to its market capitalisation.
- Price-to-sales ratio – A metric that helps investors determine the market value of a company compared to the company's past or future sales.

Due to the Investment Managers bias towards the 'Valuation' element, investors are recommended to also compare the performance of the Fund against the MSCI UK IMI Value index to assess the effectiveness of the Fund's Investment Strategy.

ES River and Mercantile UK Listed Smaller Companies Fund

Investment objective:

The investment objective of the Fund is to grow the value of your investment (known as "capital growth") in excess of the Numis Smaller Companies + AIM Excluding Investment Companies Index Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund's capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment Policy:

The Fund seeks to achieve its investment objective by investing at least 80% of its value in shares of the smallest 10% of companies in the UK stock market in terms of market capitalisation (total number of shares outstanding multiplied by the current price). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the Fund may be invested shares of companies of any size and anywhere in the world (including the UK and excluding emerging markets), collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The Fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as “efficient portfolio management”). As an example, the Fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The Fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the Fund’s objectives.

The Fund will invest in a range of companies by industry sector. Its investments are not restricted by reference to the Benchmark, but the Fund is limited to a maximum investment of 5% of the Fund’s assets in any one company.

Investment Strategy:

The Fund’s Investment Strategy is based on the Investment Manager’s long-standing PVT (Potential, Valuation and Timing) Investment Philosophy, which has been designed to discover the most promising investment opportunities regardless of market conditions. The PVT Investment Philosophy looks for companies that are considered by the Investment Manager to have attractive “Potential” (the ability to grow shareholder value through increases in profits and cash), “Valuation” (the price of shares on the stock market is lower than the value the Investment Manager gives to the shares) and “Timing” (the extent to which analytical indicators are supportive of investing at the time of analysis). All stocks are evaluated and continuously monitored against a combination of these clearly defined investment factors.

The long-standing PVT Investment Philosophy is further enhanced by the Investment Manager’s Sustainable Investment Framework, to create an overarching Sustainable PVT (SPVT) Investment Philosophy. The Investment Manager believes it is important that its approach to sustainability is defined separately, and as a specific dimensions of the overarching Investment Philosophy. The Investment Manager’s Sustainable Investment Framework is a holistic approach based on an assessment of key parameters grouped under the defined sustainability pillars of People, Innovation and Environment, the three factors that the Investment Manager believes most commonly impact a company’s long-term value creation potential. The framework seeks to blend quantitative measures, such as key performance indicators guided by the Sustainable Accounting Standards Board’s materiality map, with qualitative assessments, for example around the sustainability culture of a business.

The SPVT Investment Philosophy applies exclusively to investment in shares of companies.

ES River and Mercantile UK Dynamic Equity Fund

Investment objective:

The investment objective of the Fund is to grow the value of your investment (known as “capital growth”) in excess of the MSCI United Kingdom Investable Market Index (IMI) Net Total Return (the “Benchmark”) over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund's capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment policy:

The Fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the Fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the Fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the Fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), excluding emerging markets, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The Fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as "efficient portfolio management"). As an example, the Fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The Fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the Fund's objectives.

The Fund will invest in a range of companies by industry sector and size. Although its investments are not restricted by reference to a benchmark the Fund will invest in a limited number of companies which means that at times the Fund may be concentrated, meaning that it will typically be invested in between 40 and 60 companies. This absence of any benchmark constraints gives the Investment Manager wider scope to be dynamic in its investment decisions (for example by allowing the Investment Manager to change investments when they believe necessary in line with market circumstances to achieve the Fund's objective) than if they were required to invest within such controls.

Investment Strategy:

The Fund's Investment Strategy is based on the Investment Manager's long-standing PVT (Potential, Valuation and Timing) Investment Philosophy, which has been designed to discover the most promising investment opportunities regardless of market conditions. The PVT Investment Philosophy looks for companies that are considered by the Investment Manager to have attractive "Potential" (the ability to grow shareholder value through increases in profits and cash), "Valuation" (the price of shares on the stock market is lower than the value the Investment Manager gives to the shares) and "Timing" (the extent to which analytical indicators are supportive of investing at the time of analysis). All stocks are evaluated and continuously monitored against a combination of these clearly defined investment factors.

The long-standing PVT Investment Philosophy is further enhanced by the Investment Managers Sustainable Investment Framework, to create an overarching Sustainable PVT (SPVT) Investment Philosophy. The Investment Manager believes it is important that its approach to sustainability is defined separately and as a specific dimension of the overarching Investment Philosophy. The Investment Manager's Sustainable Investment Framework is a holistic approach based on an assessment of key parameters grouped under the defined Sustainability pillars of People, Innovation and Environment, the three factors that the Investment Manager believes most commonly impact a company's long-term value creation potential. The framework seeks to blend quantitative measures, such as key performance indicators guided by the Sustainable Accounting Standards Board's materiality map, with qualitative assessments, for example around the sustainability culture of a business.

The SPVT Investment Philosophy applies exclusively to investment in shares of companies.

ES River and Mercantile UK Recovery Fund

Investment objective:

The investment objective of the Fund is to grow the value of your investment (known as "capital growth") in excess of the MSCI United Kingdom Investable Market Index (IMI) Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund's capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment policy:

The Fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the Fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the Fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the Fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), including emerging markets, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The Fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as "efficient portfolio management"). As an example, the Fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The Fund is actively managed meaning the Investment Manager uses their expertise to pick investments to achieve the Fund's objectives.

The Fund will have a bias towards "Value" metrics (as described in the Investment Strategy section).

The term 'Recovery' (as used in the Fund's name) refers to investments where the Investment Manager believes at the time of investing, the potential to grow shareholder value through increases in profits and cash is particularly high due to levels of profits being depressed and therefore capable of significant recovery.

The Fund will invest in a broad range of companies by industry sector and size and its investments are not restricted by reference to the Benchmark.

Investment Strategy:

The Funds Investment Strategy is based on the Investment Manager's long-standing PVT (Potential, Valuation and Timing) Investment Philosophy, which has been designed to discover the most promising investment opportunities regardless of market conditions. The PVT Investment Philosophy looks for companies that are considered by the Investment Manager to have attractive “Potential” (the ability to grow shareholder value through increases in profits and cash), “Valuation” (the price of shares on the stock market is lower than the value the Investment Manager gives to the shares) and “Timing” (the extent to which analytical indicators are supportive of investing at the time of analysis). All stocks are evaluated and continuously monitored against a combination of these clearly defined investment factors.

The long-standing PVT Investment Philosophy is further enhanced by the Investment Managers Sustainable Investment Framework, to create an overarching Sustainable PVT (SPVT) Investment Philosophy. The Investment Manager believes it is important that its approach to sustainability is defined separately and as a specific dimension of the overarching Investment Philosophy. The Investment Manager’s Sustainable Investment Framework is a holistic approach based on assessment of key parameters grouped under the defined sustainability pillars of People, Innovation and Environment, the three factors that the Investment Manager believes most commonly impact a company’s long-term value creation potential. The framework seeks to blend quantitative measures, such as key performance indicators guided by the Sustainable Accounting Standards Board’s materiality map, with qualitative assessments, for example around the sustainability culture of a business.

The SPVT Investment Philosophy applies exclusively to investment in shares of companies.

As a consequence of the Investment Manager’s bias towards the ‘Valuation’ element of the PVT Investment Philosophy, the Fund’s assets will in aggregate have higher ‘Value’ metrics such as price-to-book ratio and price-to-sales ratio (both defined below), than the aggregate of these metrics for the companies that constitute the Fund’s Benchmark.

- Price-to-book ratio – A metric that measures whether a company is over or undervalued by comparing the net value (assets - liabilities) of a company to its market capitalisation.
- Price-to-sales ratio – A metric that helps investors determine the market value of a company compared to the company's past or future sales.

Due to the Investment Managers bias towards the ‘Valuation’ element, investors are recommended to also compare the performance of the Fund against the MSCI UK IMI Value index to assess the effectiveness of the Fund’s Investment Strategy.

ES River and Mercantile UK Equity Income Fund

Investment objective:

The investment objective of the Fund is to (a) generate an average annual income above the dividend yield of the Benchmark over a rolling 3 year period; and (b) achieve a total return (income and growth in the value of your investments (known as “capital growth”)) above the total return of the Benchmark over a rolling 5 year period, after the deduction of all fees.

The “Benchmark” for the Fund is the MSCI United Kingdom Investable Market Index (IMI) Net Total Return.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund’s capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment policy

The Fund seeks to achieve its investment objective by investing at least 60% of its value in shares of UK companies (companies which are domiciled, incorporated, or have significant operations in the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

In addition, up to 20% of the Fund may be invested in shares of companies which are not UK companies but which, at the time of investment, are listed in the UK. Investment can be direct or indirect as noted above. It is expected that at least 80% of the Fund will be invested in UK companies and companies which are listed in the UK.

Up to 20% of the Fund may be invested in shares of overseas companies (companies which are not UK companies and which are not listed in the UK), excluding emerging markets, investment grade bonds issued by companies and governments (an investment grade rating conveys the rating agency's view that there is a lower risk of loss resulting from the issuer defaulting, than would apply to a non-investment grade bond), convertible bonds, collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The Fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as "efficient portfolio management"). As an example, the Fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The Fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the Fund's objectives.

The Fund will invest in a range of companies by industry group and size and does not have to hold the same companies that are included in the Benchmark or in the same weights. However, where the Fund invests in companies which are included in the Benchmark the Fund's exposure to any company will not be more than 5% above the Benchmark's exposure to that company. Exposure to any industry group will not be more than 8% above or below the Benchmark's exposure to that industry group, measured at the industry group level of MSCI GICS (Global Industry Classification Standard).

Investment Strategy:

The Fund's Investment Strategy is based on the Investment Manager's long-standing PVT (Potential, Valuation and Timing) Investment Philosophy, which has been designed to discover the most promising investment opportunities regardless of market conditions. The PVT Investment Philosophy looks for companies that are considered by the Investment Manager to have attractive "Potential" (the ability to grow shareholder value through increases in profits and cash), "Valuation" (the price of shares on the stock market is lower than the value the Investment Manager gives to the shares) and "Timing" (the extent to which analytical indicators are supportive of investing at the time of analysis). All stocks are evaluated and continuously monitored against a combination of these clearly defined investment factors.

The long-standing PVT Investment Philosophy is further enhanced by the Investment Manager's Sustainable Investment Framework, to create an overarching Sustainable PVT (SPVT) Investment Philosophy. The Investment Manager believes it is important that its approach to sustainability is defined separately and as a specific dimension of the overarching Investment Philosophy. The Investment Manager's Sustainable Investment Framework is a holistic approach based on assessment of key parameters grouped under the defined sustainability pillars of People, Innovation and Environment, the three factors that the Investment Manager believes most commonly impact a company's long-term value creation potential. The framework seeks to blend quantitative measures, such as key performance indicators guided by the Sustainable Accounting Standards Board's materiality map, with qualitative assessments, for example around the sustainability culture of a business

The SPVT Investment Philosophy applies exclusively to investment in shares of companies.

ES River and Mercantile Global Recovery Fund

Investment objective:

The investment objective of the Fund is to grow the value of your investment (known as "capital growth") in excess of the MSCI All Country World Index (ACWI) Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund's capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment policy:

The Fund seeks to achieve its investment objective by investing at least 80% of its value in shares of global companies (including Emerging Markets). Investment can be direct, or indirect, in shares (including common and preference shares and units combining common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the Fund may be invested in collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds), can include those operated and/or managed by the ACD or the Investment Manager.

The Fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as "efficient portfolio management"). As an example, the Fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The Fund is actively managed meaning the Investment Manager uses their expertise to pick investments to achieve the Fund's objectives.

The Fund will have a bias towards "Value" metrics (as described in the Investment Strategy section).

The term 'Recovery' (as used in the Fund's name) refers to investments where the Investment Manager believes at the time of investing, the potential to grow shareholder value through increases in profits and cash is particularly high due to levels of profits being depressed and therefore capable of significant recovery.

The Fund will invest in a broad range of companies by region, industry sector and size and its investments are not restricted by reference to a benchmark.

Investment Strategy:

The Funds Investment Strategy is based on the Investment Manager's long-standing PVT (Potential, Valuation and Timing) Investment Philosophy, which has been designed to discover the most promising investment opportunities regardless of market conditions. The PVT Investment Philosophy looks for companies that are considered by the Investment Manager to have attractive "Potential" (the ability to grow shareholder value through increases in profits and cash), "Valuation" (the price of shares on the stock market is lower than the value the Investment Manager gives to the shares) and "Timing" (the extent to which analytical indicators are supportive of investing at the time of analysis). All stocks are evaluated and continuously monitored against a combination of these clearly defined investment factors.

The long-standing PVT Investment Philosophy is further enhanced by the Investment Manager's Sustainable Investment Framework, to create an overarching Sustainable PVT (SPVT) Investment Philosophy. The Investment Manager believes it is important that its approach to sustainability is defined separately and as a specific dimension of the overarching Investment Philosophy. The Investment

Manager's Sustainable Investment Framework is a holistic approach based on assessment of key parameters grouped under the defined sustainability pillars of People, Innovation and Environment, the three factors that the Investment Manager believes most commonly impact a company's long-term value creation potential. The framework seeks to blend quantitative measures, such as key performance indicators guided by the Sustainable Accounting Standards Board's materiality map, with qualitative assessments, for example around the sustainability culture of a business.

The SPVT Investment Philosophy applies exclusively to investment in shares of companies.

As a consequence of the Investment Manager's bias towards the 'Valuation' element of the PVT Investment Philosophy, the Fund's assets will in aggregate have higher 'Value' metrics such as price-to-book ratio and price-to-sales ratio (both defined below), than the aggregate of these metrics for the companies that constitute the Fund's Benchmark.

- Price-to-book ratio – A metric that measures whether a company is over or undervalued by comparing the net value (assets - liabilities) of a company to its market capitalisation.
- Price-to-sales ratio – A metric that helps investors determine the market value of a company compared to the company's past or future sales.

Due to the Investment Managers bias towards the 'Valuation' element, investors are recommended to also compare the performance of the Fund against the MSCI ACWI IMI Value index to assess the effectiveness of the Fund's Investment Strategy.

ES River and Mercantile Global Alpha Fund

Investment objective:

The investment objective of the Fund is to grow the value of your investment (known as "capital growth") in excess of the MSCI All Country World Index (ACWI) Net Total Return (the "Benchmark") over a rolling 5 year period, after the deduction of all fees.

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund's capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment policy:

The Fund seeks to achieve its investment objective by investing at least 80% of its value in shares of global companies (including emerging markets). Investment can be direct, or indirect, in shares (including common and preference shares and units of common and preferred shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the Fund may be invested in collective investment schemes and cash. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager.

The Fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as "efficient portfolio management"). As an example, the Fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The Fund is actively managed meaning the Investment Manager uses their expertise to pick investments to achieve the Fund's objective.

The Fund will have a bias towards "Value" metrics (as described in the Investment Strategy section).

The term 'Alpha' (as used in the name of the Fund), is typically defined as the excess return (or performance) of an investment relative to the return (or performance) of a benchmark.

The Fund will invest in a broad range of companies by region, industry group and size and does not have to hold the same companies that are included in the Benchmark or in the same weights. The Fund's exposure to any one region will not be more than 25% above or below the Benchmark's exposure to that region. The regions are: the US, the UK, Japan, Developed Europe ex UK, Developed Asia-Pacific ex Japan, other developed markets and Emerging Markets. The Fund follows MSCI's categorisation of countries as Developed Markets, Emerging Markets or other. Exposure to any company will not be more than 4% above or below the Benchmark's exposure to that company. Exposure to any industry group will not be more than 8% above or below the benchmark's exposure to that industry group, measured at the Industry Group level of MSCI GICS (Global Industry Classification Standard).

Investment Strategy:

The Fund's Investment Strategy is based on the Investment Manager's long-standing PVT (Potential, Valuation and Timing) Investment Philosophy, which has been designed to discover the most promising investment opportunities regardless of market conditions. The PVT Investment Philosophy looks for companies that are considered by the Investment Manager to have attractive "Potential" (the ability to grow shareholder value through increases in profits and cash), "Valuation" (the price of shares on the stock market is lower than the value the Investment Manager gives to the shares) and "Timing" (the extent to which analytical indicators are supportive of investing at the time of analysis). All stocks are evaluated and continuously monitored against a combination of these clearly defined investment factors.

The long-standing PVT Investment Philosophy is further enhanced by the Investment Manager's Sustainable Investment Framework to create an overarching Sustainable PVT (SPVT) Investment Philosophy. The Investment Manager believes it is important that its approach to sustainability is defined separately and as a specific dimension of the overarching Investment Philosophy. The Investment Manager's Sustainable Investment Framework is a holistic approach based on assessment of key parameters grouped under the defined sustainability pillars of People, Innovation and Environment, the three factors that the Investment Manager believes most commonly impact a company's long-term value creation potential. The framework seeks to blend quantitative measures, such as key performance indicators guided by the Sustainable Accounting Standards Board's materiality map, with qualitative assessments, for example around the sustainability culture of a business.

The SPVT Investment Philosophy applies exclusively to investment in shares of companies.

As a consequence of the Investment Manager's bias towards the 'Valuation' element of the PVT Investment Philosophy, the Fund's assets will in aggregate have higher 'Value' metrics such as price-to-book ratio and price-to-sales ratio (both defined below), than the aggregate of these metrics for the companies that constitute the Funds broad market Benchmark.

- Price-to-book ratio – A metric that measures whether a company is over or undervalued by comparing the net value (assets - liabilities) of a company to its market capitalisation.
- Price-to-sales ratio – A metric that helps investors determine the market value of a company compared to the company's past or future sales.

Due to the Investment Managers bias towards the 'Valuation' element, investors are recommended to also compare the performance of the Fund against the MSCI ACWI IMI Value index to assess the effectiveness of the Fund's Investment Strategy.

ES River and Mercantile European Fund

Investment objective:

The investment objective of the Fund is to achieve a return (income and growth in the value of your investment (known as "capital growth)) over a rolling period of at least five years, by investing in a core concentrated portfolio of shares of European companies (typically numbering between 30 and 50). A rolling period of at least five years has been chosen because it is broadly similar to the length of an average business cycle (as defined in the investment policy).

Although the sub-fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund's capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.

Investment policy:

The Fund aims to achieve its objective over a business cycle, which is a multi-year period of time during which economic conditions are expected to move through distinct periods of being supportive and unsupportive of companies' trading activities. The Fund will provide a dividend stream for investors derived from companies that the Investment Manager considers to be aligned to the Sustainable Investment Framework and appropriate with reference to the business cycle.

The length of a business cycle varies and as such investors looking to measure the Fund's performance against its objective should do so over a rolling period of at least five years.

The Fund seeks to achieve its investment objective by investing at least 80% of its value in shares of European companies which are domiciled, incorporated, or have significant operations in Europe (excluding the UK). Investment can be direct, or indirect, in shares (including common and preference shares), rights for shares, warrants, depositary receipts (securities issued by banks that represent company shares), investment trusts (including REITS) and collective investment schemes.

Up to 20% of the Fund may be invested in shares of 'non-European' companies (including emerging markets and the UK), collective investment schemes and cash. The Fund's investment into UK companies may be up to 10% of the Fund's net assets, but typically will not exceed 5% of the Fund's net assets. Investment can be direct or indirect as noted above.

Investment in collective investment schemes (which includes exchange traded funds) can include those operated and/or managed by the ACD or the Investment Manager, and is limited to 10% of the overall fund value.

The Fund may use derivatives for the purposes of reducing risk or cost or for generating extra income or growth (known as "efficient portfolio management"). As an example, the Fund may use forward contracts for currency hedging with the intention of reducing the risk arising from currency exposures in a cost-effective way.

The Fund is actively managed, meaning the Investment Manager will use their expertise to pick investments to achieve the Fund's objectives.

The Fund will invest in a range of companies by industry sector and size. Although its investments are not restricted by reference to a benchmark the Fund will invest in a limited number of companies which means that the Fund will be concentrated. This absence of any benchmark constraints gives the Investment Manager wider scope to be dynamic in its investment decisions (for example by allowing the Investment Manager to change investments when they believe necessary in line with market circumstances to achieve the Fund's objective) than if they were required to invest within such controls.

Investment Strategy:

The Fund's Investment Strategy is based on the Investment Manager's long-standing PVT (Potential, Valuation and Timing) Investment Philosophy, which has been designed to discover the most promising investment opportunities regardless of market conditions. The PVT Investment Philosophy looks for companies that are considered by the Investment Manager to have attractive "Potential" (the ability to grow shareholder value through increases in profits and cash), "Valuation" (the price of shares on the stock market is lower than the value the Investment Manager gives to the shares) and "Timing" (the extent to which analytical indicators are supportive of investing at the time of analysis). All stocks are evaluated and continuously monitored against a combination of these clearly defined investment factors.

The long-standing PVT Investment Philosophy is further enhanced by the Investment Manager's Sustainable Investment Framework, to create an overarching Sustainable PVT (SPVT) Investment Philosophy. The Investment Manager believes it is important that its approach to sustainability is defined separately and as a specific dimension of the overarching Investment Philosophy. The Investment Manager's Sustainable Investment Framework is a holistic approach based on assessment of key parameters grouped under the defined sustainability pillars of People, Innovation and Environment the three factors that the Investment Manager believes most commonly impact a company's long-term value creation potential. The framework seeks to blend quantitative measures, such as key performance indicators guided by the Sustainable Accounting Standards Board's materiality map, with qualitative assessments, for example around the sustainability culture of a business.

The SPVT Investment Philosophy applies exclusively to investment in shares of companies.

Benchmarks and Fund Performance

FUND	ADDITIONAL INFORMATION ON THE BENCHMARK AND HOW THE FUND'S PERFORMANCE CAN BE ASSESSED (AS APPLICABLE)
ES River and Mercantile UK Alpha Fund	The Fund's Benchmark (the MSCI United Kingdom Investable Market Index (IMI) Net Total Return) has been selected as a suitable benchmark because it covers a broad range of companies in the investable United Kingdom stock market. Due to the Fund's bias towards value metrics, the ACD additionally welcomes investors to compare the Fund's performance by comparison to the MSCI UK IMI Value Total Return Index as the ACD believes this index provides investors with another appropriate benchmark for assessing the effectiveness of the Fund and the Investment Manager's investment strategy.
ES River and Mercantile UK Listed Smaller Companies Fund	The Fund's Benchmark (the Numis Smaller Companies + AIM Excluding Investment Companies Index Net Total Return) has been selected as a suitable benchmark because it covers a broad range of companies in the investable United Kingdom stock market that make up the bottom 10% of market capitalisation but also excludes investment companies. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The ACD compares the Fund's performance against the UK Smaller Companies sector as, although they may not have exactly the same characteristics as the Fund, the funds in this sector invest at least 80% of their assets in shares of UK companies which form the bottom 10% by market capitalisation.
ES River and Mercantile UK Dynamic Equity Fund	The Fund's Benchmark (the MSCI United Kingdom Investable Market Index (IMI) Net Total Return) has been selected as a suitable benchmark because it covers a broad range of companies in the investable United Kingdom stock market. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The ACD compares the Fund's performance against the UK All Companies sector as, although they may not have exactly the same characteristics as the Fund, the funds in this sector invest in similar assets to the Fund.

FUND	ADDITIONAL INFORMATION ON THE BENCHMARK AND HOW THE FUND'S PERFORMANCE CAN BE ASSESSED (AS APPLICABLE)
ES River and Mercantile UK Recovery Fund	The Fund's Benchmark (the MSCI United Kingdom Investable Market Index (IMI) Net Total Return) has been selected as a suitable benchmark because it covers a broad range of companies in the investable United Kingdom stock market. Due to the Funds bias towards value metrics, the ACD additionally welcomes investors to compare the Fund's performance by comparison to the MSCI UK IMI Value Total Return Index, as the ACD believes this index provides investors with another appropriate benchmark for assessing the effectiveness of the Fund and the Investment Manager's investment strategy.
ES River and Mercantile UK Equity Income Fund	The Fund's Benchmark (the MSCI United Kingdom Investable Market Index (IMI) Net Total Return) has been selected as a suitable benchmark because it covers a broad range of companies in the investable United Kingdom stock market. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The ACD compares the Fund's performance against the UK Equity Income sector as, although they may not have exactly the same characteristics as the Fund, the funds in this sector invest in similar assets to the Fund with the intention of achieving a particular income.
ES River and Mercantile Global Recovery Fund	The Fund's Benchmark (the MSCI All Country World Index (ACWI) Net Total Return) has been selected as a suitable benchmark because it covers a broad range of companies in the investable global stock market. Due to the Fund's bias towards value metrics, the ACD additionally welcomes investors to compare the Fund's performance by comparison to the MSCI ACWI IMI Value Total Return Index, as the ACD believes this index provides investors with another appropriate benchmark for assessing the effectiveness of the Fund and the Investment Manager's investment strategy.
ES River and Mercantile Global Alpha Fund	The Fund's Benchmark (the MSCI All Country World Index (ACWI) Net Total Return) has been selected as a suitable benchmark because it covers a broad range of companies in the investable global stock market. Due to the Fund's bias towards value metrics, the ACD additionally welcomes investors to compare the Fund's performance by comparison to the MSCI ACWI IMI Value Total Return Index, as the ACD believes this index provides investors with another appropriate benchmark for assessing the effectiveness of the Fund and the Investment Manager's investment strategy.

FUND	ADDITIONAL INFORMATION ON THE BENCHMARK AND HOW THE FUND'S PERFORMANCE CAN BE ASSESSED (AS APPLICABLE)
ES River and Mercantile European Fund	The Fund is not managed to target or exceed the performance of any specific Benchmark, nor are the Investment Manager's investment decisions constrained by any Benchmark. However, the ACD welcomes investors to compare the Fund's performance by comparison to the MSCI Europe excluding United Kingdom Investable Market Index (IMI) Net Total Return. The ACD believes that this is a suitable benchmark for comparison purposes as it covers a broad range of companies in the investable European stock markets. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics. The ACD compares the Fund's performance against the Europe excluding UK sector as, although they may not have exactly the same characteristics as the Fund, the funds in this sector invest in similar assets to the Fund.

The ACD will include performance data for all Fund specific Benchmarks within the 'Past Performance' section of the relevant Fund's Key Investor Information Document (KIID), which is available on the ACD's website – www.equitytrustees.com

Index Disclaimer

Where a Fund refers to an MSCI Index, whether in the investment objective or policy, or the past performance information in Appendix 4, the following should be noted:

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indexes or any securities or financial products. This prospectus is not approved, endorsed, reviewed or produced by MSCI. None of the MSCI data is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such.

Benchmark Regulation

Where a Fund has certain investment restrictions which are defined by use of a benchmark (as detailed in a Fund's investment policy if applicable), the ACD is required to include additional disclosures in the prospectus detailing the administrator of any such benchmark (these are set out in the table below). The ACD is also required to produce and maintain robust written plans setting out the actions the ACD will take in the event that the benchmark used by the ACD in relation to a relevant Fund materially changes or ceases to exist. Further information on the ACD's plans are available from the ACD on request. At the date of this Prospectus this is only relevant to the following Funds:

FUND	BENCHMARK	BENCHMARK ADMINISTRATOR
ES River and Mercantile UK Alpha Fund	MSCI United Kingdom Investable Market Index (IMI) Net Total Return	MSCI Limited As at the date of this Prospectus, MSCI Limited is included in the public register of administrators and benchmarks established and maintained by the Financial Conduct Authority.

ES River and Mercantile UK Listed Smaller Companies Fund	Numis Smaller Companies + AIM Excluding Investment Companies Index Net Total Return	Numis Securities Limited As at the date of this Prospectus, Numis Securities Limited is included in the public register of administrators and benchmarks established and maintained by the Financial Conduct Authority.
ES River and Mercantile UK Equity Income Fund	MSCI United Kingdom Investable Market Index (IMI) Net Total Return	MSCI Limited As at the date of this Prospectus, MSCI Limited is included in the public register of administrators and benchmarks established and maintained by the Financial Conduct Authority.
ES River and Mercantile Global Alpha Fund	MSCI All Country World Index (ACWI) Net Total Return	MSCI Limited As at the date of this Prospectus, MSCI Limited is included in the public register of administrators and benchmarks established and maintained by the Financial Conduct Authority.
ES River and Mercantile UK Recovery	MSCI United Kingdom Investable Market Index (IMI) Net Total Return	MSCI Limited As at the date of this Prospectus, MSCI Limited is included in the public register of administrators and benchmarks established and maintained by the Financial Conduct Authority.
ES River and Mercantile Global Recovery	MSCI All Country World Index (ACWI) Net Total Return Index	MSCI Limited As at the date of this Prospectus, MSCI Limited is included in the public register of administrators and benchmarks established and maintained by the Financial Conduct Authority.
ES River and Mercantile UK Dynamic Equity Fund	MSCI United Kingdom Investable Market Index (IMI) Net Total Return	MSCI Limited As at the date of this Prospectus, MSCI Limited is included in the public register of administrators and benchmarks established and maintained by the Financial Conduct Authority

Further Funds

Subject to the Company's Instrument of Incorporation and COLL, the ACD may establish additional Funds from time to time.

RISK FACTORS

Investors should bear in mind that all investment carries risk and in particular should be aware of the following:

1. Past performance is not a guide to future performance. The value of shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. The ACD's initial charge (as set out on page 50 under the heading The Authorised Corporate Director's Charges) is deducted from an investment at the outset and an equivalent rise in the value of the shares is required before the original investment can be recovered. Additional ongoing charges detailed on pages 52 to 54 will also detract from total investor return.

2. Under the Regulations, derivatives (including TRSs) and SFTs can be used for the purposes of Efficient Portfolio Management (EPM) as well as to meet the investment objective of the Funds. Derivatives can be exchange traded or over-the-counter ("OTC") derivatives.

3. None of the Funds may use derivatives for the purposes of meeting their investment objectives. All of the Funds may use derivatives (including TRSs) and SFTs for the purposes of EPM (including hedging).

4. The use of derivative instruments (including TRSs) and SFTs, either for the purposes of EPM or, where relevant, for the purposes of meeting the relevant Fund's investment objectives, may include, without limitation, forward transactions, futures, options and swaps (including TRSs). The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain Fund assets. There is also the potential for capital appreciation of such assets.

5. Derivatives give rise to an exposure to assets which is greater than the Fund's actual investment in those assets. This may increase the opportunity for gains but may magnify the effect of losses. Losses may exceed the value of the Fund's investment in derivatives. Use of derivatives may cause the price of shares to vary more widely or in a more pronounced way.

6. Performance and value of derivative instruments depend on the performance or value of the underlying asset. Derivatives are sophisticated instruments that typically involve a small investment of cash relative to the magnitude of risks assumed. While the price reaction of certain derivatives to market changes may differ from traditional investments such as stocks and bonds, derivatives do not necessarily present greater market risks than traditional investments. The Funds seek to use these derivative instruments for investment purposes and/or EPM, as noted in the investment policy for each Fund. Where derivatives are used to hedge various risks, hedging in a rising market may restrict potential gains as a result of a corresponding decrease in the value of the relevant derivative. The successful use of derivatives depends on a variety of factors, such as the Investment Manager's ability to manage these complex instruments, which require investment techniques and risk analysis that may be different from other investments, market movements and the quality of the correlation between derivative instruments and their underlying assets. The use of derivative instruments and hedging transactions may or may not achieve their intended objective and involves special risks, which may include the following risks outlined in the paragraph below.

7. While the judicious use of derivative instruments can be beneficial, they also involve risks different from, and in some certain cases, greater than, the risks associated with other investments. There is no guarantee that the use of derivative instruments will result in a positive return to a Fund and may result in losses. Certain derivatives could behave unexpectedly or could expose a fund to losses that are significantly greater than the original cost of the particular investment. This is because the use of derivatives may give rise to a form of leverage, and leverage tends to exaggerate the effect of any increase or decrease in the value of the respective Fund's portfolio of securities and other instruments: therefore, a relatively small adverse market movement may not only result in the loss of the entire investment but may also expose the relevant Fund to losses exceeding the amount originally invested with respect to the particular derivative.

8. TRSs are used to gain exposure to a particular security or market in instances where it is not practicable or economically viable to do so through the underlying security or an index futures contract. When the investment objective and/or policy is to obtain economic exposure to a stock without the control implication of owning the stock outright, TRSs are a useful alternative. Access to certain emerging markets can also be facilitated through the use of TRSs on indices. For these instruments, the Fund's return is based on the movement of interest rates relative to the return on the relevant security or index. TRSs can help to protect against changes in securities indices, specific securities prices or other assets, but can also have a negative impact on Fund performance and involve counterparty and liquidity risk as described below.

   The following types of risks are amongst those relevant in relation to the use of derivatives by a Fund:

   Market Risk: some derivatives are particularly sensitive to interest rate changes and market price fluctuations. The Fund could suffer losses related to its derivative positions as a result of unanticipated market movements, and these losses can be disproportionately magnified due to leverage.

Volatility Risk: a Fund's use of derivatives can increase the volatility of the Fund. Volatility can be defined as the extent to which the price of an investment changes within a short time period. Small changes in the value of an underlying security on which the value of a derivative is based can cause a large change in the value of the derivative.

Liquidity Risk: the inability of the Fund to sell or close a derivatives position could expose the Fund to losses. If the derivative transaction is particularly large or if the relevant market is illiquid (as can be the case with OTC derivative instruments) it may not be possible to initiate a transaction or liquidate a position at an advantageous price or within an advantageous timing, and the Fund may suffer losses.

Counterparty Risk: the Fund can be subject to the risk that its direct counterparty will not comply with the terms of the derivative contract (in particular, with respect to the settlement of a transaction) and the Fund may sustain losses as a result. The counterparty risk for an exchange-traded derivative instrument is generally less than for an uncleared OTC derivative given that exchange-traded transactions are generally backed by a number of protections (including clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries), whereas uncleared OTC transactions generally do not benefit from such protections.

Collateral Risk: the taking of collateral may reduce counterparty risk but it does not eliminate it entirely. There is a risk that the value of collateral held by a Fund may not be sufficient to cover the Fund's exposure to an insolvent counterparty. This could for example be due to the issuer of the collateral itself defaulting (or, in the case of cash collateral, the bank with whom such cash is placed becoming insolvent), lack of liquidity in the relevant collateral meaning that it cannot be sold in a timely manner on the failure of the collateral giver, or price volatility due to market events. In the event that a Fund attempts to realise collateral following the default by a counterparty, there may be no or limited liquidity or other restrictions in respect of the relevant collateral and any realisation proceeds may not be sufficient to off-set the Fund's exposure to the counterparty and the Fund may not recover any shortfall.

Collateral management is also subject to a number of operational risks, which can result in a failure to request collateral to cover the exposure of a Fund or failure to demand the return of collateral from a counterparty when due. There is the risk that the legal arrangements entered into by the Company for the account of a Fund are held not to be enforceable in the courts of the relevant jurisdiction, meaning that the Fund is unable to enforce its rights over the collateral received in the case of a counterparty failure.

Where collateral is delivered by a Fund to a counterparty by way of title transfer, a Fund will be exposed to the creditworthiness of the counterparty and, in the event of the insolvency of the counterparty, the Fund will rank as an unsecured creditor in relation to any amounts transferred as collateral in excess of the Fund's exposure to the counterparty. Where the counterparty exercises a right of use in respect of financial instruments (e.g. shares or bonds) provided to it by a Fund as collateral under a security interest arrangement, the Fund's ownership rights over such instruments will be replaced by an unsecured contractual claim for delivery of equivalent financial instruments subject to the terms of the relevant arrangement. The relevant financial instruments will not be held by the counterparty in accordance with client asset rules or similar rights and so will not be segregated from the counterparty's own assets or held on trust for the Fund. As such, on the default or insolvency of the counterparty, the Fund may not receive such equivalent financial instruments or recover the full value of the financial instruments.

Recovery and Resolution Risk: In light of the financial crisis, there has been a global initiative to establish a framework for the recovery and resolution of banks and investment firms. The intention behind this was to provide authorities with an opportunity to intervene early in a failing institution and to minimise the impact of that failure on the financial system.

A number of jurisdictions (including the European Union and the US), have introduced or are in the process of introducing rules that would allow resolution authorities in the relevant country to write-down (i.e. reduce) or convert into equity the liabilities of a firm subject to resolution (a process known as 'bail-in').

The bail-in of liabilities due to the Company might materially alter the nature of its rights against the counterparty and the value of its claim.

To assist them in establishing an orderly resolution of a failing bank or investment firm, authorities have been given the power to impose a stay on or to override certain termination rights otherwise exercisable against a firm in resolution (either directly or by the requirement for mandatory contractual provisions to this effect).

Where a resolution authority imposes a stay on a counterparty to the Company, any rights the Company may have to terminate the relevant financial contract would be suspended for the period of the stay. This means that the Company would not during that period be able to terminate its contract with the counterparty in an effort to limit its loss.

In the event that a resolution authority exercises its powers under any relevant resolution regime in relation to a counterparty, the Company's claim for delivery of equivalent financial instruments may be reduced (in part or in full) or converted into equity and/or a transfer of assets or liabilities may result in the Fund's claim being transferred to different entities.

The exercise of any resolution power or any suggestion of any such exercise could adversely affect the value of the Company's investments and could lead to an investor losing some or all of the value of the investor's investment in the Company.

Other Risks: Other risks in using derivative instruments include the risk of mispricing or improper valuation. Some derivative instruments and in particular OTC derivatives may not have available or representative pricing. Inaccurate valuations could result in increased cash payment requirements to counterparties or a loss of value to the Company. In addition, fluctuations in the values of derivatives may not correlate perfectly with those of the underlying assets. The Company is also subject to the risk of the failure of any of the exchanges on which derivatives are traded or of their clearing houses. Furthermore, there are legal risks involved in using derivatives which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly. The Investment Manager uses a risk management process, to monitor and measure as frequently as appropriate the risk of the Company's portfolio and contribution of the underlying investments to the overall risk profile of the Company.

9. SFTs involve a number of risks, including operational, liquidity, counterparty and custody risk.

10. Securities lent under securities lending transactions may be returned late by the borrower or not at all as a result of the borrower's default or administrative or operational error. This might mean that the relevant Fund is unable to meet its obligation to complete the sale of the relevant security, causing it to breach its contractual obligations to a third party purchaser. If the borrower of a security defaults, to the extent that the value of the collateral held by a Fund at the relevant time is less than the value of the securities lent by the Fund, the Fund will be an unsecured creditor for the difference and may not recover in full or at all. In addition, as a Fund may invest cash collateral received in certain circumstances (see Appendix 1), a Fund investing collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

11. Repurchase contracts involve the risk that the face value of the cash received by a Fund falls below the market value of the securities sold under the transaction. While the Fund should generally have a right to call for additional collateral, if a counterparty defaults (e.g. becomes insolvent or breaches the contract), and the value of the collateral is less than the value of the securities sold, the Fund will be an unsecured creditor for the difference and may not recover in full or at all. Reverse repurchase contracts involve the risk that the market value of the securities bought by a Fund falls below the face value of the cash it pays for them. While the Fund should generally have a right to call for additional collateral, if a counterparty defaults (e.g. becomes insolvent or breaches the contract), and the value of the collateral is less than the value of the cash paid, the Fund will be an unsecured creditor for the difference and may not recover in full or at all.

12. The levels of relief from taxation will depend upon individual circumstances. Please note current tax levels and reliefs may change and their value will depend on the investor's individual circumstances. The tax summary in this Prospectus is not a guarantee to any investor of the tax consequences of investing in a Fund.

13. In a referendum held on 23 June 2016, the electorate of the United Kingdom resolved to leave the European Union (the EU). The result has led to political and economic instability, volatility in the financial markets of the United Kingdom and more broadly across Europe. It may also lead to weakening in consumer, corporate and financial confidence in such markets as the UK negotiates its exit from the EU. The longer term process to implement the political, economic and legal framework between the UK and the EU is likely to lead to continuing uncertainty and periods of exacerbated volatility in both the UK and in wider European markets. In particular, the decision made in the British referendum may lead to a call for similar referendums in other European jurisdictions which may also cause increased economic volatility in wider European and global markets. Currency volatility resulting from this uncertainty may mean that the returns of the Funds and their investments are adversely affected by market movements, potential decline in the value of the British Pound and/or Euro, and any downgrading of UK sovereign credit rating. This may also make it more difficult, or more expensive, for the Funds to execute prudent currency hedging policies. This mid to long term uncertainty may have an adverse effect on the economy generally and on the ability of the Funds and their investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to the Funds.

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

15. In times of high redemptions, requests for further redemptions of shares may be deferred. Please see “Deferred Redemption” in the section ISSUES AND REDEMPTIONS for more information.

16. Natural or environmental disasters (such as earthquakes, fires, floods, hurricanes, tsunamis, and other severe weather-related phenomena generally) and widespread disease (including pandemics and epidemics) have been and can be highly disruptive to economies and markets. They can adversely impact individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a Fund’s investments. Given the increasing interdependence among global economies and markets, conditions in one country, market, or region are increasingly likely to adversely affect markets, issuers, and/or foreign exchange rates in other countries. These disruptions could prevent the Funds from executing advantageous investment decisions in a timely manner and could negatively impact the Funds’ ability to achieve their respective investment objectives. Any such event(s) could have a significant adverse impact on the value and risk profile of the relevant Fund.

17. ESG Investing Risk

    The Funds may use certain ESG criteria in their investment strategies. Where applicable, a Fund’s investment strategy may limit the types and number of investment opportunities available, based on ESG criteria, to the Fund and, as a result, the Fund may underperform in relation to other funds that do not have an ESG focus. If ESG-based exclusionary criteria are used in a Fund’s investment policy, it may result in the Fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their ESG characteristics when it might be disadvantageous to do so. In evaluating a security, the Investment Manager of such a Fund is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Investment Manager to incorrectly assess a company's business practices with respect to the environment, social responsibility and corporate governance ("ESG practices"). Socially responsible norms differ by region, and a company's ESG practices or Investment Manager’s assessment of a company's ESG practices may change over time

Sub-Fund Specific Risks

18. The ES River and Mercantile UK Dynamic Equity Fund and ES River and Mercantile European Fund invest in concentrated portfolios of equities, and as a result, these Funds may experience a higher degree of volatility than funds which invest in more diverse portfolio of investments.

19. The ES River and Mercantile UK Listed Smaller Companies Fund and the ES River and Mercantile UK Recovery Fund invest in the equities of smaller companies. Funds investing in smaller companies invest in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies. As a result, changes in the value of investments may be more unpredictable and in certain cases, it may be difficult to deal a security at the last market price quoted or at a value considered to be fair.

20. The ES River and Mercantile UK Listed Smaller Companies Fund is exposed to smaller companies, meaning there may be liquidity constraints from time to time, i.e., in certain circumstances, the Fund may not be able to sell a position for full value or at all in the short term. This may affect performance and could cause the Fund to defer or suspend redemptions of its shares. In addition, the spread between the price you buy and sell units will reflect the less liquid nature of the underlying holdings.

21. The charges and expenses in respect of the ES River and Mercantile UK Equity Income Fund & ES River & Mercantile European Fund will be charged to capital, this may constrain the capital growth of such Funds; the charges and expenses in respect of the other Funds will be charged to income.

22. Investment by the ES River and Mercantile UK Recovery Fund, the ES River and Mercantile UK Equity Income Fund, the ES River and Mercantile Global Alpha Fund, ES River and Mercantile European Fund and the ES River and Mercantile Global Recovery Fund in global equities issued by overseas companies may carry additional risks including exchange rate movements, political and economic upheaval, relative lack of information, relatively low market liquidity and the potential lack of strict financial controls, standards, and the following risks related to the European Union and the UK:

    - **Risks associated with leaving the European Union;**

      On 31 January 2020, the UK left the European Union, a process known as Brexit, whilst the transition period part of it ended on 31 December 2020. The political, economic and legal consequences of Brexit are still not completely defined. In the short term, from 2021 there may be increased volatility in the financial markets, particularly in the UK and across Europe. Changes in currency exchange rates may make it more expensive dealing in investments that are not denominated in pound Sterling. After the end of the transition period, and the conclusion of the negotiations between the UK and the EU regarding Brexit terms, there might be a period of political, regulatory and commercial uncertainty whilst the UK implements the terms of its new regime. There might be circumstances in which share transfers and redemptions may be impacted, in the event of high levels of redemption, the ACD may use certain liquidity management tools permitted by the FCA, including deferred redemptions, the implementation of fair value pricing or suspension of the Fund;

    - **Eurozone risk**

      A Fund's investments and its investment performance may be affected by economic or financial events relating to the Euro or the Eurozone. The ongoing deterioration of the sovereign debt of several Eurozone countries together with the risk of contagion to other more stable countries has exacerbated the global economic crisis. The growing risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis together with the risk that some countries could leave the Eurozone (either voluntarily or involuntarily), could have a negative impact on the Fund's investment activities. Furthermore, concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Company. If the Euro is dissolved entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of Shareholders' interests in the Company

- **Government debt risk**

  Where a Fund invests in debt issued by governments, there is a risk that: (a) the governmental entity that controls the repayment of government debt may not be willing or able to repay the principal and/or to pay the interest when it becomes due, due to factors such as political considerations, the relative size of the governmental entity's debt position in relation to the economy, cash flow problems, insufficient foreign currency reserves, the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies, and/or other national economic factors; (b) governments may default on their debt securities, which may require holders of such securities to participate in debt rescheduling or 20 restructuring, including loss of principal and accrued interest; and (c) there is no legal or bankruptcy process by which defaulted government debt may be collected in whole or in part.

23. The ES River and Mercantile UK Recovery Fund, the ES River and Mercantile Global Alpha Fund, the ES River and Mercantile Global Recovery Fund and the ES River and Mercantile European Fund may invest in emerging markets. Investments in emerging markets may be more volatile than investments in more developed markets. Emerging markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent that those of developed markets. The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed countries.

24. All of the Funds may invest up to 10% of its assets in collective investment schemes. The collective investment schemes a Fund invests in may, from time to time, include those operated or managed by the ACD or an associate of the ACD. Investors should be aware of the potential exposure to the asset classes of those underlying collective investment schemes in the context of all of their investments.

Typical Investor

The Funds may be marketed to all classes of investor. However, a typical investor will understand and appreciate the risks associated with investing in shares in the Funds and in the case of A shares may have received advice from an appropriately qualified financial adviser. It is anticipated that retail investors will invest in B shares and institutional investors will invest in B, Z and S shares.

The Funds may be appropriate for investors who are seeking an increase in the value of their investment (known as "capital growth") or capital growth and income (as set out in the investment objective for each Fund). The Funds are designed to be used only as one component of a diversified portfolio.

The Funds will be suitable for investors who are willing to accept a higher level of risk arising out of investment in potentially volatile shares in pursuit of higher returns over the longer term and may not be appropriate if the investor plans to withdraw their money within 5 years of making their investment. A typical investor of the Funds should be aware that 100% of their capital is at risk and that the Funds are not appropriate for investors who seek a capital guarantee and not suitable nor for those investors who are looking for an investment solution that has a specified limit in capital loss or no capital loss. The Funds are not designed to preserve or limit capital loss.

THE AUTHORISED CORPORATE DIRECTOR

The authorised corporate director (ACD) of the Company is Equity Trustees Fund Services Ltd. The ACD is a private limited company, incorporated in England and Wales on 5th August 2003. The registered and head office of the ACD is 4th Floor, 6 Pountney Hill House, Laurence Pountney Hill, London, EC4R 0BL. This is the address at which notices or other documents may be served on the Company. The ACD is authorised and regulated by the Financial Conduct Authority and, by virtue of this is authorised to carry on investment business in the United Kingdom. The ACD is a private company limited by shares with an authorised and issued share capital of £8,785,000 fully paid. As at the date of this Prospectus, the directors of the ACD are:

- James Gardner (Company Director)
- Dallas McGillivray (Independent Director)
- Vincent Camerlynck (Independent Director)
- Tim Callaghan (Independent Director)

No director is engaged in any significant business activity not connected with the business of the ACD.

The ACD may provide investment services to other clients and funds and to companies in which the Company may invest in accordance with the Regulations.

When managing investments of the Company, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the ACD but properly does not come to the notice of an individual managing the assets of the Company.

The ACD provides its services to the Company under the terms of a service agreement (the ACD Agreement dated 21 October 2019). The ACD Agreement will terminate with immediate effect if the ACD ceases to hold office as such. The ACD's appointment may be terminated by the Company in a general meeting at any time. Otherwise, save by reason of certain events of default as specified in the ACD Agreement, the Company may terminate the ACD's appointment on 12 months' written notice. No such notice shall take effect until the appointment of a successor ACD. The ACD Agreement contains certain limitations upon the liability of the ACD where loss or damage has been caused to the Company, save where loss arises by reason of negligence, default, breach of duty or trust by the ACD. The ACD Agreement contains an indemnity from the Company to the ACD in respect of losses, claims and similar liabilities incurred by the ACD as such, save where such losses, claims and similar liabilities arise from the negligence, default, breach of duty or breach of trust of the ACD.

In accordance with the ACD Agreement, the ACD agrees to carry out the duties and functions contained in COLL in relation to each of the Funds. The ACD shall have the power to delegate the whole or any part of its duties but, notwithstanding any such delegation, the ACD shall remain liable to the Company for the management of the scheme property of each Fund as set out in COLL and for all matters delegated to any associate. The ACD has delegated its administration and registrar functions to The Bank of New York Mellon (International) Limited and portfolio management to RGI for all Funds.

The ACD is permitted to hold client money in certain circumstances and will usually only do so in order to effect redemptions of shares. To the extent that the ACD does hold client money, any such money will be held in a separate client account in accordance with the FCA's Rules and no interest is paid on any such balances.

THE DEPOSITARY

The Bank of New York Mellon (International) Limited is the Depositary of the Company and, for the avoidance of doubt, acts as the global custodian to the Company. The Bank of New York Mellon (International) Limited is a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States.

The registered and head office address of The Bank of New York Mellon (International) Limited is at One Canada Square, London, E14 5AL.

The ACD has appointed the Depositary to act as Depositary for purposes of COLL.

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

Duties of the Depositary

The Depositary is responsible for the safekeeping of the scheme property of each Fund, monitoring the cash flows of each Fund and must ensure that certain processes carried out by the ACD are performed in accordance with this Prospectus, the Instrument of Incorporation and the provisions of COLL. The Depositary is entitled to receive remuneration out of the property of the fund. Details of the Depositary's remuneration are set out on page 52 of this Prospectus.

Delegation of Safekeeping Functions

The Depositary acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation). The Depositary has delegated safekeeping of the scheme property to The Bank of New York Mellon SA/NV and The Bank of New York Mellon (the Global Sub-Custodians). In turn the Global Sub-Custodians have sub-delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates (Sub-Custodians).

A list of Sub-Custodians is given in Appendix 3. Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of Sub-Custodians is updated only at each Prospectus review. An updated list of Sub-Custodians is maintained by the ACD and available on request.

Conflicts of interest

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

Link	means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.
Group Link	means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002.

Company, ACD and shareholders

The following conflicts of interest exists between the Depositary, the Company, and the ACD:

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

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

To the extent that a Link exists between the Depositary and any shareholders in the Company, the Depositary shall take all reasonable steps to avoid conflicts of interests arising from such Link, and ensure that its functions comply with 6.6B.11 R of the Collective Investment Schemes Sourcebook as applicable.

Delegation

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

- A Group Link where the Depositary has delegated, or where any Global Sub-Custodian has sub-delegated, the safekeeping of the scheme property to an entity within the same corporate group as the Depositary.

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

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

Updated Information

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

Terms of Appointment

The ACD is required to enter into a written contract with the Depositary to evidence its appointment as Depositary of the Company for purposes of the COLL. BNY Mellon Trust & Depositary (UK) Limited was appointed as Depositary of the Company under an agreement dated 4th March 2009. The Depositary Agreement was novated in favour of The Bank of New York Mellon (International) Limited by a novation agreement with effect from 1 August 2018. The ACD, the Bank of New York Mellon (International) Limited and the Company entered into an amended and restated Depositary Agreement dated 21 October 2019 (the Depositary Agreement), as amended from time to time, pursuant to which the ACD and the Depositary agree to carry out various functions in order to comply with, and facilitate compliance with, the requirements of the COLL.

RIVER GLOBAL INVESTORS LLP(RGI)

The ACD has appointed RGI to provide investment management to the ACD in respect of all Funds in this ICVC. RGI is authorised and regulated by the Financial Conduct Authority. RGI is a River and Mercantile Group PLC group member.

RGI's registered office is at 30 Coleman Street, London, EC2R 5AL.

The principal activity of RGI is the provision of investment management services.

Terms of Appointment:

RGI was appointed by an agreement effective 21 October 2019 between the ACD and RGI, as amended from time to time (the RGI Investment Management Agreement).

In the exercise of the ACD's investment functions, RGI will (subject to the overall policy and supervision of the ACD) have full power, authority and right to exercise the functions, duties, powers and discretions exercisable by the ACD under the Instrument of Incorporation or the Collective Investment Schemes Sourcebook to manage investment of the Funds.

RGI may also direct the exercise of rights (including voting rights) attaching to the ownership of the scheme property of the Funds.

The RGI Investment Management Agreement may be terminated by not less than 90 days' written notice, or immediately if it is in the best interests of investors or by written notice given by either party on the happening of certain events involving any material breach or insolvency. It will also terminate automatically if the agreement appointing the ACD is terminated or if the ACD or RGI cease to be authorised to act as in their current capacities.

RGI will be paid a fee out of scheme property.

RGI will not be considered as a broker fund adviser under the FCA Rules in relation to the Company.

NO LIABILITY TO ACCOUNT

Neither the ACD, the Depositary, RGI, the Administrator, the Registrar or any other person involved with the establishment and/or operation of the Company are liable to account to each other or to the shareholders or former shareholders of the Company for any profits or benefits they may make or receive which are made, derived from or in connection with:

(a) dealings in the shares of the Company;

(b) any transaction in the underlying property of the Company; or

(c) the supply of services to the Company.

The ACD will not pay or accept any fee or commission or provide or receive any non-monetary benefits from suppliers to the Company or Funds of fund management services unless permitted with the FCA Regulations.

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of a Fund the ACD will not accept and retain any fees, commissions or monetary benefits, or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of that party. However, this does not apply to minor non-monetary benefits that are capable of enhancing the quality of the service provided to a Fund and are of a scale and nature such that they could not be judged to impair the ACD's compliance with its duty to act honestly, fairly and professionally in the best interests of the relevant Fund.

In the event that the ACD receives any fees, commissions or monetary benefits from a third party in relation to any services provided to a Fund, the ACD will return these to the relevant Fund as soon as reasonably possible and inform Shareholders in the Fund about such fees, commissions and/or monetary benefits, as applicable.

For information regarding conflicts of interest, please see the appropriate paragraph in the section "Other Information".

SHARES IN THE COMPANY

The details of the share classes currently available in relation to the Funds are set out below:

SUB-FUND	SHARE CLASS	FCA PRODUCT REFERENCE NUMBER
ES River and Mercantile UK Alpha Fund	A shares (Income) B shares (Accumulation) Z shares (Accumulation)	635077
ES River and Mercantile UK Listed Smaller Companies Fund	B shares (Income) B shares (Accumulation)[1] S shares (Income) S shares (Accumulation) S2 shares (Income) S2 shares (Accumulation)	635078
ES River and Mercantile UK Dynamic Equity Fund	A shares (Income) B shares (Accumulation) Z shares (Accumulation)	635080

[1] Prior to 16th July 2012, the ES River and Mercantile UK Listed Smaller Companies Fund B shares (Accumulation) were known as Z shares (Accumulation)

	S shares (Accumulation) S shares (Income)	
ES River and Mercantile UK Recovery Fund	B shares (Income) Z shares (Accumulation) S shares (Income) S shares (Accumulation)	635081
ES River and Mercantile UK Equity Income Fund	B shares (Income) S shares (Income) S shares (Accumulation)	635082
ES River and Mercantile Global Recovery Fund	B shares (Income) Z shares (Accumulation) S shares (Income) S shares (Accumulation)	635086
ES River and Mercantile Global Alpha Fund	B shares (Accumulation) Z shares (Accumulation)	756341
ES River and Mercantile European Fund	F shares (Accumulation) F shares (Income) B shares (Accumulation) B shares (Income) S shares (Accumulation) S shares (Income) Z shares (Accumulation) Z shares (Income)	935263

Each income share is deemed to represent one undivided unit of entitlement in the property of a Fund. Where both income and accumulation shares are in existence in relation to a Fund, the number of undivided shares of entitlement in the property of the Fund represented by each accumulation share increases as income is accumulated.

Any income (net of tax) arising in respect of an income share attributable to a particular Fund shall be determined and distributed as summarised on page 48 under the heading Distribution.

Any income (net of tax) arising in relation to an accumulation share will be credited automatically to capital which will be reflected in the price of such accumulation share.

Where both income and accumulation shares are in existence in relation to a Fund, the income of the Fund is allocated as between income shares and accumulation shares according to the respective shares of entitlement in the property of the Fund represented by the accumulation shares and income shares in existence at the end of the relevant accounting period.

The rights attaching to the shares of all classes may be expressed in two denominations and, in each of these classes, the proportion of a larger denomination share represented by a smaller denomination share shall be one thousandth of the larger denomination.

Further classes of share may be established from time to time by the ACD with the agreement of the Depositary and in accordance with the Instrument of Incorporation and the Regulations. On the introduction of any new class, a revised Prospectus will be prepared setting out the details of each class.

REGISTER

A register of shareholders is maintained at the office of the Registrars at Capital House, 2 Festival Square, Edinburgh, EH3 9SU where it can be inspected by shareholders during normal office hours.

No certificates will be issued in respect of a holding of shares and should any shareholder require evidence of title to shares the ACD will, upon such proof of identity and the payment of such fee (if any) as the ACD may reasonably require, supply the shareholder with a certified copy of the relevant entry in the register relating to the shareholder's holding of shares.

Shareholders should notify the Registrar in writing of any change to their name or address.

No bearer shares are issued.

VALUATIONS

Each share linked to a Fund represents a proportional share of the overall property attributable to such Fund. Therefore, the value of a share attributable to a Fund is calculated, in broad outline, by calculating the net value of the property attributable to the Fund and dividing that value (or that part of that value attributed to shares of the class in question) by the number of shares (of the class in question) in issue.

Valuations are normally carried out on each Dealing Day (being each day which is a Business Day). The valuation point for the Funds is 12 noon on each Dealing Day:

The ACD may carry out additional valuations if it considers it desirable to do so. Valuations will not be made during a period of suspension of dealings (see "Suspension of Dealings" below). The ACD is required to notify the Depositary if it carries out an additional valuation.

The property attributable to a Fund is, for all purposes, valued on the following basis (which is set out in full in the Company's Instrument of Incorporation):

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

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

2. Property which is not cash (or other assets dealt with in paragraph 3 and 4 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

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

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

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

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

   (b) exchange-traded derivative contracts:

      (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or

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

   (c) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;

   (d) any other investment:

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

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

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

(e) property other than that described in (a), (b), (c) and (d) above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.

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

4. In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.

5. Subject to paragraphs 6 and 7 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 ACD, their omission shall not materially affect the final net asset amount.

6. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.

7. All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.

8. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.

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

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

11. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

12. Add any other credits or amounts due to be paid into the scheme property.

13. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.

14. Currencies or values in currencies other than base currency or (as the case may be) the designated currency of a sub-fund shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

Each Fund has credited to it the proceeds of all shares attributed to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits, or assets deriving from such investments. All liabilities and expenses attributable to a Fund are charged to it.

The Company is required to allocate (and the ACD may from time to time reallocate) any assets, costs, charges or expenses which are not attributable to a particular Fund against all the Funds in a manner which is fair to the shareholders of the Company generally.

PRICES OF SHARES

Shares in the Company are swinging single priced. This means that subject to any dilution adjustment referred to below and the initial charge (explained in the section “Authorised Corporate Director’s charges”), the price of a share for both buying and selling purposes will be the same and determined by reference to a particular valuation point. The price of a share is calculated at or about the valuation point each Dealing Day (to at least four significant figures) by:

- taking the value of the property attributable to the relevant Fund and therefore all shares (of the relevant class) in issue (on the basis of the shares of entitlement in the property of the Fund attributable to that class at the most recent valuation of the Fund); and

- dividing the result by the number of shares of the relevant class in issue immediately before the valuation concerned.

Publication of Prices

The prices of shares for each class in each Fund will be available via the ACD’s website www.equitytrustees.com on each Dealing Day, www.fundlistings.com, or during 8.30am to 5.30pm by calling 0345 603 3618. Neither the Company nor the ACD are responsible for any errors in publication or for non-publication. The ACD issues and redeems shares on a “forward” pricing basis, not on the basis of the published prices.

DILUTION ADJUSTMENT

The basis on which the Funds' investments are valued for the purposes of calculating the buying and selling price of shares as stipulated in COLL and the Company's Instrument of Incorporation is summarised on page 36 above entitled “Valuations”. The total proceeds of sale of a Fund's investments may be less than, and the total purchase price of a Fund's investments may be more than, the mid-market value used in calculating the share price, due to dealing charges, or through dealing at prices other than the mid-market price, for example. Under certain circumstances (for example, large volumes of deals), this may have an adverse effect on the existing shareholders' interest in a Fund. In order to mitigate this effect, called 'dilution', the ACD has the power to apply a 'dilution adjustment', as defined in COLL, on the issue and/or redemption of shares in a Fund.

The dilution adjustment for the Funds will be calculated by reference to the estimated costs of dealing in the underlying investments of that Fund, including any dealing spreads, commission and transfer taxes (together the Dealing Costs).

In practice, net outflows means the price swings down while net inflows means the price swings up. The swinging single pricing mechanism is a fair and flexible method for dealing with dilution issues that arise when a single priced fund experiences large inflows or outflows. The scale of the swing is determined by the total of the Dealing Costs. However, regardless of which way the price swings, and by how much, all investors buy and sell at the same price.

Where a dilution adjustment is applied, the net asset value of the relevant Fund will be adjusted by an amount not exceeding 1%.

The need to apply a dilution adjustment will depend on the volume of sales (shares issued) or redemptions of shares. The ACD may apply a dilution adjustment on the issue and redemption of shares if, in its opinion, the existing shareholders (for shares issues) or remaining shareholders (for redemptions) might otherwise be adversely affected, and if applying a dilution adjustment, so far as practicable, it is fair to all shareholders and potential shareholders.

The ACD will seek to limit the amount of any dilution adjustment and apply a dilution adjustment at the upper limit only in exceptional circumstances in order to balance the interests of all shareholders and potential shareholders.

The rate applied to dilution adjustments is based on historical projections and a table is set out below setting out the average dilution adjustments applied in the period prior to the date of this prospectus. However, it should be noted that, as dilution is directly related to the inflows and outflows of monies from the Company, it is not possible to predict accurately whether or not dilution will occur at any particular future point in time, and how frequently the ACD will need to make such a dilution adjustment and this historical data should not be considered to indicate the likelihood of the ACD applying dilution adjustments in future.

The ACD reserves the right to make a dilution adjustment every Dealing Day. On the occasions that the dilution adjustment is not applied there may be an adverse impact on the total assets of the Fund which may otherwise constrain the future growth of the Fund in question, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a share.

The ACD will review the dilution adjustment on a quarterly basis, however it may at its discretion, re-evaluate the adjustment in the event of significant market movement. The ACD may alter its current dilution policy by giving shareholders 60 days' notice and amending the Prospectus to reflect the change.

In particular, the dilution adjustment may be applied in the following circumstances:

(a) where a Fund is in continual decline (i.e., is suffering a net outflow of investments);

(b) where the ACD anticipates the Fund will be in a period of sustained growth through net inflows of investment;

(c) on a Fund experiencing net sales or net redemptions on any Dealing Day equivalent to 2.5% or more, for the size of that Fund;

(d) in any other case where the ACD is of the opinion that the interests of the shareholders require the imposition of a dilution adjustment.

The ACD does not benefit from the amount of any dilution adjustment.

The following table shows the dilution adjustment which has been applied for each Fund in the period January 2021 to December 2021.

FUND NAME	AVERAGE DILUTION ADJUSTMENT ON A BID SPREAD	AVERAGE DILUTION ADJUSTMENT ON OFFER SPREAD	NUMBER OF DAYS ON WHICH A DILUTION ADJUSTMENT WAS APPLIED
ES River and Mercantile UK Alpha Fund	0.39	0.81	9
ES River and Mercantile UK Listed Smaller Companies Fund	0.61	0.85	81
ES River and Mercantile UK Dynamic Equity Fund	0.16	0.55	93
ES River and Mercantile UK Recovery Fund	0.45	0.80	18

FUND NAME	AVERAGE DILUTION ADJUSTMENT ON A BID SPREAD	AVERAGE DILUTION ADJUSTMENT ON OFFER SPREAD	NUMBER OF DAYS ON WHICH A DILUTION ADJUSTMENT WAS APPLIED
ES River and Mercantile UK Equity Income Fund	0.20	0.62	254
ES River and Mercantile Global Recovery Fund	0.23	0.28	205
ES River and Mercantile Global Alpha Fund	0.15	0.19	4
ES River and Mercantile European Fund (not launched in the period)	0.11	0.18	29

ISSUES AND REDEMPTIONS

Requests for the purchase, redemption, conversion and switching of shares are normally dealt with by the issue or cancellation of such shares by the Company.

The ACD is required to procure the issue or cancellation of shares by the Company where necessary to meet any obligations to sell or redeem shares. Shares will be issued, redeemed, sold or repurchased at the price calculated by reference to the valuation point following receipt of the request (on a forward basis).

Market Timing and Late Trading

The repeated purchasing and selling of shares in response to short-term market fluctuations is known as “market timing”. The processing of subscriptions after the dealing cut off time and/or Valuation Point is known as “late trading”. Shares in a Fund are not intended for market timing or late trading. The ACD has a policy in relation to market timing and late trading. As part of its policy, the ACD may refuse to accept an application for shares from persons that the ACD reasonably believes are engaged in market timing or late trading and the ACD will actively monitor trading patterns to assist it in maintaining the stability and integrity of the prices of shares.

The ACD may refuse to accept a new subscription, or switch from another Fund if it has reasonable grounds for refusing to accept a subscription or a switch. In particular, the ACD may exercise this discretion if it believes the investor or potential investor has been engaged in or intends to engage in market timing activities.

Issue Applications

Applications to purchase shares in any Fund may be made by any person. Dealings are at forward prices i.e., at prices calculated by reference to the next valuation following receipt of the application. Shares to satisfy an application received before the valuation point of the appropriate Fund (see "Valuations" for details of the valuation points) on a Dealing Day will be issued at a price based on that day's valuation and shares to satisfy an application received after the valuation point, or on a day which is not a Dealing Day, will be issued at a price based on the valuation made on the next Dealing Day. Applications for shares issued by the Funds should be received by 12 p.m. to ensure inclusion in the following valuation point.

Initial applications from retail investors made directly to the ACD (i.e., not via an intermediary) must be made by completing an application form and this should be sent with the applicant’s cheque or bankers draft to the Administrator at ES River and Mercantile Funds ICVC, PO Box 372, Darlington, DL1 9RP. Subsequent applications by retail investors up to a value of £25,000 may be made either by telephoning the Administrator on 0345 603 3618 between 8.30am and 5.30pm on any Business Day or by fax 0870 275 0021 or by completing an application form. Subsequent applications by retail investors over £25,000 must be made by application form with an accompanying cheque or bankers draft. Applications from intermediary and institutional investors may be made either by telephoning the Administrator on 0345 603 3618, or by fax 0870 275 0021 or by application form.

Application forms can be downloaded from the ACD's website (www.equitytrustees.com). Applications by application form are irrevocable. Subject to its obligations under COLL, the ACD reserves the right to reject any application in whole or in part. In that event application monies or any balance will be returned to the applicant by post at the applicant's risk.

The Company is subject to UK legislation implementing the UK's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including European Union Directives and the United States provisions commonly known as FATCA). In order to comply with the legislation, the ACD (or its agent) will collect and report information about shareholders for this purpose, including information to verify their identity and tax status.

By signing the application form to subscribe for shares, each prospective shareholder is agreeing, when requested to do so by the ACD or its agent, to provide information which the Company is required to pass on to HM Revenue & Customs, and to any relevant overseas tax authorities.

The Company is also subject to the UK anti-money laundering regulations and the ACD may in its absolute discretion require verification of identity from any person applying for shares (the Applicant) including, without limitation, any Applicant who:

(a) tenders payment by way of cheque or banker's draft on an account in the name of a person or persons other than the Applicant; or

(b) appears to the ACD to be acting on behalf of some other person.

In the former case verification of the identity of the Applicant may be required. In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.

Applications will not be acknowledged but a contract note will be sent on or before the Business Day next following the relevant Dealing Day. Certificates will not be issued. Where the total price payable for all shares for which the application is made would include a fraction of one penny it will be rounded up or down to the nearest penny.

If an Applicant defaults in making any payment in money or transfer of property due to the ACD in respect of the sale or issue of shares, the Applicant shall be responsible for any loss or cost incurred by the ACD and/or the Company (as the case may be) as a result of such default and the Company is entitled to make any necessary amendment to the register and the ACD will become entitled to the shares in place of the Applicant (subject, in case of an issue of shares, to the ACD's payment of the purchase price to the Company). The ACD may, at its discretion, delay arranging for the issue of the shares until payment has been received.

When subscribing for shares, the ACD makes use of the delivery versus payment (DvP) exemption as permitted by the FCA Rules, which allows for a one Business Day window (CIS window) during which money given to the ACD to buy shares is not treated as client money. If the ACD has not passed subscription money to the Depositary at the end of the CIS window (or, at the latest, by close of business on the third business day following the date on which the ACD makes use of the DvP exemption), it will place the subscription money into a client money bank account until it can make the transfer.

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

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

In Specie Application

The ACD may, by special arrangement and at its discretion, agree to arrange for the issue of shares in exchange for assets other than cash but only if the Depositary is satisfied that acquisition of the assets in exchange for the shares to be issued is not likely to result in any material prejudice to the interests of shareholders concerned.

Minimum purchase requirements

In respect of shares in the Funds, the minimum value of shares which any one person may purchase initially and the levels of subsequent purchases are set out below:

FUND	SHARE CLASS	MINIMUM INITIAL SUBSCRIPTION	MINIMUM SUBSEQUENT INVESTMENT
ES River and Mercantile UK Alpha Fund	A shares	£1,000	£500
	B shares	£1,000	£500
	Z shares*	£5,000,000	£50,000
ES River and Mercantile UK Listed Smaller Companies Fund	B shares	£1,000	£500
	S shares***	£75,000,000	£10,000
	S2 shares	£75,000,000	£10,000
ES River and Mercantile UK Dynamic Equity Fund	A shares	£1,000	£500
	B shares	£1,000	£500
	Z shares*	£5,000,000	£50,000
	S shares	£30,000,000	£10,000
ES River and Mercantile UK Recovery Fund	B shares	£1,000	£500
	Z shares*	£5,000,000	£50,000
	S shares	£30,000,000	£10,000
ES River and Mercantile UK Equity Income Fund	B shares	£1,000	£500
	S shares	£30,000,000	£10,000
ES River and Mercantile Global Recovery Fund	B shares	£1,000	£500
	Z shares*	£5,000,000	£50,000
	S shares	£50,000,000	£10,000

FUND	SHARE CLASS	MINIMUM INITIAL SUBSCRIPTION	MINIMUM SUBSEQUENT INVESTMENT
ES River and Mercantile Global Alpha Fund	B shares	£1,000	£500
	Z shares*	£5,000,000	£50,000
ES River and Mercantile European Fund	F shares**	£1,000	£500
	B shares	£1,000	£500
	Z shares*	£10,000,000	£500
	S shares	£30,000,000	£500

* These shares are only available to investors who have a written agreement in place with the relevant Investment Manager authorising them to purchase such shares. As ownership of these shares is restricted in this way, the ACD, may, in its absolute discretion either reject or accept subscriptions for these shares.

** Class F shares will be available to all eligible investors who meet the investment criteria. It is the intention of the ACD that the Class F Shares will only be available to new applicants until the total net assets of the Fund reaches £150,000,000 or such lower amount as determined by the ACD in its discretion. These values can be waived at the ACD's discretion.

Shareholders should note that the ACD may, by special arrangement on a case by case basis and at its discretion, agree a lower amount in relation to the minimum requirements outlined above.

*** Class S Shares are now closed to new investors. Existing investors of Class S Shares will be able to make subsequent investment into this share class.

Redemption

Shares in the Funds may be redeemed on any Dealing Day. Dealings are on a forward price basis as explained in the paragraph headed "Issue" above. Shares to be redeemed pursuant to a redemption request received before the valuation point of the appropriate Fund on a Dealing Day will be redeemed at a price based on that day's valuation and shares to be redeemed pursuant to a redemption request received after that time, or on a day which is not a Dealing day, will be redeemed at a price based on the valuation made on the next Dealing Day. Redemption instructions should be delivered to the Administrator addressed to ES River and Mercantile Funds ICVC at the following address: PO Box 372, Darlington, DL1 9RP or by telephoning the Administrator on 0345 603 3618 between 8.30 a.m. and 5.30 p.m. on any Business Day. Redemption instructions given by telephone or fax must be confirmed in writing to the Administrator prior to redemption proceeds being remitted. Redemption instructions are irrevocable.

A redemption contract note will be sent on or before the next Business Day following the relevant Dealing Day. Where the total consideration for the transaction would include a fraction of one penny it will be rounded up or down to the nearest penny. There may also be deducted, if the consideration is to be remitted abroad, the cost of remitting the proceeds (if any). Redemption proceeds in excess of £15,000 may be paid by CHAPS upon shareholder request. The redemption proceeds will be paid not later than the close of business on the fourth Business Day after the later of the following times:

(a) the valuation point immediately following the receipt by the ACD of the request to redeem the shares; or

(b) the time when the ACD has received all duly executed instruments and authorisations which effect (or enable the ACD to effect) transfer of title to the shares.

Where a renunciation form or other signed confirmation of redemption from the Shareholder is incomplete or not acceptable by the ACD, the ACD will hold the payment and notify the shareholder till the ACD received all required information.

But neither the Company nor the ACD is required to make payment in respect of a redemption of shares where the money due on the earlier issue of those shares has not yet been received or where the ACD considers it necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to a statutory, regulatory or European Union obligation (such as the UK's Money Laundering Regulations). There are no charges for the redemption of shares.

In Specie Redemption

Where a shareholder requests redemption of a number of shares, the ACD at its discretion may, by serving a notice of election on the shareholder not later than the close of business on the second business day following the day of receipt of the request, elect that the shareholder shall not be paid the redemption price of his shares but instead there shall be a transfer to that holder of property of the relevant Fund having the appropriate value. The selection of scheme property to be transferred is made by the ACD in consultation with the Depositary, with a view to ensuring that the choice of property is not likely to result in any material prejudice to the interests of shareholders. The Company may retain out of the property to be transferred property or cash of value or amount equivalent to any stamp duty reserve tax to be paid in relation to the cancellation of the shares.

Minimum Redemption and Holding

In respect of each class of share in each Fund, if the redemption request is in respect of some of the shares held the minimum value of shares which may be the subject of redemption (calculated by reference to their current price net of any initial charge) is:

SHARE CLASS	MINIMUM REDEMPTION AMOUNT
A, B (All Funds) F share class (ES River and Mercantile European Fund)	£500
ES River and Mercantile European Fund Z and S share classes	£500
Z share class - All Funds except ES River and Mercantile European Fund	£50,000
S and S2 share class - All Funds except ES River and Mercantile European Fund	£10,000

Where the value of an individual holding of shares would, in consequence of a request for redemption/cancellation, fall below the minimum holding requirements set out below such request may be treated as a request for redemption/ cancellation of all the shares of such class held by such shareholder. The value of shares for this purpose is calculated by reference to the current price, net of any initial charge.

SHARE CLASS	MINIMUM HOLDING REQUIREMENT
Z share class - All Funds except:	£2,500,000
ES River and Mercantile European Fund	£10,000,000
A,B share class – All Funds	£1,000

F share class ES River and Mercantile European Fund	£1000
S and S2 share class - All Funds except:	£30,000,000
ES River and Mercantile UK Listed Smaller Companies Fund	£75,000,000
ES River and Mercantile Global Recovery Fund	£50,000,000

Deferred Redemption

In order to protect the interests of continuing shareholders, where requested redemptions exceed 10% of a Fund's value, the ACD will have the power to defer redemptions at a particular valuation point on a Dealing Day, to the valuation point on the next Dealing Day. This will allow the ACD to better match the sale of scheme property to the level of redemptions and should reduce the impact of dilution (as described in the section with the heading "Dilution Adjustment" in this Prospectus) on a Fund. The ACD will ensure the consistent treatment of all shareholders who have sought to redeem shares at a valuation point at which redemptions are deferred. All deals relating to the earlier valuation point will be completed before those relating to the later valuation point are considered.

SWITCHING BETWEEN FUNDS AND CONVERTING BETWEEN CLASSES

Subject to any restrictions on the eligibility of investors for a particular share class a shareholder is entitled to exchange shares of one class in a Fund for the appropriate number of shares of another class, whether linked to the same Fund (a conversion) or a different Fund (a switch).

Shareholders are entitled to switch shares in one Fund for shares in a different Fund. The appropriate number of shares is determined by the following formula:

$$N = \frac{(O \times RP)}{SP}$$

where:

- N is the number of new shares to be issued, rounded down to the nearest whole number of shares;
- O is the number of shares of the old class to be switched;
- RP is the price at which one share of the old class can be redeemed; and
- SP is the price at which one share of the new class can be purchased (net of any initial charge),

in both cases at the application valuation point (see below).

The ACD may adjust the number of new shares to be sold to reflect the effect of dilution (if applicable) and any stamp duty reserve tax or other charges payable on the redemption or sale (as applicable) of the shares concerned. If a partial switch would result in the shareholder holding a number of original shares or new shares of a value which is less than the minimum holding in the class concerned, the ACD may (subject to the below), if it thinks fit, switch the whole of the applicant's holding of shares to new shares (and make a charge for this).

Conversions of shares of one class in a Fund for the appropriate number of shares of another class of the same Fund will be effected by the ACD recording the change of share class on the Register of the Company. Conversions will normally be effected at the next valuation point following receipt of instructions to convert from a shareholder.

The right to exchange is subject to the following:

- the ACD and the Depositary are not obliged to give effect to a request for exchange of shares if the value of the shares to be exchanged is less than the minimum permitted transaction (see above) or if it would result in the shareholder holding shares of any class of less than the minimum holding for that class of share (see above) or if the shareholder would otherwise not be eligible to hold that class of share;

- the ACD may decline to permit a switch into a Fund in respect of which there are no shares in issue, or in any case in which they would be entitled under COLL to refuse to give effect to a request by the shareholder for the redemption of shares of the old class or the issue of shares of the new class.

Switches between classes of shares linked to different Funds may be subject to a charge (See "Switching Charge" below).

In no circumstances will a shareholder who switches shares in one Fund for shares in another Fund, or who converts shares in one class of shares for shares in any other class be given a right by law to withdraw from or cancel the transaction.

It should be noted that a switch of shares in a Fund for shares in any other Fund is treated as a redemption and sale and will, for persons subject to UK taxation, be regarded as a realisation for the purposes of capital gains taxation. A conversion between share classes in the same Fund (such as converting accumulation to income shares), provided that the conversion is effected through and with agreement from the ACD, will not normally be treated as a disposal and acquisition and the new shares will be treated as the same asset as the old for the purposes of tax on gains.

Application

A shareholder wishing to exchange shares should apply in the same way as for a redemption (see above). An exchange to be made pursuant to a request received before the valuation point of the Funds concerned on a day which is a Dealing Day for the Funds (or, if the valuation points on that day differ, before the first to occur) will be effected at prices based on that day's valuation; where a request is received after that time, or on a day which is not a Dealing Day for the Funds, the exchange will be effected at a price based on the valuation made on the next such Dealing Day.

A contract note giving details of the exchange will be sent on or before the next Business Day following the relevant Dealing Day.

Shareholders are entitled to transfer their shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. The ACD may refuse to register a transfer unless any provision for stamp duty reserve tax due has been paid. Please note that gross shares are available only to certain categories of investors, and that prospective investors in these shares must complete a Declaration of Eligibility and Undertaking (which may be obtained from the ACD) and return it to the ACD before the gross shares can be transferred. At present, transfer of title by electronic communication is not accepted.

Compulsory conversions by the ACD

The ACD may compulsorily convert shares held by any shareholder from one class of shares to another class of shares, provided that any such conversion will not result in any detriment to the shareholders concerned and is considered by the ACD to be in the best interests of shareholders. The ACD will provide shareholders with 60 days' prior notice of such conversion.

SUSPENSION OF DEALINGS

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires temporarily suspend the issue, cancellation, sale and redemption of shares in any or all of the

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

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

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

The ACD will notify shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving shareholders details of how to find further information about the suspensions. Where such suspension takes place, the ACD will publish details on its website or other general means, sufficient details to keep shareholders appropriately informed about the suspension, including, if known, its possible duration. During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

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

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

DIRECT ISSUE AND CANCELLATION OF SHARES BY THE ACD

The Instrument of Incorporation of the Company grants powers to the ACD to require, with the agreement of the Depositary, or at its discretion permit at the request of a Shareholder, the direct issue and cancellation of Shares. In such circumstances the ACD will ensure that such issues and cancellations are made in accordance with COLL and that at each Valuation Point there are at least as many Shares in issue of any Class as there are Shares registered to Shareholders for the Class. The ACD will not, when arranging the issue or cancellation of Shares in these circumstance do or omit to do anything that would result in its or an associates benefit to the detriment of Shareholder or that would otherwise result in the unfair treatment of Shareholders.

MANDATORY REDEMPTION OF SHARES

If the ACD reasonably believes that any shares are owned directly or beneficially in circumstances which:

(a) 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

(b) may (or may if other shares are acquired or held in like circumstances) result in the Company 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),

it may give notice to the holder of such shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the shares by the Company. If the holder does not either transfer the shares to a qualified person or establish to the ACD's satisfaction that he or she and any person on whose behalf he or she holds the shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a thirty-day period to have requested their redemption.

DISTRIBUTION

The annual accounting periods for the Company and of the Funds end on 31 March (the accounting reference date). The half-yearly accounting period ends on 30 September (the interim accounting reference date). The annual distribution date is 31 May and the interim distribution date is 30 November. Distribution statements and tax certificates will be sent to shareholders. A crossed cheque or warrant for the amount of the net distribution will, where applicable, be sent to the registered address and made payable to the order of the shareholder (or, in the case of joint holders, made payable and sent to the registered address of the first named holder on the register) or payments may be made by bank automated credit system at the ACD's discretion.

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the relevant Fund, if the Fund is no longer in existence then to the Company. The payment of any unclaimed distribution, interest or other sum payable by the Company on or in respect of a Share into a separate account shall not constitute the Company a trustee thereof.

Determination of Distributable Income

As at the end of each annual and interim accounting period, the ACD must arrange for the Depositary to transfer the income payable for distribution attributable to the relevant Fund to the distribution account.

In this context, income payable for distribution generally means all sums considered by the ACD, in each case after consultation with the Company's auditors, to be in the nature of income received or receivable for the account of and in respect of the property attributable to the relevant Fund but excluding any amount (if any) for the time being standing to the credit of the distribution account.

The ACD need not comply with the above provisions if the average of the allocations of income to the shareholders of the relevant Fund would be less than £25 or such other amount agreed between the ACD and the Depositary. In that case, such amounts may be carried forward to the next interim accounting period and will be regarded as received at the start of that period. Otherwise, such sums may be credited to capital as determined by the ACD.

On or before each annual or interim income distribution date, the ACD must calculate the amount available for income distribution for the immediately preceding interim accounting period and must inform the Depositary of such amount.

The amount available for income distribution is calculated by taking the aggregate of the income property received or receivable for the account of the relevant Fund in respect of the relevant period, deducting the charges and expenses of the Company paid or payable out of the income property in respect of that period and adding the ACD's best estimate of any relief from tax on those charges and expenses. Further adjustments may be made as the ACD considers appropriate (after consultation with the auditors) in relation to taxation and the proportion of the prices received or paid for shares that relate to income (taking account of any provisions in the Instrument of Incorporation constituting the scheme relating to income equalisation), potential income which is unlikely to be received until 12 months after the relevant allocation date, income which should not be accounted for on an accrual basis because of lack of information about how it accrues, any transfer between the income and the capital account (regarding payments from capital or income) and making any other adjustments which the ACD considers appropriate (after consultation with the auditors).

In relation to income shares, on or before each relevant income distribution date, the ACD will instruct the Depositary to enable it to distribute the income allocated to income shares among the holders of such shares and the ACD in proportion to the number of such shares held, or treated as held, by them respectively at the end of the relevant period.

The amount of income allocated to accumulation shares becomes part of the capital property and to the extent that shares of any other class (such as income shares) were in issue in relation to the relevant period, the interests of holders of accumulation shares in that amount must be satisfied by an adjustment at the end of the relevant period in the proportion of the scheme property to which the price of an accumulation share is related. This ensures that the price of an accumulation share remains unchanged despite the transfer of income to capital property.

In calculating the amount to be distributed, the ACD must deduct any amounts previously allocated by way of interim allocation of income for that annual accounting period and deduct and carry forward in the income account such amount as is necessary to adjust the allocation of income to the nearest one hundredth of a penny per income share or such lesser fraction as the ACD may determine.

INCOME EQUALISATION

An allocation of income (whether annual or interim) to be made in respect of each share issued or sold by the ACD during an accounting period in respect of which that income allocation is made may include a capital sum (income equalisation) representing the ACD's best estimate of the amount of income included in the price of that share.

The amount of income equalisation in respect of any share may be the actual amount of income included in the issue price of the share in question or it may be an amount arrived at by taking the aggregate of the ACD's best estimate of the amounts of income included in the share price of shares of that class issued or sold in the annual or interim accounting period in question and dividing that aggregate by the number of those shares and applying the resultant average to each of the shares in question.

THE AUTHORISED CORPORATE DIRECTOR'S CHARGES

Initial Charge

The ACD may impose a charge payable by the shareholder on the issue of shares (the Initial Charge). This charge is calculated by reference to the issue price of the shares purchased as a percentage of the gross investment (i.e. excluding the initial charge) and is deducted from the amount provided for investment. The current initial charges applicable to shares of each Fund are set out in the table below.

SUB-FUND	SHARE CLASS	CURRENT INITIAL CHARGE
ES River and Mercantile UK Alpha Fund	A shares B shares Z shares	up to 5.25% up to 5.25% up to 5.25%
ES River and Mercantile UK Listed Smaller Companies Fund	B shares S shares S2 shares	up to 5.25% up to 5.25% up to 5.25%
ES River and Mercantile UK Dynamic Equity Fund	A shares B shares Z shares S shares	up to 5.25% up to 5.25% up to 5.25% up to 5.25%
ES River and Mercantile UK Recovery Fund	B shares Z shares S shares	up to 5.25% up to 5.25% up to 5.25%
ES River and Mercantile UK Equity Income Fund	B shares S shares	up to 5.25% up to 5.25%
ES River and Mercantile Global Recovery Fund	B shares Z shares S shares	up to 5.25% up to 5.25% up to 5.25%

ES River and Mercantile Global Alpha Fund	B shares Z shares	up to 5.25% up to 5.25%
ES River and Mercantile European Fund	F shares B shares S shares Z shares	up to 5.25% up to 5.25% up to 5.25% up to 5.25%

The ACD currently waives the right to charge an Initial Charge. The ACD may at its discretion re-impose the Initial Charge on selected Funds upon providing shareholders with no less than 60 days' prior notice in writing. For further information, please refer to the document entitled "Soft closure of selected funds" on the ACD's website – www.equitytrustees.com

Switching Charge

A switching charge may be payable on a switch of shares in the Company. The switching charge shall equal the Initial Charge payable on the shares being purchased. From time to time, the ACD may waive the switching charge.

ACD Fee

The ACD is entitled to receive from each Fund an ACD Fee by way of remuneration for its duties and responsibilities to the Company as ACD. The ACD is entitled to an ACD Fee of 6 basis points from each Fund, which accrue daily and are payable monthly in arrears and are calculated by reference to the daily Net Asset Value of the Fund. The ACD may increase these fees on 60 days notice to investors.

The ACD Fee will cease to be payable (in relation to a Fund) on the date of commencement of its termination, and (in relation to the Company as a whole) on the date of the commencement of its winding up or, if earlier, the date of the termination of the ACD's appointment as such. The amount(s) accruing due on the last relevant valuation date before the event concerned will be adjusted accordingly.

The ACD is also entitled to receive payment for expenses detailed within the 'Other Payments of the Company' section below,

INVESTMENT MANAGEMENT FEE

The Investment Manager is entitled to receive an Investment Management fee, the details of which are set out in the table below and which are payable out of the Scheme Property. The Investment Management Fee accrues daily and is payable monthly in arrears and is calculated by reference to the daily Net Asset Value of the relevant Fund.

SUB-FUND	SHARE CLASS	INVESTMENT MANAGEMENT FEE*
ES River and Mercantile UK Alpha Fund	A shares B shares Z shares	0.75% 0.75% 0%
ES River and Mercantile UK Listed Smaller Companies Fund	B shares S shares S2 shares	0.75% 0.50% 0.60%
ES River and Mercantile UK Dynamic Equity Fund	A shares B shares Z shares S shares	0.75% 0.75% 0% 0.50%

ES River and Mercantile UK Recovery Fund	B shares Z shares S shares	1% 0% 0.75%
ES River and Mercantile UK Equity Income Fund	B shares S shares	0.75% 0.50%
ES River and Mercantile Global Recovery Fund	B shares Z shares S shares	1% 0% 0.75%
ES River and Mercantile Global Alpha Fund	B shares Z shares	0.75% 0%
ES River and Mercantile European Fund	F shares B shares S shares Z shares	0.30% 0.75% 0.60% 0%

* The Investment Manager may on a discretionary basis waive a portion of their fee, to seek to manage the Operating Cost Figure (OCF) of the Sub-Funds. For details of the cost figures, please refer to the annual report and accounts.

Such charges exclude Value Added Tax to the extent it is payable. Any increase in the above rates requires not less than 60 days' prior notice in writing to the shareholders before such increase may take effect.

Rebate of Investment Management Fee

In compliance with the requirements of the FCA's Retail Distribution Review, the ACD may at its sole discretion give a discount on the Investment Management Fee to an introducer (the investor's financial intermediary), in respect of any application for the holding of shares. The investor should check with the intermediary the amount of rebate he or she has received.

THE FEES, CHARGES AND EXPENSES OF THE DEPOSITARY

The Depositary receives for its own account a periodic fee which will be accrued daily and payable monthly in respect of each calendar month and is payable as soon as practicable after the month end. The fee is calculated by reference to the value of each Fund on the last valuation day of the preceding month and is payable out of the property attributable to the Fund. The rate of the periodic fee is agreed between the ACD and the Depositary from time to time and the current agreed periodic fee is 0.0125% for the first £250 million of the value of each of the Funds per annum, 0.011% on the next £250 million up to £500 million, 0.0095% for the next £500 million up to £1 billion and 0.0075% thereafter for each Fund, subject to a minimum fee of £5,000 per annum per Fund. The first accrual in relation to any new Fund will take place in respect of the period from the day on which the first valuation of that Fund is made to that month end and will be calculated based upon the first valuation point. Any increase will normally only be permitted after 60 days' notice has been given to all shareholders.

Separately, the Depositary receives a custody fee which accrues on the same basis as its periodic fee. Custody charges vary from country to country (usually between 0.00% and 3% per annum) depending on the markets and the value of stock involved. The custody fee is subject to a minimum charge of £4,000 per month.

In addition, the Depositary also receives transaction charges which vary from country to country (usually between £10 and £300 per transaction) depending on the markets and the value of stock involved and accrue at the time the transactions are effected.

Any increase in the custody fees, transaction charges or minimum fees will normally only be permitted after 60 days' notice has been given to all shareholders.

In addition to the fees and charges payable to the Depositary referred to above, the Depositary is entitled to be reimbursed out of the property attributable to any Fund for expenses incurred in the proper performance of its duties (or the exercise of powers conferred upon it by the OEIC Regulations or COLL) referable to (but not limited to): (i) the maintenance of distribution accounts; (ii) the conversion of foreign currency; (iii) registration of assets in the name of the Depositary or its nominees or agents; (iv) borrowings, stock lending or other permitted transactions; (v) communications with any parties (including facsimile and SWIFT); (vi) taxation matters; (vii) insurance matters; and (viii) dealings in derivatives.

The Depositary will also be reimbursed by the Fund out of the property attributable to the Fund, expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Depositary Agreement, the Regulations or by the general law.

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

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

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

Any VAT on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses and will be payable by the Fund.

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

OTHER PAYMENTS OF THE COMPANY

The following expenses (being the actual amounts incurred) may also be payable by the Company out of its assets at the discretion of the ACD:

- broker's commissions, fiscal charges and other disbursements which are necessarily incurred in effecting transactions for the Funds;
- interest on and other charges relating to permitted borrowings;
- taxation and other tax related duties payable by the Company;
- any costs incurred in amending the Instrument of Incorporation including the removal of obsolete provisions;
- any costs incurred in respect of any meeting of shareholders including, by way of clarification, meetings convened on a requisition by holders not including the ACD or an associate of the ACD;
- any fees in relation to a unitisation, amalgamation or reconstruction where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Company in consideration of the issue of shares in the Company to shareholders in that body corporate or to participation in that other scheme, any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided that the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;

- any audit fee and any proper expenses of the auditor;
- any fee and any proper expenses of any professional advisers retained by the Company or by the ACD in relation to the Company or any Fund;
- payments, costs or administrative expenses in relation to the preparation of any simplified prospectus or Key Investor Information Document (either in respect of the Company or Fund);
- payments, costs or administrative expenses in relation to the preparation and dissemination of any prospectus (either in respect of the Company or Fund);
- any costs of printing and distributing annual, half yearly and any other reports information provided for shareholders;
- any costs of listing the prices of the Funds in publication and information services selected by the ACD;
- any costs of establishing and authorising the Company, including any application fees payable to the FCA;
- any costs of authorising new Funds of the Company after its initial establishment;
- any fees and expenses in respect of establishing and maintaining the register of shareholders and any sub-register of shareholders;
- any costs incurred in producing and despatching any payment made by the Company;
- any payments permitted under COLL 6.7.15R (payment of liabilities on transfer of assets);
- any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- the periodic fees of the FCA together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;
- any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- any costs associated with the admission of shares to listings on any stock exchange and with the maintenance of that listing (including, for the avoidance of doubt, the fees levied by the exchange in question as a condition of the admission to listing of the shares and the periodic renewal of that listing), any offer of shares, including the preparation and printing of any prospectus and the creation, conversion and cancellation of shares associated with such prospectus;
- any expense incurred with respect to the publication and circulation of details of the net asset value of the Funds and prices of shares;
- any amount payable to the Company under any indemnity provisions provided for in the Instrument of Incorporation or any agreement to which the Company is party;
- any fees and expenses incurred in respect of fund accounting, pricing and valuation will be payable out of the assets of the Funds; and
- any other charges/expenses that may be taken out of the Company's property in accordance with COLL.

VAT on any fees, charges or expenses will be added to such fees, charges or expenses and will be payable by the Company.

Expenses not directly attributable to a particular Fund will be allocated proportionately between all Funds on a pro-rata basis based on net asset value of the Funds, although the ACD has the discretion to allocate such fees and expenses in a manner which it considers fair to shareholders generally.

Expenses are allocated between capital and income in accordance with the FCA Rules and the Statement of Recommended Practice relating to the Financial Statements of Authorised Funds, issued by the Investment Association.

Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee, as well as all or part of other fees and expenses of the Company, may be charged against capital instead of against income. The Company will charge such fees and expenses to capital in order to manage the level of income paid and/or available to shareholders. This may result in capital erosion or may constrain capital growth. All of the charges and expenses in respect of the ES River and Mercantile UK Equity Income Fund and ES River and Mercantile European Fund are charged against capital.

Any third party research received by the ACD, or RGI, in connection with the executing of orders or the placing of orders with other entities for execution for, or on behalf of, the Company will, when received by the ACD, be paid for by the ACD itself, or, when received by RGI, paid for, as applicable, by RGI itself.

TAXATION

General

The information below is intended as a general guide and is based on current UK law and HM Revenue & Customs practice, both of which are subject to change at any time (possibly with retrospective effect). This is not a comprehensive summary of all technical aspects of the structure and is not intended to constitute legal or tax advice to potential investors. It summarises the tax position of the Funds and of investors who are UK resident (except where indicated) and hold shares as investments, and not for the purposes of any trade. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Funs is made will endure indefinitely. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the UK, are recommended to take professional advice. Levels and bases of, and reliefs from, taxation depend on an individual's personal circumstances and are subject to change in the future.

Stamp Duty Reserve Tax

There will generally be no charge to stamp duty reserve tax when shareholders surrender or redeem their shares. However, where the redemption is satisfied by a non-pro rata in-specie redemption, or there is a transfer, then a charge to stamp duty reserve tax may apply. In this case there will be a principal charge at 0.5% on the investor.

The Funds

Each Fund is treated as a separate entity for UK tax purposes.

The Funds are generally exempt from UK tax on capital gains realised on the disposal of investments (including interest-paying securities and derivatives but excluding on non-reporting offshore funds) held within them.

Dividends received from UK and non-UK companies are generally exempt from corporation tax when received by a Fund, subject to certain conditions being met. The Funds will each be subject to corporation tax on most other types of income (at the basic rate of income tax, currently 20%) but after deducting allowable management expenses and, where relevant, the gross amount of interest distributions. Where a Fund suffers foreign tax on income received this will generally be treated as an expense to the Fund, for UK corporation tax purposes, and in some cases may be deducted from the UK tax payable on that income. In some cases dividends from non-UK companies may be subject to withholding tax imposed by the non-UK company's tax authority. UK Double Taxation Agreements will usually allow the Fund to recover part of such a withholding tax from the foreign tax authority, subject to certain conditions being fulfilled.

Other (non-dividend) income received by a Fund will, after deduction of allowable management fees and any other allowable costs, normally be subject to corporation tax at a rate equal to the basic rate of income tax (currently 20%).

In general distributions paid (or retained for accumulation) by a Fund are treated as dividends for all tax purposes.

A Fund which is mainly (over 60%) invested in interest-paying and economically similar investments for the whole of its accounting period (referred to below as a Bond Fund) may pay interest distributions. These are deductible for corporation tax purposes, so that interest received by the Fund and distributed as an interest distribution does not suffer any tax at the Fund level. None of the Funds currently qualify to pay interest distributions and the ACD does not currently intend that this will change.

Shareholders

General

Accumulation shares

In the case of accumulation shares, reinvested income is deemed to have been distributed to the shareholder for the purposes of taxation and a tax voucher will be issued to the shareholder to provide the appropriate details for their tax returns.

Equalisation

In the case of the first distribution paid to a new shareholder an element of the distribution (the equalisation amount) may represent a return of part of the sum paid for the shares. The equalisation amount is not taxable income but is instead a return of capital and the amount should be deducted from the acquisition price for the purposes of calculating the capital gain on disposal.

Individuals

Income

The Funds, known as equity funds, currently all pay dividend distributions. Dividend distributions are not subject to any withholding tax and are treated in the same way as other company dividends for the purposes of income tax in the UK. As of 6 April 2020 the first £2,000 of dividends paid to an individual (or retained in a Fund and reinvested) in any tax year are tax free (the dividend allowance). Where an individual's dividends and dividend distributions from all sources exceed the dividend allowance, the excess will be liable to income tax at the dividend tax rates reflecting the Shareholder's highest rate of tax. These rates are (in 2020/2021); 0% for a person with unused personal allowance, 7.5% for a basic rate taxpayer, 32.5% for a higher rate taxpayer, or 38.1% (for an additional rate taxpayer). Dividends received within a Shareholders dividend allowance count towards total taxable income and affect the rate of tax due on any dividends received exceeding it.

In some circumstances it is possible for interest distributions to be paid instead of dividend distributions by a fund that invests mainly in interest bearing or economically similar assets. None of the Funds currently qualify to pay interest distributions and the ACD does not intend that they should do so.

Gains

UK-resident individuals realising a capital gain on the redemption, transfer or other disposal of shares will be liable to capital gains tax on any capital gains (from all sources) over their annual exempt amount for gains (£11,700 for 2018-19). Individuals generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of their Shares. The resulting gains will be taxable at the capital gains tax rate applicable to the individual (currently 10% for basic rate taxpayers and 20% for those whose total income and chargeable gains are above the higher rate threshold) and may be reduced by capital losses brought forward from previous tax years or losses in the year, and by the annual exemptions.

Part of any increase in value of accumulation shares represents the accumulation of income. Income accumulated may be added to the acquisition cost when calculating the capital gain realised on their disposal. Any equalisation received (see above) should be deducted from the acquisition cost for capital gains purposes.

A switch of shares in one Fund for shares in any other Fund will be treated as a disposal and acquisition for capital gains tax purposes. The disposal will be subject to capital gains tax as a disposal in its own right. An exception to this rule applies when two Funds merge with a result that one Fund ceases to exist. Usually, in these circumstances shares in the new Fund will generally be treated as having been acquired at the same time and for the same amount as the shares in the old Fund.

A conversion between share classes in the same Fund (such as converting Accumulation to Income shares), provided that the conversion is effected through and with agreement from the ACD, will not normally be treated as a disposal and acquisition and the new shares will be treated as the same asset as the old for the purposes of tax on gains.

(See above for general information about switches and conversions.)

Individual shareholders will find further information in HM Revenue & Customs Help Sheets for the capital gains tax pages of their tax returns.

Corporates

Income

Corporate shareholders who receive dividend distributions may have to split them into two, franked and unfranked (in which case the division will be indicated on the tax voucher). Any part representing dividends received from a company will be treated as dividend income exempt from corporation tax. The unfranked, or remainder will be received as an annual payment after deduction of income tax at the basic rate of 20%, and will be subject to corporation tax accordingly, or may be able to claim payment of part or all of the tax deemed to have been deducted as shown on the tax voucher which will be provided by the ACD on request.

In the event that, at any point during an accounting period of a corporate investor, more than 60% of the net asset value of a Fund is held in the form of interest bearing or economically similar assets, then the corporate investor must treat its holding in the fund as a creditor loan relationship for corporation tax purposes and must account for its holding in the Fund (including any distributions received) on a fair value basis.

Gains

UK-resident corporate shareholders are be liable to corporation tax on gains arising from the redemption, transfer or other disposal of shares (but not usually on conversion between Classes within a Fund). Indexation allowance has been frozen as of 1 January 2018, which results in indexation applying from the months of acquisition to 31 December 2017, regardless of the actual date of disposal of the Shares. This means that when a company makes a capital gain on or after 1 January 2018, the indexation allowance that is applied in order to determine the amount of the chargeable gain will be calculated up to December 2017.

ISAs

Shares attributable to the Funds will be eligible for inclusion within a stocks and shares component of an ISA where shares are acquired through a relevant ISA manager.

Automatic Exchange of Information for international tax compliance

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including European Union directives and the United States provisions commonly known as FATCA), the Company or ACD (or its agent) will collect and report information about shareholders for this purpose, including information to verify their identity, tax residence and tax status. The ACD (or its agent) may also have to report information about a shareholder's beneficial owners, indirect owners or other types of account holders in circumstances where the relevant shareholder is not an individual holding shares on their own behalf.

When requested to do so by the Company or ACD (or its agent), shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities. If the shareholder does not provide the necessary information, the ACD may take appropriate action against such shareholders, including invoking the mandatory redemptions provisions set out on page 48 above.

On 13 February 2014, the Organization for Economic Co-operation and Development released the "Common Reporting Standard" (CRS) designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. The OECD CRS regime was implemented in the European Union through Directive 2014/107/EU. Early adopters who signed the Multilateral Agreement (including the UK) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018.

Under the CRS and legislation enacted in the UK to implement the CRS with effect from 1 January 2016, certain disclosure requirements will be imposed in respect of certain shareholders who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. certain due diligence obligations will also be imposed. Where applicable, information that would need to be disclosed will include certain information about shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance.

Under the CRS, there is currently no reporting exemption for securities that are “regularly traded” on an established securities market.

All prospective investors should consult their own tax advisers regarding the possible implications of FATCA, the CRS and any similar legislation and/or regulations on their investment in the Company.

If the Company fails to comply with any due diligence and/or reporting requirements under UK legislation implementing the UK/US IGA and/or the CRS then the Company could be subject to the imposition of financial penalties, and, in the case of the UK/US IGA, US withholding tax on certain US source payments. Whilst the Company will seek to satisfy its obligations under this legislation to avoid the imposition of penalties, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each shareholder and the direct and indirect beneficial owners of the shareholders (if any). There can be no assurance that the company will be able to satisfy such obligations.

The Company reserves the right to request from any shareholder or potential investor such information as the Company deems necessary to comply with FATCA and the CRS, and/or any obligation arising under the implementation of any applicable intergovernmental agreement.

REPORTS AND ACCOUNTS

The annual accounting period of the Company ends on 31 March with the annual report of the Company being available on or before 31 July each year. The half-yearly report for the period ending 30 September will be available on or before 30 November each year. Copies of the annual report and half-yearly report may be inspected at, and copies obtained free of charge from the ACD at its operating address. These reports may also be inspected at the Depositary's office during normal office hours.

ANNUAL GENERAL MEETING

The OEIC Regulations allow for the Company to dispense with the requirement to hold Annual General Meetings. The ACD has therefore decided the Company will not hold Annual General Meetings. Shareholders will therefore only be entitled to exercise their voting rights at extraordinary general meetings of the Company.

VOTING

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to those persons who are holders of shares in the Company on the date seven days before the notice is sent (the cut-off date), but excluding any persons who are known not to be holders at the date of the meeting or other relevant date, investors will receive meeting notices at least 14 days prior to the meeting being held.

At a meeting of shareholders, on a show of hands every holder who (being an individual) is present in person or by proxy or, if a corporation, is present by a properly authorised representative, has one vote.

On a poll votes may be given either personally or by proxy and the voting rights attached to a Share are such proportion of the total voting rights attached to all shares in issue as the price of the Share bears to the aggregate price of shares in issue on the cut-off date. A holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A vote will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, by the Depositary or by two shareholders present or by proxy.

An instrument appointing a proxy may be in any usual or common form or in any other form approved by the ACD. It should be in writing under the hand of the appointor or his attorney or, if the appointor is a corporation, either under the common seal, executed as a Deed or under the hand of a duly authorised officer or attorney. A person appointed to act as a proxy need not be a holder.

The quorum at a meeting of holders is two shareholders present in person or by proxy or (in the case of a corporation) by a duly authorised representative. If a quorum is not present within half an hour of the time appointed the meeting will (if requisitioned by shareholders) be dissolved and in any other case will be adjourned. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to count in a quorum will be a quorum.

A corporation, being a holder, may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of holders and the person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual holder.

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority is determined by the order in which the names stand in the register of holders.

The ACD is entitled to attend any meeting but, except in relation to third party shares, is not entitled to vote or be counted in the quorum and any shares it holds are treated as not being in issue for the purpose of such meeting. An associate of the ACD is entitled to attend any meeting and may be counted in the quorum but may not vote except in relation to third party shares. For this purpose third party shares are shares held on behalf of or jointly with a person who, if himself the registered shareholder, would be entitled to vote, and from whom the ACD or the associate (as relevant) has received voting instructions.

Powers of a Shareholders' Meeting

The ACD must, by way of an extraordinary resolution, (i.e., a resolution notified and proposed as such and passed by a majority of not less than three-quarters of the votes validly cast), obtain prior approval from the shareholders (or, where applicable, class of shareholders) for any proposed change to the Company or any of the Funds which, in accordance with COLL, is a fundamental change. Such a fundamental change is likely to include:

- certain changes to the investment objective and policy of the Funds;
- the removal of the ACD; and
- any proposal for a scheme of arrangement.

Other provisions of the Company's Instrument of Incorporation and the Prospectus may be changed by the ACD without the sanction of a shareholders' meeting in accordance with the COLL.

INVESTMENT AND BORROWING POWERS

The investment and borrowing powers applicable to each of the Funds, are set out in Appendix 1.

TRANSFER OF SHARES

A shareholder is entitled (subject to as mentioned below) to transfer shares by an instrument of transfer in any usual or common form or in any other form approved by the ACD. The ACD is not obliged to accept a transfer if it would result in the holder, or the transferee, holding less than the minimum holding of shares of the class in question. The instrument of transfer, duly stamped if it is required to be stamped, must be lodged with the Registrar for registration. The transferor remains the holder until the name of the transferee has been entered in the register.

The Company or the Registrar may require the payment of such reasonable fee as the ACD and the Company may agree for the registration of any grant of probate, letters of administration or any other documents relating to or affecting the title to any Share.

WINDING UP OF THE COMPANY AND TERMINATION OF FUNDS

The Company may be wound up under chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. A Fund may only be wound up under COLL Winding up of the Company or termination of a Fund under COLL is only permitted with the approval of the FCA and if a statement has been lodged with the FCA by the ACD confirming that the Company or the Fund will be able to meet all its liabilities within twelve months of the date of the statement (a solvency statement) or that the Company will be unable to do so.

The Company may not be wound up under COLL if there is a vacancy in the position of the ACD at any time.

Subject to the foregoing, the Company may be wound up or a Fund must be terminated (as appropriate) under COLL:

(a) if an extraordinary resolution of shareholders of either the Company or the Fund (as appropriate) to that effect is passed; or

(b) when the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up or a particular Fund terminated (for example, if, at any time after the first anniversary of the issue of the first shares linked to a Fund, the net value of the assets of the Company attributable to such Fund is less than £1 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Fund); or

(c) on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company or a request for the termination of the Fund; or

(d) on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Fund; or

(e) on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any scheme property; or

(f) in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold any scheme property; or

(g) on the date when all the Funds fall within (f) above or have otherwise ceased to hold any scheme property of the Company, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.

The winding up of the Company or termination of a Fund under COLL is carried out by the ACD which will, as soon as practicable, cause the property of the Company or that property attributable to the relevant Fund to be realised and the liabilities to be met out of the proceeds and in the case of a Fund, the Scheme Property attributable to that Fund).

Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company or the Fund (as the case may be) the ACD may arrange for interim distribution(s) to be made to shareholders. When all liabilities have been met, the balance (net of a provision for any further expenses) will be distributed to shareholders. The distribution made in respect of each Fund will be made to the holders of shares linked to that Fund, in proportion to the shares of entitlement in the property of that Fund which their shares represent.

Shareholders will be notified of any proposal to wind up the Company or terminate any of the Funds. On commencement of such winding up or termination the Company will cease to issue and cancel shares and transfers of such shares shall cease to be registered.

On completion of the winding up of the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company will be paid by the ACD into court within one month of dissolution subject to the ACD having a right to receive out of it any expenses incurred by it in making that payment into court. On completion of the winding up, the Depositary shall notify the FCA and the ACD shall request the FCA to revoke the order of authorisation.

Following completion of a winding up of either the Company or a Fund, the ACD will prepare a final account showing how the Scheme Property has been distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. The auditors' report together with the final account will be sent to the FCA and the Shareholders within two months of the completion of the winding up of the Company or termination of the Fund as appropriate.

OTHER INFORMATION

Delegation

The ACD and the Depositary, subject to exceptions specified in the COLL, may retain (or arrange for the Company to retain) the services of other persons to assist them in the performance of their respective functions and, in relation to certain functions, the ACD or the Depositary (as applicable) will not be liable for the actions of the persons so appointed provided certain provisions of the COLL apply.

Conflicts of Interest

The FCA Rules contain provisions on conflict of interest governing any transaction concerning the Company which is carried out by or with any “affected person”, which means the Company, an associate of the Company, the ACD, an associate of the ACD, the Depositary, an associate of the Depositary, any Investment Manager and any associate of any investment manager.

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

RGI is the investment manager of a number of investment mandates which are executed independent of each other and the Funds. Transactions between Funds and between a Fund and one or more of these investment mandates are permitted when it is in the best interests of the investor of the relevant Fund, and consistent with the relevant Fund’s investment objectives. These transactions will be executed on a regulated exchange in accordance with that exchange’s rules at the mid-market quoted price (which are considered to be the best terms available) on the relevant exchange venue and would be traded through and recorded by a member broker bound by the exchange’s rules, in accordance with best execution.

It is possible that either the ACD, or RGI may in the course of its business have potential conflicts of interest with the Company or a particular Fund or between the Company and other funds managed by the ACD, or RGI. The ACD, and/or RGI will, take all appropriate steps to identify and prevent or manage such conflicts and each of the ACD, and/or RGI will have regard in such event to its obligations under, as applicable, the ACD Agreement and the RGI Investment Management Agreement and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the ACD, and RGI will ensure that the Company and any other collective investment schemes it manages are fairly treated.

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

Subject to compliance with COLL the ACD may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested. The ACD is entitled in its own discretion to determine the terms of its appointment as such, and consequently to amend the terms of the Service Agreement referred to under "The Authorised Corporate Director" above.

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

Each of the ACD, and RGI maintain a written conflicts of interest policy. Details of the ACD's conflicts of interest policy are available on the ACD's website at www.equitytrustees.com

Best Execution

The ACD's best execution policy sets out the basis upon which the ACD will effect transactions and place orders in relation to the Company. The ACD will act in the best interests of each Fund when executing decisions to deal on behalf of the relevant Fund. It will take all sufficient steps to obtain, when executing decisions to deal on behalf of the relevant Fund, the best possible result for each Fund taking into account factors such as price and costs. Details of the best execution policy are available upon request from the ACD.

Strategy for the exercise of voting rights

The ACD has a strategy for determining when and how voting rights attached to ownership of scheme property are to be exercised for the benefit of each Fund. A summary of this strategy is available on the ACD's website (www.equitytrustees.com) or from Equity Trustees Fund Services Ltd, 4th Floor, 6 Pountney Hill House, Laurence Pountney Hill, London, EC4R 0BL as are the details of the actions taken on the basis of this strategy in relation to each Fund.

Liability and Indemnity

With the exception mentioned below:

- the ACD, the Depositary and the Auditors are each entitled under the Instrument of Incorporation of the Company to be indemnified against any loss, damage or liability incurred by them in or about the execution of their respective powers and duties in relation to the Company; and

- the ACD and the Depositary are, under the terms of their respective agreements with the Company, exempted from any liability for any loss or damage suffered by the Company.

The above provisions will not, however, apply in the case of:

- any liability which would otherwise attach to the ACD or the Auditors in respect of any negligence, default, breach of duty or breach of trust in relation to the Company;

- any liability on the part of the Depositary for any failure to exercise due care and diligence in the discharge of its functions.

Telephone recordings

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

Shareholder's personal information

The ACD's privacy notice details the collection, use and sharing of shareholder's personal information in connection with their investment in the Company.

This notice may be updated from time to time and can be found at www.equitytrustees.com. Shareholders who access the Company through an intermediary, should also contact that organisation for information about its treatment of their personal information. Any shareholder who provides the ACD and its agents with personal information about another individual (such as a joint investor), must show the privacy notice to those individuals.

GENERAL

Any complaint should be referred to the Administrator (for the attention of ES River and Mercantile Funds ICVC) at its registered office. If a complaint cannot be resolved satisfactorily with the Administrator may be referred to the Financial Ombudsman Service, Exchange Tower, London E14 9SR. More details about the Financial Ombudsman Service are available from the Administrator.

All notices or documents required to be served on shareholders shall be served by post to the address of such shareholder as evidenced on the register. All documents and remittances are sent at the risk of the shareholder.

The address for service on the Company of notices or other documents required or authorised to be served on it is 4th floor 6 Pountney Hill House 6 Laurence Pountney Hill EC4R 0BL.

Shares in the Funds are not listed or dealt in on any investment exchange.

The Financial Services Compensation Scheme Limited has been established under the rules of the FCA as a "rescue fund" for certain clients of firms authorised and regulated by the FCA which have gone out of business. The ACD will supply you with further details of the scheme on written request to its operating address. Alternatively, you can visit the scheme's website at www.fscs.org.uk or write to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean GL17 1DY. The address of the Financial Services Compensation Scheme is15 St Botolph Street, London EC3A 7QU.

Documents and information available

Copies of the following documents are available for all purchasers of shares on request, free of charge from the ACD at 4th floor 6 Pountney Hill House 6 Laurence Pountney Hill EC4R 0BL:

- the latest version of the Prospectus and applicable Key Investor Information Document;
- the latest version of the Instrument of Incorporation which constitutes the Company and the Funds;
- the latest annual and half-yearly reports applying to each of the Funds;
- Supplementary information relating to the quantitative limits which apply to the risk management of the Company and the Funds, the methods used for the purposes of such risk management and any recent developments which relate to the risk and yields of the main categories of investment which apply to the Company and Funds;
- the ACD Agreement and the Depositary Agreement; and
- the Remuneration Policy.

The above documents are also available for inspection on any Business Day during normal business hours at the offices of the ACD.

This Prospectus

This Prospectus describes the constitution and operation of the Company at the date of this Prospectus. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated herein this Prospectus will be revised. Investors should check with the ACD that this is the latest version and that there have been no revisions or updates.

Remuneration

The ACD has put in place a Remuneration Policy in accordance with the requirements of the SYSC 19E of the FCA Handbook. The Remuneration Policy ensures that the ACD's remuneration practices are consistent with and promote sound and effective risk management, do not encourage risk taking which is inconsistent with the risk profile of the Funds. The ACD considers the Remuneration Policy to be appropriate to its size, internal operations, nature, scale and complexity.

The Remuneration Policy applies to certain identified senior staff, risk-takers and employees whose professional activities have a material impact on the risk profile of the Company. Remuneration for such identified staff is made up of fixed remuneration (base salaries, drawings, benefits and associated taxes); variable remuneration (performance-based); and other benefits, including pension and long-term incentive share plan.

The Remuneration Policy, which gives a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, is available from the ACD's website: www.equitytrustees.com or a paper copy is available upon request free of charge.

APPENDIX 1 – INVESTMENT AND BORROWING POWERS

The Company may exercise, in respect of each Fund, the full authority and powers permitted by COLL applicable to a UCITS Scheme. However, this is subject to the applicable investment limits and restrictions set out in COLL, the Company's Instrument of Incorporation, this Prospectus and the Fund's investment objective and policy.

Save for any investment acquired for the purposes of a hedging transaction (referred to in more detail below), the property of each Fund may not include any investment to which a liability (whether actual or contingent) is attached unless the maximum amount of such liability is ascertained at the time when such investment is acquired for the account of that Fund.

Transferable securities and Money-market Instruments

The Funds may invest up to 100% of the scheme property in transferable securities and money-market instruments which are:

(a) admitted to or dealt in on an Eligible Market; or

(b) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an Eligible Market and such admission is secured within a year of issue; or

(c) approved money-market instruments not admitted to or dealt in on an Eligible Market provided the issue or issuer is regulated for the purposes of protecting investors and savings and the instrument is issued or guaranteed by any one of the following in accordance with the requirements in COLL:

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

   (ii) a regional or local authority of the UK or an EEA State;

   (iii) the Bank of England, the European Central Bank or a central bank of an EEA State;

   (iv) the European Union or the European Investment Bank;

   (v) a non-EEA-state or, in the case of a federal state, one of the members making up the federation;

   (vi) a public international body to which the UK or one or more EEA States belong;

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

   (viii) issued or guaranteed by an establishment which is subject to prudential supervision in accordance with criteria defined by UK law, or subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK law.

The Funds may invest up to 10% of the scheme property in transferable securities and approved money-market instruments other than those referred to in (a), (b) or (c) above. Not more than 5% in value of the scheme property attributable to a Fund may consist of transferable securities or approved money-market instruments issued by any single body. This limit may be raised to 10% in respect of up to 40% in value of the scheme property attributable to a Fund. Covered Bonds need not be taken into account for the purpose of applying the limit of 40%. The limit of 5% is raised to 25% in value of the scheme property in respect of Covered Bonds, provided that when a Fund invests more than 5% in Covered Bonds issued by a single body, the total value of Covered Bonds held must not exceed 80% in value of the scheme property.

Not more than 20% in value of the scheme property attributable to a Fund is to consist of transferable securities and approved money-market instruments issued by the same group.

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

Transferable securities

The Funds may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

(a) the potential loss which the Funds may incur with respect to holding the transferable security is limited to the amount paid for it;

(b) its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder;

(c) reliable valuation is available for it as follows:

   (i) in the case of a transferable security admitted to or dealt in on an Eligible Market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

   (ii) in the case of a transferable security not admitted to or dealt in on an Eligible Market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

(d) appropriate information is available for it as follows:

   (i) (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

   (ii) (ii) in the case of a transferable security not admitted to or dealt in on an Eligible Market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;

(e) it is negotiable; and

(f) its risks are adequately captured by the risk management process of the ACD.

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

(g) not to compromise the ability of the ACD to comply with its obligation to redeem shares at the request of any qualifying shareholder; and

(h) to be negotiable.

Closed end funds constituting transferable securities

A unit in a closed end fund shall be taken to be a transferable security in the event it fulfils the criteria for transferable securities set out above, and either:

(a) where the closed end fund is constituted as an investment company or a unit trust it is subject to corporate governance mechanisms applied to companies, and where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purposes of investor protection; or

(b) where the closed end fund is constituted under the law of contract, it is subject to corporate governance mechanism equivalent to those applied to companies, and it is managed by a person who is subject to national regulation for the purposes of investor protection.

Investment in nil and partly paid securities

Not more than 5% in value of the scheme property attributable to a Fund may consist of warrants. Warrants may only be held if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene COLL. A transferable security or an approved money-market instrument 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 relevant Fund at the time when the payment is required, without contravening COLL.

Collective investment schemes

Up to 10% of the scheme property attributable to each Fund, may consist of units in collective investment schemes.

Not more than 10% in value of the property of a Fund, may consist of units or shares in any one collective investment scheme.

A Fund must not invest in units or shares of a collective investment scheme (the second scheme) unless the second scheme satisfies the conditions referred to below ((a) – (e)) and provided that no more than 10% of the value of the scheme property attributed to the Fund.

The second scheme must fall within one of the following categories:

(a) A scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

(b) A scheme which is recognised under the provisions of section 272 of the Financial Services and Markets Act 2000 (schemes authorised in designated countries or territories); or

(c) A scheme which is authorised in the UK or as a non-UCITS retail scheme (as defined in COLL) and in respect of which the requirements of COLL 5.2.13R or article 50(1)(e) of the UCITS related direct EU legislation, as applicable are met; or

(d) A scheme which is authorised in the UK or an EEA State (and in respect of which the requirements of COLL 5.2.12 R or article 50(1)(e) of the UCITS related direct EU legislation, as applicable are met); or

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

    (i) signed the IOSCO Multilateral Memorandum of Understanding; and

    (ii) approved the Second Scheme's management company, rules and depositary/custody arrangements;

(provided the requirements of article COLL 5.2.12 R or 50(1)(e) of the UCITS related direct EU legislation, as applicable are met).

The second scheme must comply, where relevant, with the COLL provisions regarding investment in other group schemes and associated schemes (referred to below).

The second scheme must have terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes.

The scheme property attributable to a Fund may include shares in another Fund of the Company (the Second Fund) subject to the following requirements (a) to (c):

(a) the Second Fund does not hold shares in any other Fund of the Company; and

(b) not more than 10% in value of the scheme property of the investing or disposing Fund is to consist of shares in the Second Fund.

Investment may only be made in a Second Fund or other collective investment schemes managed by the ACD or an associate of the ACD if the Prospectus of the Company clearly states that the Funds may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with. In particular where a Fund invests in a Second Fund, that Second Fund must rebate any initial charge or annual management charge. The maximum level of management fees that the Fund may be charged as a result of this investment will be 1.8% of the Fund’s assets.

Where a Fund invests in shares or disposes of shares in a collective investment scheme which is managed or operated by the ACD or an associate of the ACD the ACD must pay into the property of the relevant Fund before the close of the business on the fourth Business Day after the agreement to invest or dispose of the shares or units:

(a) on investment – if the Fund pays more for the shares or units issued to it than the then prevailing creation price, the full amount of the difference or, if this is not known, the maximum permitted amount of any charge which may be made by the issuer on the issue of the shares or units; and

(b) on a disposal – any amount charged by the issuer on the redemption of such shares or units.

Cash and near cash

In accordance with COLL, up to 100% of the scheme property attributable to a Fund may consist of cash or near cash to enable:

(a) the pursuit of a Fund's investment objectives;

(b) the redemption of shares; or

(c) the efficient management of the Fund in accordance with its objectives; or

(d) any other purposes which may reasonably be regarded as ancillary to the objectives of the Fund.

However, the ACD does not anticipate the Funds will consist of more than 10% of cash or near cash at any one time. Liquidity may be at the upper end of, or even exceed this range under certain circumstances such as where large market movements and/or an exceptional number of redemptions are anticipated or the Fund is in receipt of large cash sums upon the creation of shares or realisation of investments.

Cash forming part of the property of a Fund may be placed in any current or deposit account with the Depositary, the ACD or any investment adviser or any associate of any of them provided it is an eligible institution or approved bank and the arrangements are at least as favourable to the Fund concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

Government and public securities

The Investment Objectives and Policies of the Funds are primarily to invest in Equities and they will not invest more than 30% of scheme property in Government and Public Securities.

Derivatives

The scheme property attributable to all Funds may consist of derivatives or forward transactions for the purposes of efficient portfolio management (including hedging) only.

The ACD does not anticipate that the use of derivatives for efficient portfolio management (including hedging) will have any significant effect on the risk profile of the Funds.

Efficient portfolio management enables the Funds to use derivatives and forward transactions in accordance with COLL using techniques which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

(a) they are economically appropriate in that they are realised in a cost effective way;

(b) they are entered into for one or more of the following specific aims:

  (i) reduction of risk;

  (ii) reduction of cost; and

  (iii) generation of additional capital or income for the Funds with a risk level that is consistent with the risk profile of the relevant Fund and the risk diversification rules in COLL.

Derivatives transactions must either be in an approved derivative (being a derivative which is dealt in on an eligible derivatives market as set out in Appendix 2) or an over-the-counter derivative with an approved counterparty, and the transaction must be covered in accordance with COLL. Further derivatives markets may be added to the list in Appendix 2 following consultation with the Depositary in accordance with COLL.

A counterparty to a transaction in an OTC derivative (including TRSs) or an SFT is approved only if the counterparty is an eligible institution or an approved bank or a person whose permission (including any requirements or limitations) as published in the Financial Services Register, or whose home state authorisation, permits it to enter into such transactions as principal off exchange. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. The minimum credit rating for counterparties, at the time of the relevant transaction, is BBB. In the event that the ACD becomes aware that the counterparty no longer has a minimum rating of BBB the ACD will consider whether the transaction is still suitable for the relevant Fund and take steps to change the investment if thought appropriate.

A derivatives or forward transaction which would or could lead to delivery of property to the Depositary may be entered into only if such property can be held by the Funds and the ACD has taken reasonable care to determine that delivery of the property pursuant to the transaction will not lead to a breach of the relevant provisions in COLL.

Where a transaction is entered into for hedging purposes and relates to the actual or potential acquisition of transferable securities, the ACD must intend that the Funds should invest in such transferable securities within a reasonable time and the ACD must ensure that, unless the position has itself been closed out, that intention is realised within such time.

The underlying assets of a transaction in a derivative may only consist of any one or more of the following:

(a) transferable securities;

(b) approved money-market instruments;

(c) deposits;

(d) derivatives;

(e) units and/or shares in collective investment schemes;

(f) financial indices;

(g) interest rates;

(h) foreign exchange rates; and

(i) currencies.

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, approved money-market instruments, units in collective investment schemes or derivatives. A transaction in a derivative must not cause the relevant Fund to diverge from its investment objective.

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

Daily calculation of Global Exposure

The ACD must calculate the Global Exposure of a Fund on at least a daily basis, in accordance with COLL, taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

The Global Exposure of any OTC transaction entered into will be calculated using the Commitment Approach.

Commitment Approach:

The commitment conversion methodology for standard derivatives is always the market value of the equivalent position in the underlying asset. This may be replaced by the notional value or the price of the futures contract where this is more conservative. For non-standard derivatives, where it is not possible to convert the derivative into the market value or notional value of the equivalent underlying asset, an alternative approach may be used provided that the total amount of the derivatives represent a negligible portion of the Funds' portfolios.

In summary, the following steps must be taken by the relevant Fund when calculating global exposure using the Commitment Approach:

(a) calculate the commitment of each individual derivative (as well as any embedded derivatives and leverage linked to efficient portfolio management techniques);

(b) identify netting and hedging arrangements. For each netting or hedging arrangement, calculate a net commitment as follows:

    (i) gross commitment is equal to the sum of the commitments of the individual financial derivative instruments (including embedded derivatives) after derivative netting;

    (ii) if the netting or hedging arrangement involves security positions, the market value of security positions can be used to offset gross commitment;

    (iii) the absolute value of the resulting calculation is equal to net commitment;

(c) global exposure is then equal to the sum of:

    (iv) the absolute value of the commitment of each individual derivative not involved in netting or hedging arrangements;

    (v) the absolute value of each net commitment after the netting or hedging arrangements as described above; and

    (vi) the sum of the absolute values of the commitment linked to efficient portfolio management techniques.

The calculation of gross and net commitment must be based on an exact conversion of the financial derivative position into the market value of an equivalent position in the underlying asset of that derivative.

The commitment calculation of each financial derivative position should be converted to the base currency of the Fund using the spot rate.

Where any currency derivative has 2 legs that are not in the base currency of the Fund, both legs must be taken into account in the commitment calculation.

COLL rules limit the net exposure to derivatives at 100% of the net asset value of the Fund. This would be calculated on a daily basis by the ACD.

Deposits

Up to 100% of the scheme property attributable to a Fund may consist of deposits (as defined in COLL) but only if it:

(a) is with an approved bank;

(b) is repayable on demand or has the right to be withdrawn; and

(c) matures in no more than 12 months.

Not more than 20% in value of the scheme property may consist of deposits with a single body.

Immovable and movable property

It is not intended that the Company should have any interest in any immovable property or tangible movable property.

Spread – general

In applying any of the restrictions referred to above, not more than 20% in the value of the scheme property is to consist of any combination of two or more of the following:

(a) transferable securities (including Covered Bonds) or approved money-market instruments issued by; or

(b) deposits made with; or

(c) exposures from over-the-counter derivatives transactions made with;

a single body.

In applying the limit to investment in transferable securities or approved money-market instruments issued by any single body certificates representing certain securities are to be treated as equivalent to the underlying security.

The exposure to any one counterparty in an over-the-counter derivative transaction must not exceed 5% in value of the scheme property. This limit may be raised to 10% where the counterparty is an approved bank as defined in COLL. Exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it in accordance with COLL.

Counterparty Risk and Issuer Concentration

The Company must not at any time hold:

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

(b) more than 10% of the debt securities issued by one issuer;

(c) more than 25% of the units in a collective investment scheme; and

(d) more than 10% of the approved money-market instruments issued by a single body.

The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in the paragraph labelled "Spread – general" above.

When calculating the exposure of a Fund to a counterparty in accordance with the limit in the paragraph labelled "Spread – general" above, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

The ACD may net the OTC derivative positions of a Fund with the same counterparty, provided it is able legally to enforce netting agreements with the counterparty on behalf of the Fund. These netting agreements are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Fund may have with that same counterparty.

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

The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in the paragraph labelled "Spread – general" above when it passes collateral to an OTC counterparty on behalf of a Fund. This collateral may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of a Fund.

The ACD must calculate the issuer concentration limits referred to in the paragraph labelled "Spread – general" above on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.

In relation to the exposure arising from OTC derivatives in accordance with COLL, the ACD must include any exposure to OTC derivative counterparty risk in the calculation.

Significant Influence

The Company may only acquire transferable securities issued by a body corporate carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate provided that immediately before the acquisition the aggregate number of such securities held by the Company does not allow it to exercise 20% or more of the votes cast at a general meeting of that body and the acquisition will not give the Company such power.

Borrowing

Subject to the Company's Instrument of Incorporation and COLL (as it relates to UCITS Schemes), the Company may borrow money for the purposes of achieving the objectives of the Funds on terms that such borrowings are to be repaid out of the scheme property of the relevant Fund. The ACD does not anticipate significant use of this borrowing power. Such borrowing may only be made from an eligible institution or approved bank (as defined in COLL) and must be on a temporary basis only. No period of borrowing may exceed 90 days without the prior consent of the Depositary (which may give such consent only on conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis). The borrowing of a Fund must not, on any Business Day, exceed 10% of the value of the property of the relevant Fund. As well as applying to borrowing in a conventional manner, the 10% limit applies to any other arrangement designed to achieve a temporary injection of money into the property of the Fund in the expectation that such will be repaid. For example, by way of a combination of derivatives which produces an effect similar to borrowings.

The above provisions on borrowing do not apply to "back-to-back" borrowing for hedging purposes, being an arrangement under which an amount of currency is borrowed from an eligible institution and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his agent or nominee).

Borrowings may be made from the Depositary, the ACD, the Directors or any Investment Adviser or any associate of any of them provided that such lender is an eligible institution or approved bank and the arrangements are at least as favourable to the Fund concerned as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

Risk management

The ACD uses a risk management process which enables it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their impact on the overall risk profile of the Funds.

Before using the risk management process, the ACD will notify the FCA of the details including the methods for estimating risks in derivative and forwards transactions and the types of derivatives and forwards that will be used within the Fund together with their underlying risks and any relevant quantitative limits.

Any material alteration of the above details of the risk management procedures will be notified by the ACD in advance to the FCA.

SFTs and TRSs

A Fund may enter into SFTs and TRSs.

Under a securities lending arrangement, the lender transfers ownership of an asset to a third party (the borrower), who pays a fee to the lender for the use of the loaned asset and agrees to return the securities at the end of the transaction. Even though the parties are called lender and borrower, actual ownership of the assets is transferred. Nevertheless, under this type of arrangement the lender retains certain economic advantages / disadvantages relating to the owning of the relevant asset (such as any price appreciation or depreciation of the asset).

Under a repurchase contract, one party sells securities (such as shares or bonds) to another party at one price at the start of the trade and at the same time agrees to repurchase (buy back) the asset from the original buyer at a different price at a future date or on demand. The term “reverse repurchase contract” describes the same contract from the perspective of the buyer. A Fund may act as buyer or seller under a repurchase contract or as lender or borrower under a securities lending arrangement. The types of assets that can be subject to a repurchase contract or securities lending arrangement are securities (both bonds and shares).

In summary, a TRS is an agreement in which one party (the “total return payer”) transfers the total economic performance of a reference asset, which may for example be a share, bond or index, to the other party (the “total return receiver”). The total return receiver must in turn pay the total return payer any reduction in the value of the reference asset and possibly certain other cash flows. Total economic performance includes income from interest and fees, gains or losses from market movement, and credit losses. A Fund may use a TRS to gain a positive or a negative exposure to an asset (or other reference asset), which it does not wish to buy and hold itself, or otherwise to make a profit or avoid a loss.

Subject to the investment objectives and policy of the relevant Fund, TRSs may be used by a Fund to gain exposure on a total return basis to any asset that the Fund is otherwise permitted to gain exposure to, including transferable securities, approved money-market instruments, collective investment scheme units, derivatives, financial indices, foreign exchange rates and currencies. Subject to a Fund’s individual investment restrictions, SFTs and TRSs may be utilised by a Fund when it reasonably appears to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk. As at the date of this Prospectus, the Funds do not enter into SFTs. This Prospectus will be updated if this changes in the future. Investors will also be informed of the use of SFTs and TRSs by a Fund in the Company’s annual report.

The Company or the Depositary may enter into a repurchase contract or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 but only if:

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

(b) the counterparty is an authorised person or a person authorised by a home state regulator or a person otherwise permitted under COLL; and

(c) with the exception of stock lending transactions made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme, collateral is obtained to secure the obligation of the counterparty under the terms referred to in (a) above, and the collateral is acceptable to the Depositary, adequate and sufficiently immediate.

The counterparty for these purposes is the person that owes obligations to the Fund under the transaction and to whom the Fund owes its obligations.

Subject to the limits on the exposure of a Fund to derivatives generally, and in particular the requirement for global cover, there is no limit on the value of Fund property that may be the subject of SFTs or TRSs. Where relevant, the expected proportion of a Fund's assets that may be subject to SFTs or TRSs is set out in the section "Derivatives" above in respect of the relevant Fund. The actual proportion may at any time be greater or less than this figure.

Any interest or dividends paid on securities which are loaned under SFTs or TRSs shall accrue to the benefit of the relevant Fund.

The Funds will have the right to terminate a securities lending arrangement at any time and demand the return of any or all of the securities loaned. In the case that a Fund enters into a reverse repurchase contract, it will have the right to recall the full amount of cash or to terminate the reverse repurchase contract on either an accrued or a mark-to-market basis at any time. Where the cash is recallable at any time on a mark-to market basis, the mark-to-market value of the reverse repurchase contract shall be used for the purposes of the calculation of the net asset value of the relevant Fund.

In the case that a Fund enters into repurchase contracts, the Fund will have the right to recall any securities subject to the agreement or to terminate the repurchase contract at any time.

Fixed term repurchase and reverse repurchase contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the relevant Fund.

All the revenues arising from SFTs and TRSs shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees shall include fees and expenses payable to repurchase contracts counterparties, securities lending agents and/or the total return payer engaged by the relevant Fund from time to time. Such fees and expenses of any repurchase contracts counterparties, securities lending agents and/or total return payers engaged by the relevant Fund, which will be at normal commercial rates together with VAT, if any, will be borne by the relevant Fund in respect of which the relevant party has been engaged. In principle, these parties are not related parties to the ACD.

Treatment of collateral for SFTs and TRSs

Where an SFT or TRS is entered into, the Fund property remains unchanged in terms of value. The securities transferred cease to be part of the Fund property, but there is obtained in return an obligation on the part of the counterparty to transfer back equivalent securities. The Depositary will also receive collateral to set against the risk of default in transfer, and that collateral is equally irrelevant to the valuation of the Fund property (because it is transferred against an obligation of the equivalent value by way of re-transfer).

Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.

Collateral is adequate if it is:

(a) transferred to the Depositary or its agent;

(b) received under a title transfer arrangement and, at all times, equal in value to the market value of the securities transferred by the Depositary plus a premium; and

(c) in the form of one or more of:

    (i) cash;

    (ii) a certificate of deposit;

    (iii) a letter of credit;

    (iv) a readily realisable security;

    (v) commercial paper with no embedded derivative content; or

    (vi) a qualifying money market fund.

Where the collateral is invested in units in a qualifying money market fund managed or operated by the ACD or an associate of the ACD, the conditions in COLL 5.2.16R must be complied with.

Collateral is sufficiently immediate if:

(a) it is transferred before or at the time of the transfer of the securities by the Depositary; or

(b) the Depositary takes reasonable care to determine at the time referred to in (a) that it will be transferred at the latest by the close of business on the day of the transfer.

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

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

Collateral transferred to the Depositary is part of Fund property for the purposes of the rules in the COLL, except in the following respects:

(a) it does not fall to be included in any calculation of net asset value or this section, because it is offset by an obligation to transfer; and

(b) it does not count as Fund property for any purpose of this Appendix other than this paragraph.

Collateral policy for OTC derivative transactions (including TRSs) and SFTs

Collateral posted by a counterparty for the benefit of a Fund will be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the collateral received corresponds with the value of the amount exposed to counterparty risk at any given time.

Collateral used to reduce counterparty risk exposure will comply with the following criteria:

(a) liquidity – collateral (other than cash) will be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral will also comply with the provisions of COLL 5.2.29R;

(b) valuation – collateral will be valued on a daily basis and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place;

(c) issuer credit quality – collateral will be of high quality;

(d) correlation – collateral will be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty; and

(e) diversification – collateral will be sufficiently diversified in terms of country, markets and issuers.

There is no minimum remaining maturity requirement for any securities received as collateral.

All assets received by the Funds in the context of OTC derivative transactions (including TRSs) and SFTs will be considered as collateral and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Fund.

Where there is a title transfer of collateral, the collateral received will be held by the Depositary or a delegate thereof. For other types of collateral arrangement the collateral may be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

Collateral received will be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty. Accordingly, collateral will be immediately available to the Fund without recourse to the counterparty in the event of default by that counterparty.

Cash collateral will be re-invested in accordance with the reinvestment policy.

Reinvestment policy – cash collateral

Cash received as collateral for OTC derivative transactions (including TRSs) and SFTs may only be invested in cash, certificate of deposits, letters of credit, readily realisable securities, commercial paper with no embedded derivative contract, qualifying money market funds or certain deposits.

Re-invested cash collateral will be diversified in accordance with the abovementioned diversification requirements.

Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

The reinvestment of cash collateral leads to certain risks such as counterparty risk (e.g., borrower default), market risk (e.g., decline in value of the collateral received or of the reinvested cash collateral) and market suspension risk (e.g., suspension of trading or settlement of securities) and custody risk (e.g., default or bankruptcy of the custodian). The risk related to the reinvestment of cash collateral is mitigated by investing cash collateral in highly liquid and diversified money market funds or in reverse repurchase contracts.

For Funds which receive collateral for at least 30% of their assets, the associated liquidity risk is assessed.

Non-cash collateral received cannot be sold, pledged or re-invested.

Stress testing policy

In the event that a Fund receives collateral for at least 30% of its net asset value, it will implement regular stress tests carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.

Collateral valuation

Typically, collateral in the form of securities (e.g., equities and bonds) will be valued on a daily mark-to-market basis using bid or mid-market prices at the relevant time (or at close of business on the previous business day), obtained from a generally recognised pricing source or reputable dealer. Generally, securities collateral will be valued at bid price because this is the price that would be obtained if the Fund were to sell the securities following a counterparty default. However, midmarket prices may be used where this is the market practice for the relevant transaction. Collateral can typically be called for on a daily basis where the Fund has a net exposure to the counterparty (i.e., if all the transactions were terminated on that day the counterparty would owe the Fund the larger amount), taking into account any thresholds (i.e., levels of exposure below which collateral cannot be required) and after applying any haircuts (see below).

Haircut policy

Collateral received from a counterparty may be offset against counterparty exposure provided it meets a range of standards, including those for liquidity, valuation, issuer credit quality, correlation and diversification. The Company has established a haircut policy in respect of each class of assets received as collateral in respect of the Funds. This policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. In offsetting exposure, where the Company considers appropriate, the value of collateral is reduced by a percentage (haircut) which provides, amongst other things, a buffer for short term fluctuations in the value of the exposure and of the collateral. The value of the collateral, adjusted in light of the haircut policy, must equal or exceed, in value, at all times, the relevant counterparty exposure.

Restrictions on lending of money

None of the money in the scheme property of the Funds may be lent and, for the purposes of this prohibition, money is lent by a Fund if it is paid to a person (a payee) on the basis that it should be repaid, whether or not by the payee. Acquiring a debenture is not lending for these purposes, nor is the reinvestment of cash received as collateral for OTC derivative transactions (including TRSs) and SFTs or the placing of money on deposit or in a current account.

The restriction on lending of money does not prevent the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

Restrictions on the lending of property other than money

The scheme property of the Company other than money must not be lent by way of deposit or otherwise. Stock lending transactions (including SFTs) permitted by COLL are not to be regarded as lending for these purposes. The scheme property of the Company is not permitted to be mortgaged.

The restriction on the lending of property other than money does not prevent the Company or the Depositary at the request of the Company, from lending, depositing, pledging or charging scheme property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL.

General power to accept or underwrite placings

The Company's ability to invest in transferable securities may be used for the purposes of entering into underwriting transactions in accordance with COLL, subject to any restriction in the Instrument of Incorporation. The exposure of the Company to such arrangements must be covered, such that if all possible obligations arising under then had immediately to be met in full, there would be no breach of any limit in COLL.

Guarantees and indemnities

In accordance with COLL the Company or the Depositary are not permitted provide any guarantee or indemnity in respect of the obligation of any person, in addition the scheme property of the Company may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person. The above restrictions do not apply in respect of any indemnity or guarantee for margin requirements in the event the Funds enter into derivative or forward transactions in accordance with COLL, and in respect of certain indemnities permitted under COLL.

APPENDIX 2 – ELIGIBLE MARKETS

Set out below are the securities markets through which the Company may invest or deal in approved securities on account of each Fund (subject to the investment objective and policy of each Fund):

1. a regulated market as defined in COLL;

(a) a securities market established in the UK or any EEA State (which as at the date of this Prospectus includes Austria, Belgium, Bulgaria, Cyprus, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia) which is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors; and

(b) by way of clarification, the alternative investment market (AIM) of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited is also an eligible securities market for the purposes of the Company and each of the Funds; and

(c) the following:

COUNTRY	MARKET / EXCHANGES
Australia	The Australia Securities Exchange
Brazil	BM& F BOVESPA
Canada	The Toronto Stock Exchange (TSX)
Chile	Santiago Stock Exchange
China	Shanghai Stock Exchange
Colombia	Bolsa de Valores de Colombia
Egypt	Egyptian Stock Exchange
Hong Kong	The Hong Kong Exchanges and Clearing Company (HKEx)
Iceland	Iceland Stock Exchange
India	National Stock Exchange of India Bombay Stock Exchange
Indonesia	Indonesia Stock Exchange
Israel	The Tel Aviv Stock Exchange
Japan	The Tokyo Stock Exchange The Osaka Securities Exchange
Republic of Korea	The Korea Exchange
Kuwait	Kuwait Stock Exchange

Malaysia	Bursa Malaysia
Mexico	The Mexican Stock Exchange (Bolsa Mexicana De Valores)
New Zealand	NZX Limited
Nigeria	Nigerian Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Qatar	Qatar Stock Exchange
Russia	Moscow Exchange MICEX-RTS
Singapore	The Singapore Exchange
South Africa	The JSE Limited
Sri Lanka	The Colombo Stock Exchange
Switzerland	SIX Swiss Exchange
Taiwan	The Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand
Turkey	Borsa Istanbul
United Arab Emirates	Abu Dhabi Securities Exchange Dubai Financial Market
United States	NYSE Euronext NYSE Arca Inc NASDAQ OMX PHLX INC NASDAQ

Derivative Markets Country Market

COUNTRY	MARKET
UK	NYSE Euronext London Turquoise London Stock Exchange Group London Stock Exchange

APPENDIX 3 – LIST OF DELEGATES OF THE DEPOSITARY

COUNTRY/MARKET	SUB – CUSTODIAN	LOCATION
Argentina	Citibank N.A., Argentina	Buenos Aires
Australia	Citigroup Pty Limited	Melbourne
Australia	The Hongkong and Shanghai Banking Corporation Limited	Hong Kong
Austria	UniCredit Bank Austria AG	Vienna
Bahrain	HSBC Bank Middle East Limited	Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited	Dhaka
Belgium	The Bank of New York Mellon SA/NV	Brussels
Belgium	Citibank Europe Plc, UK branch	London
Bermuda	HSBC Bank Bermuda Limited	Hamilton
Botswana	Stanbic Bank Botswana Limited	Gaborone
Brazil	Citibank N.A., Brazil	Sao Paulo
Brazil	Itau Unibanco S.A.	Sao Paulo
Bulgaria	Citibank Europe plc, Bulgaria Branch	Sofia
Canada	CIBC Mellon Trust Company (CIBC Mellon)	Toronto
Cayman Islands	The Bank of New York Mellon	New York
Channel Islands	The Bank of New York Mellon	New York
Chile	Banco de Chile	Santiago
Chile	Itau Corpbanca S.A.	Santiago
China	HSBC Bank (China) Company Limited	Shanghai
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	Bogota
Costa Rica	Banco Nacional de Costa Rica	San José
Croatia	Privredna banka Zagreb d.d.	Zagreb
Cyprus	BNP Paribas Securities Services	Athens
Czech Republic	Citibank Europe plc, organizacni slozka	Prague
Denmark	Skandinaviska Enskilda Banken AB (Publ)	Stockholm

COUNTRY/MARKET	SUB – CUSTODIAN	LOCATION
Egypt	HSBC Bank Egypt S.A.E.	Cairo
Estonia	SEB Pank AS	Tallinn
Euromarket	Clearstream Banking S.A	Luxembourg
Euromarket	Euroclear Bank	Brussels
Finland	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
France	BNP Paribas Securities Services S.C.A.	France
Germany	The Bank of New York Mellon SA/NV	Frankfurt am Main
Ghana	Stanbic Bank Ghana Limited	Accra
Greece	BNP Paribas Securities Services	Athens
Hong Kong	Citibank N.A. Hong Kong	Central Hong Kong
Hong Kong	Deutsche Bank AG	Kowloon, Hong Kong
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	Kowloon, Hong Kong
Hungary	Citibank Europe plc. Hungarian Branch Office	Budapest
Iceland	Landsbankinn hf.	Reykjavik
India	Deutsche Bank AG	Mumbai
India	The Hongkong and Shanghai Banking Corporation Limited	Mumbai
Indonesia	Deutsche Bank AG	Jakarta
Ireland	The Bank of New York Mellon	New York
Israel	Bank Hapoalim B.M.	Tel Aviv
Italy	The Bank of New York Mellon SA/NV	Brussels
Japan	Mizuho Bank, Ltd.	Tokyo
Japan	MUFG Bank, Ltd.	Tokyo
Jordan	Standard Chartered Bank, Jordan Branch	Jordan
Kazakhstan	Citibank Kazakhstan Joint-Stock Company	Almaty

COUNTRY/MARKET	SUB – CUSTODIAN	LOCATION
Kenya	Stanbic Bank Kenya Limited	Nairobi
Kuwait	HSBC Bank Middle East Limited, Kuwait	Safat
Latvia	AS SEB banka	Kekavas novads
Lithuania	AB SEB bankas	Vilnius
Luxembourg	Euroclear Bank	Brussels
Malawi	Standard Bank PLC	Lilongwe
Malaysia	Deutsche Bank (Malaysia) Berhad	Kuala Lumpur
Malta	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Frankfurt am Main, Germany
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	Ebene
Mexico	Banco S3 CACEIS Mexico S.A., Institucion de Banca Multiple	Ciudad de Mexico
Mexico	Banco Nacional de Mexico S.A.	Ciudad de Mexico
Morocco	Citibank Maghreb S.A.	Casablanca
Namibia	Standard Bank Namibia Limited	Kleine Kuppe
Netherlands	The Bank of New York Mellon SA/NV	Brussels, Belgium
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	Auckland
Nigeria	Stanic IBTC Bank Plc.	Lagos
Norway	Skandinaviska Enskilda Banken AB (Publ)	Stockholm, Sweden
Oman	HSBC Bank Oman S.A.O.G.	Sultanate of Oman
Pakistan	Deutsche Bank AG	Karachi
Panama	Citibank N.A., Panama Branch	Panama City, Panama
Peru	Citibank del Peru S.A.	Lima
Philippines	Deutsche Bank AG	Taguig City 1634
Poland	Bank Polska Kasa Opieki S.A.	Warszawa
Portugal	Citibank Europe Plc	Dublin
Qatar	Qatar National Bank	Doha Qatar

COUNTRY/MARKET	SUB – CUSTODIAN	LOCATION
Romania	Citibank Europe plc Dublin, Romania Branch	Bucharest
Russia	AO Citibank	Moscow
Russia	PJSC ROSBANK	Moscow
Saudi Arabia	HSBC Saudi Arabia	Riyadh
Serbia	UniCredit Bank Serbia JSC	Belgrade
Singapore	DBS Bank Ltd	Singapore
Singapore	Standard Chartered Bank (Singapore) Limited	Singapore
Slovak Republic	Citibank Europe plc, pobocka zahranicnej banky	Bratislava
Slovenia	UniCredit Banka Slovenia d.d.	Ljubljana
South Africa	Standard Chartered Bank	Johannesburg
South Africa	The Standard Bank of South Africa Limited	Johannesburg
South Korea	The Hongkong and Shanghai Banking Corporation Limited	Seoul
South Korea	Deutsche Bank AG	Seoul
Spain	Banco Bilbao Vizcaya Argentaria, S.A.	Bilbao
Spain	Caceis Bank Spain, S.A.U.	Madrid
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited	Colombo
Sweden	Skandinaviska Enskilda Banken AB (Publ)	Stockholm
Switzerland	Credit Suisse (Switzerland) Ltd	Zurich
Switzerland	UBS Switzerland AG	Zurich
Taiwan	HSBC Bank (Taiwan) Limited	Taipei City
Tanzania	Stanbic Bank Tanzania Limited	Dar es Salaam
Thailand	The Hongkong and Shanghai Banking Corporation Limited	Bangkok
Tunisia	Union Internationale de Banques	Tunis
Turkey	Deutsche Bank A.S.	Istanbul
U.A.E.	HSBC Bank Middle East Limited, Dubai	Dubai
U.K.	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	London

COUNTRY/MARKET	SUB – CUSTODIAN	LOCATION
U.K.	The Bank of New York Mellon	New York
U.S.A.	The Bank of New York Mellon	New York
U.S.A. Precious Metals	HSBC Bank, USA, N.A	New York
Uganda	Stanbic Bank Uganda Limited	Kampala
Ukraine	JSC "Citibank"	Kiev
Uruguay	Banco Itaú Uruguay S.A.	Montevideo
Vietnam	HSBC Bank (Vietnam) Ltd	Ho Chi Minh City
WAEMU	Société Générale Côte d'Ivoire	Abidjan 01, Ivory Coast
Zambia	Stanbic Bank Zambia Limited	Lusaka
Zimbabwe	Stanbic Bank Zimbabwe Limited	Harare

APPENDIX 4 – PAST PERFORMANCE OF THE FUNDS

For up-to-date historical performance, please refer to the current published KIID available on the "ACDs" website www.equitytrustees.com.

APPENDIX 5 – PREVIOUS FUND NAMES

CURRENT NAME	OTHER NAMES
ES River and Mercantile UK Alpha Fund	Prior to 21 October 2019, River and Mercantile UK Equity High Alpha Fund. Prior to 4 August 2022 ES River and Mercantile UK Equity High Alpha Fund.
ES River and Mercantile UK Listed Smaller Companies Fund	Prior to 21 October 2019, River and Mercantile UK Equity Smaller Companies Fund. Prior to 29 September 2022, ES River and Mercantile UK Equity Smaller Companies Fund
ES River and Mercantile UK Dynamic Equity Fund	Prior to 21 October 2019, River and Mercantile UK Dynamic Equity Fund. Prior to 1st January 2016 River and Mercantile UK Equity Unconstrained Fund.
ES River and Mercantile UK Recovery Fund	Prior to 21 October 2019, River and Mercantile UK Recovery Fund. Prior to 4 July 2018 River and Mercantile UK Equity Long Term Recovery Fund.
ES River and Mercantile UK Equity Income Fund	Prior to 21 October 2019, River and Mercantile UK Equity Income Fund.
ES River and Mercantile Global Recovery Fund	Prior to 21 October 2019, River and Mercantile Global Recovery Fund. Prior to 4 July 2018, River and Mercantile World Recovery Fund.
ES River and Mercantile Global Alpha Fund.	Prior to 21 October 2019, River and Mercantile Global High Alpha Fund. Prior to 4 August 2022 ES River and Mercantile Global High Alpha Fund.

APPENDIX 6 – AUTHORISED SCHEMES OF WHICH THE ACD IS THE AUTHORISED FUND MANAGER

The following is a list of authorised collective investment schemes of which the ACD is the authorised corporate director or authorised fund manager.

ES Baker Steel Gold and Precious Metals Fund

ES Baker Steel Global Investors OEIC

ES AllianceBernstein UK OEIC

ES River & Mercantile Funds ICVC

ES Investec Wealth & Investment UK OEIC