



PROSPECTUS
relating to the
CAZENOVE MULTI-MANAGER FUNDS

Prospectus of the Cazenove Multi-Manager Diversity Fund, Cazenove Multi-Manager UK Growth Fund, Cazenove Multi-Manager Global (ex UK) Fund, Cazenove Multi-Manager Diversity Tactical Fund and Cazenove Diversity Income Fund (each a “Trust” and together the “Trusts”)

This prospectus (the “Prospectus”) is prepared by Cazenove Investment Fund Management Limited (the “Manager”) and is valid as a 12 December 2011 in accordance with the rules contained in the Financial Services Authority’s Collective Investment Schemes Sourcebook (“COLL”), made under the Financial Services and Markets Act 2000 (the “Regulations”). A copy of the Prospectus has been sent to the Financial Services Authority (the “FSA”) and to the Trustee of the Trusts pursuant to such Regulations.

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Manager

The Manager of each Trust is Cazenove Investment Fund Management Limited, a private company limited by shares incorporated in England and Wales on 27th May 1987.

The Manager is authorised and regulated by the FSA of 25 The North Colonnade, Canary Wharf, London E14 5HS and is authorised to carry on investment business in the United Kingdom. The Manager is also a member of the Investment Management Association.

The Manager is responsible for managing and administering each Trust's affairs in compliance with the rules of the FSA (the "FSA Rules"). The Manager has delegated certain of its functions as detailed below.

The issued share capital of the Manager is £5,000,000 made up of 5,000,000 ordinary £1 shares all of which are fully paid.

Directors: A.J.S. Ross (Chief Executive)
 R.S. Jeffrey
 R.J.E. Minter-Kemp
 C Sims
 J.W.J. Turnbull

Secretary: *Registered Office, Head Office and address for service of notices*
 :
Helena Harvey 12 Moorgate
 London EC2R 6DA
 Telephone: 020 3479 1000
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The Manager also acts as Authorised Corporate Director of Cazenove Investment Fund Company, an authorised open-ended investment company which has the following sub-funds:

Cazenove Multi-Manager Diversity Balanced Fund
Cazenove UK Opportunities Fund
Cazenove UK Smaller Companies Fund
Cazenove UK Corporate Bond Fund
Cazenove Strategic Bond Fund
Cazenove European Fund
Cazenove UK Growth and Income Fund
Cazenove UK Equity Income Fund

The Manager also acts as Authorised Corporate Director of Cazenove Absolute Return Fund Company, an authorised open-ended investment company which has the following sub-funds:

The Cazenove UK Absolute Target Fund
The Cazenove Absolute UK Dynamic Fund

The Manager also manages the following authorised unit trusts:

Bowdon General Fund
Gresham General Fund
Caversham Fund
The Mount Diston Fund
Pilot Hill Fund
Star Hill Fund
Thornton Fund
Winding Wood Fund
The Cutty Fund
The Capital Trust

The Unit Trusts

The Trusts featured in this Prospectus are:-

Cazenove Multi-Manager Diversity Fund
Cazenove Multi-Manager UK Growth Fund
Cazenove Multi-Manager Global (ex UK) Fund
Cazenove Multi-Manager Diversity Tactical Fund
Cazenove Diversity Income Fund

The Cazenove Multi-Manager Diversity Fund, Cazenove Multi-Manager UK Growth Fund, Cazenove Multi-Manager Global (ex UK) Fund and Cazenove Multi-Manager Diversity Tactical Fund were established by Trust Deeds each dated 29 April 2002) and the Cazenove Diversity Income Fund was established by Trust Deed dated 19 November 2010 (each a "Trust Deed"). Each Trust Deed is between the Manager and the Trustee and each Trust is an authorised unit trust scheme for the purposes of the Financial Services and Markets Act 2000 (the "Act"). The date of the order for the FSA declaring the Cazenove Multi-Manager Diversity Fund, Cazenove Multi-Manager UK Growth Fund, Cazenove Multi-Manager Global (ex UK) Fund and Cazenove Multi-Manager Diversity Tactical Fund as an authorised unit trust is 3 May 2002. The date of the order for the FSA declaring the Cazenove Diversity Income Fund as an authorised unit trust is 22 November 2010.

Each Trust is a Non-UCITS Retail Scheme for the purposes of the Regulations. Unitholders are not liable for the debts of the Trusts. The base currency of each Trust is United Kingdom pounds sterling.

Investment Objectives and Policies of the Trusts

The investment objective and policy of each Trust and information about the types of units that are available for investment, charges and minimum investment amounts is set out in Appendix 1. The assets of each Trust will be invested with the aim of achieving the investment objective and in accordance with the policy of the Trust

Profile of a Typical Investor

Each Trust is available to investors seeking access to a portfolio managed in accordance with a specific investment objective and policy.

- **Cazenove Multi-Manager Diversity Fund**

The Fund is a low-medium risk fund aiming to provide long-term growth. It may be suitable for investors who want to preserve their capital in falling markets whilst also participating in the upside when equity markets are rising. Investors should regard their investment as medium to long-term and should read the risk warnings set out in this Prospectus and the Multi-Manager Funds' key features and simplified prospectus before investing

- **Cazenove Multi-Manager Diversity Tactical Fund**

The Fund is a low-medium risk fund aiming to provide long-term growth. It may be suitable for investors who are seeking consistent returns over the longer term whilst reducing the risk of loss where equity markets are performing poorly. Investors should regard their investment as medium to long-term and should read the risk warnings set out in this Prospectus and the Multi-Manager Funds' key features and simplified prospectus before investing

- **Cazenove Multi-Manager UK Growth Fund**

The Fund is a medium risk fund aiming to provide long-term growth. It may be suitable for investors who are seeking long term capital growth provided by a diversified portfolio of UK equities. Investors should regard their investment as medium to long-term and should read the risk warnings set out in this Prospectus and the Multi-Manager Funds' key features and simplified prospectus before investing.

- **Cazenove Multi-Manager Global (ex UK) Fund**

The Fund is a medium risk fund aiming to provide long-term growth. It may be suitable for investors who are seeking long term capital growth provided by a diversified portfolio of global equities. Investors should regard their investment as medium to long-term and should read the risk warnings set out in this Prospectus and the Multi-Manager Funds' key features and simplified prospectus before investing,

- **Cazenove Diversity Income Fund**

The Fund is a low-medium risk fund aiming for some capital growth whilst providing consistent levels of income over the medium term. It may be suitable for investors who are seeking reasonable levels of income and some capital growth over the longer provided by a diversified portfolio of assets. Investors should regard their investment as medium to long-term and should read the risk warnings set out in this Prospectus and the Multi-Manager Funds' key features and simplified prospectus before investing,

Performance Record and Risk Factors

Past performance is not a guide to future performance. The value of investments and income from them can go down as well as up and investors may not get back the amount originally invested.

Cazenove Multi-Manager Funds' Discrete Past Performance

	31 December 2010	31 December 2009	31 December 2008	31 December 2007	31 December 2006
Cazenove Multi-Manager Diversity Fund	7.2%	16.3%	-10.0%	6.5%	10.3%
Cazenove Multi-Manager UK Growth Fund	13.9%	19.8%	-27.4%	0.0%	17.1%
Cazenove Multi-Manager Global (ex UK) Fund	18.3%	15.3%	-15.4%	8.9%	6.3%
Cazenove Multi-Manager Diversity Tactical Fund	9.7%	13.3%	-18.0%	2.5%	15.5%

*All performance statistics to 31 December 2010. Income units, mid-to-mid, net income reinvested. The Cazenove Diversity Income Fund launch date will be 15 December 2010 and the first performance information will not be available until January 2012.

Risk is about how likely an investment is to fluctuate in value over time. Potential investors should consider the following before investing in a Trust:

- Nothing in this Prospectus should be deemed to constitute the provision of financial, investment or other professional advice in any way.

- Participation in the Trusts should generally be viewed as a medium- to long-term investment.
- Values may fall as well as rise and you may not get back the amount you invested. Income from investments may fluctuate.
- Each Trust will invest mainly in collective investment schemes which themselves may invest in bonds, equities and alternative investments each of which will have specific risks as detailed below. The Cazenove Multi-Manager Diversity Fund, the Cazenove Multi-Manager Diversity Tactical Fund and the Cazenove Diversity Income Fund may also invest in closed-ended investment trusts and companies which themselves invest in bonds, equities and alternative investments.
- Trusts investing partly or wholly in bonds will tend to be less volatile than pure equity based funds, as bonds are generally considered to be more secure, usually include a condition to repay the original sum at a specified date in the future and normally provide a fixed level of income. However, the capital value of a bond fund and the level of its income will still fluctuate. Investments in higher yielding bonds issued by borrowers with lower credit ratings may result in a greater risk of default and have a negative impact on income and capital value. Income payments may constitute a return of capital in whole or in part. Income may be achieved by foregoing future capital growth.
- Trusts investing in equities may carry greater risks in return for higher potential rewards. Generally they tend to be more volatile than collective investment schemes investing in bonds, but also offer greater potential for growth. The value of the underlying investments in equity funds may fluctuate quite dramatically in response to the activities and results of individual companies, as well as in connection with general market and economic conditions. In calculating the price of units of each Trust, the latest available prices of the underlying investments will be used and these will only be revised in certain limited circumstances.
- Each Trust may invest in collective investment schemes that are unregulated and thus may carry greater risks than more conventional regulated collective investment schemes. In particular, schemes which are unregulated collective investment schemes will not be recognised or authorised by the FSA. Unregulated schemes operate in offshore centres that are unlikely to offer a level of investor protection equivalent to the United Kingdom. These schemes may deal infrequently and may limit redemptions. Investments may involve significant risk.
- Hedge funds, property funds and funds containing other alternative asset classes may deal infrequently, may limit redemptions and may contain investments which are not readily realisable. Investments which are not readily realisable means there is no recognised market for such investments, in which case it may be difficult to deal in these investments or to obtain reliable information about their value or the extent of risk to which these are exposed.
- Each Trust may invest in collective investment schemes which invest in equities and/or bonds which may use futures and options for investment purposes. Funds using derivatives may also employ certain derivative techniques which may create additional risks and increase price volatility.
- Specialist collective investment schemes, which invest in specialised markets or in specific market sectors are likely to carry higher risks than less specialised funds.
- There may be additional risks associated with collective investments schemes that invest in emerging and developing markets. Funds investing in emerging markets around the world, which can be extremely volatile, involve a higher than average risk

compared with funds covering established markets. For example, the systems and standards of trading, settlement, registration and custody of securities in these markets may not be as high as those of developed markets. In addition, lack of liquidity and inefficiency in certain emerging stock markets and foreign exchanges may mean that securities are less marketable than in more developed markets, resulting in greater price fluctuation. Such markets can also experience significant currency volatility and, accordingly, the country may have exchange controls

- Each Trust may invest in collective investment schemes which may be affected by changes in exchange rates. Changes in rates of exchange may have an adverse effect on the value, price or income of investments.
- The Manager cannot guarantee that it will achieve the investment objectives for each Trust as set out in this Prospectus. **The Cazenove Diversity Income Fund will seek over the medium term to deliver a capital return that is in line with, or above, the consumer price index while also providing an average income distribution of 4 per cent. per annum. The Manager believes that the targeted income yield can be achieved over the medium term whilst producing a capital return in line with, or above the consumer price index but this is not in any way guaranteed.**
- The Cazenove Diversity Income Fund's periodic management charge and other Trust expenses will be applied in whole or part to capital, which may result in capital erosion. The Cazenove Multi-Manager Diversity Fund, Cazenove Multi-Manager UK Growth Fund, Cazenove Multi-Manager Global (ex UK) Fund and Cazenove Multi-Manager Diversity Tactical Fund will apply charges in the first instance to income in accordance with the policy as set out in Appendix One.
- Derivative instruments may be used in each Trust for the purposes of efficient portfolio management only. This should not lead to an increase in the risk to the Trust. The Manager will employ a risk management process to manage any derivative exposure achieved for the purposes of efficient portfolio management.
- The levels and bases of, and reliefs from, taxation may change. Investors should obtain professional advice on taxation where appropriate before proceeding with any investment

Investment Powers and Restrictions

The investment objective and policy of the Trusts, as set out in Appendix 1, are subject to the limits on investment for non-UCITS retail schemes under chapter 5 of COLL, relevant parts of which are set out below:

Investment Limits

Each Trust will only invest in:

- (i) transferable securities;
- (ii) money market instruments;
- (iii) derivatives and forward transactions as described under "*Derivatives and Forward Transactions*" below;
- (iv) deposits as described under "*Deposits*" below; and
- (v) units in collective investment schemes as described under "*Collective Investment Schemes*" below.

Each Trust will only hold transferable securities and money market instruments that are:

- (i) admitted to or dealt in on an eligible market as described under "Eligible Markets for the Trust" below; or
- (ii) 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
- (iii) approved money market instruments not admitted to or dealt in on an eligible market described under "*Approved Money Market Instruments*" below.

However, not more than 20 per cent. in value of each Trust may consist of transferable securities which are not "approved securities" as defined in the Regulations or not more than 20 per cent. in value of each Trust may consist of money market instruments which do not fall within the instruments described under "Money Market Instruments" below.

Transferable Securities

The property of each Trust may be invested in a transferable security only to the extent that the transferable security fulfils the following criteria:

- (i) the potential loss which the Trust may incur with respect to holding the transferable security is limited to the amount paid for it;
- (ii) its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying unitholder;
- (iii) reliable valuation is available for it as follows:
 - (a) 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;
 - (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- (iv) appropriate information is available for it as follows:
 - (a) 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;
 - (b) 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 authorised fund manager on the transferable security or, where relevant, on the portfolio of the transferable security;
- (v) it is negotiable; and
- (vi) its risks are adequately captured by the risk management process of the Manager.

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

shall be presumed not to compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying unitholder and to be negotiable.

A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Trust, provided it fulfils the criteria for transferable securities set out above, and either:

- (i) 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 purpose of investor protection; or
- (ii) where the closed end fund is constituted under the law of contract, it is subject to corporate governance mechanisms equivalent to those applied to companies, and it is managed by a person who is subject to national regulation for the purpose of investor protection.

Collective Investment Schemes

The property of each Trust may be invested in the units of collective investment schemes provided that:

- (i) no more than 35 per cent. in value of the Trust may consist of the units of any single collective investment scheme;
- (ii) the collective investment scheme into which the Trust is investing:
 - (a) complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
 - (b) is authorised as non-UCITS retail scheme; or
 - (c) is recognised scheme under the provisions of section 264 (Schemes constituted in other EEA states), section 270 (Schemes authorised in designated countries or territories) or section 272 (individually recognised overseas schemes) of the Act; or
 - (d) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or
 - (e) is a scheme not falling within (a) to (d) above and in respect of which no more than 20 per cent. in value of the scheme property (including any transferable securities which are not approved securities) is invested;
- (iii) is a scheme that operates on the principle of the prudent spread of risk;
- (iv) is prohibited from having more than 15 per cent. in value of the property of that scheme consisting of units in collective investment schemes;
- (v) the participants in the collective investment scheme into which the Trust is investing must be entitled to have their units redeemed in accordance with the scheme at a price related to the net value of the property to which the units relate and determined in accordance with the scheme;
- (vi) For these purposes, each sub-fund of an umbrella scheme is treated as if it were a separate scheme but no sub-fund of an umbrella scheme may invest in another sub-fund of that umbrella scheme. Furthermore, each Trust may not invest in or dispose of units in another collective investment scheme (the second scheme), which is managed or operated by the Manager, or whose Authorised Corporate Director is the Manager,

or an associate of the Manager, unless certain charges in respect of the investment in, or the disposal of units in, the second scheme are reimbursed within four business days and certain other conditions in the Regulations are satisfied; and

- (vii) Where the Trust invests a substantial portion of its assets in collective investment schemes, the maximum rate of management fees that may be charged to a collective investment scheme in which the Trust invests will be 3 per cent. per annum (plus value added tax if any) of the value of the property of such collective investment scheme.

Exchange traded funds

Investment may be made by each Trust in exchange traded funds. The Manager will consider each investment in an exchange traded fund on an individual basis to determine how the investment should be categorised. Generally, an investment in open-ended exchange traded funds will be categorised as an investment in collective investment schemes and any investment in closed-ended exchange traded funds will be categorised as an investment in transferable securities.

Government and Public Securities

Where no more than 35 per cent. in value of each Trust's property is invested in government and public securities issued by any one body, the Trust is not limited on the amount which may be invested in such securities or in any one issue.

Each Trust may invest more than 35 per cent. in value of its property in Government and public securities issued by any one body provided that such securities have been issued by the following bodies:-

- (a) the government of the United Kingdom; or
- (b) the Scottish Administration; or
- (c) the Executive Committee of the Northern Ireland Assembly; or
- (d) the National Assembly for Wales; or
- (e) the government of any of the following countries or territories outside the United Kingdom:-
 - (i) each EEA State other than the United Kingdom, including Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain and Sweden; or
 - (ii) Australia, Canada, Japan, New Zealand, Switzerland and the United States of America.

Moreover, before investing more than 35 per cent. of the scheme property in such securities, the Manager will also consult with the Trustee and determine that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Trust.

If each Trust invests more than 35 per cent. in value of its property in Government and public securities issued by any one body, no more than 30 per cent. in value of the Trust's property may be invested in such securities of any one issue. Moreover, the Trust's property must include such securities issued by that or another issuer, of at least six different issues.

Approved Money Market Instruments

Each Trust may invest in (1) money market instruments that are admitted to or dealt in on an eligible market and (2) in approved money market instruments that are not admitted to or dealt in on an eligible market, provided the issue or the issuer is regulated for the purpose of protecting investors and savings and the instrument is:

- (a) issued or guaranteed by:
- (i) a central, regional or local authority or central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which one or more EEA States belong; or
 - (ii) an establishment subject to prudential supervision in accordance with criteria defined by EU law or an establishment which is subject to and complies with prudential rules considered by the FSA to be at least as stringent as those laid down by EU law;

and

- (b) issued by a body, any securities of which are dealt in on an eligible market.

Eligible markets for the Trusts is explained and set out under the heading “Eligible Markets” below.

Warrants, Nil and Partly Paid Securities

The property of each Trust may include nil and partly paid transferable securities and money market instruments only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Trust, at the time when payment is required, without contravening the investment restrictions and rules described in this section of this Prospectus and the FSA Rules. Furthermore, certain types of warrant may only be acquired if the warrant is listed on an eligible securities market. Each Trust will not invest more than 5 per cent. in value of its property in warrants.

Underwriting and Placing

Underwriting and placing contracts in respect of transferable securities may be entered into if covered by cash and/or other property in accordance with the Regulations. Each Trust shall ensure that it shall be able to meet in full any obligations arising under such underwriting and placing contracts immediately as they fall due.

Cash and Near Cash

The property of the each Trust may consist of cash and near cash where this may reasonably be regarded as necessary in order to enable the pursuit of each Trust’s investment objective, redemption of units, efficient management in accordance with the Trust’s investment objective or other purposes which may reasonably be regarded as ancillary to the investment objective of that Trust. Where the Manager considers that a defensive investment strategy is appropriate, cash and near cash may comprise up to 30 per cent. of the value of the property of each Trust. This range may be exceeded in exceptional circumstances.

Deposits

No more than 20 per cent. in value of each Trust may consist of deposits with a single body as defined in rule 5.6.7R(2) of COLL.

Each Trust may invest in deposits only with an approved bank and which are repayable on demand or have the right to be withdrawn, and mature in no more than 12 months.

Derivatives and Forward Transactions

Derivatives and forward transactions may be effected on behalf of each Trust as follows:

- (i) a transaction in derivatives or a forward transaction must not be effected for the Trust unless:
 - (a) the transaction is of a kind specified in paragraph (ii) and (iii) below; and
 - (b) the transaction is covered, as required under the heading “Derivative exposure” below.

Furthermore, the exposure of the Trust investing in derivatives to the underlying assets must not exceed the limits under the headings “*Spread of Investments*” and “*Government and Public Securities*” unless the derivative in question is an index based derivative and the relevant index falls within paragraph (iii) below.

Transactions in derivatives may be used for the purposes of hedging (for example in relation to price or currency fluctuations). The use of derivatives for the purposes of hedging may reduce the risk profile of the scheme by diminishing the risk of the fluctuation that is being hedged against (e.g. price or currency).

- (ii) any transaction by the Trust in a derivative must:
 - (a) be in a derivative which is traded or dealt in on an eligible derivatives market; or
 - (b) comply with the requirements relating to OTC transactions in derivatives set out below.

- (iii) Furthermore, any transaction in a derivative by the Trust:
 - (a) must have the underlying assets consisting of one or more of the following to which the Trust is dedicated:
 - transferable securities;
 - money market instruments;
 - deposits permitted under the heading “*Deposits*” below;
 - derivatives permitted under this paragraph;
 - collective investment scheme units permitted under the heading “*Collective investment Schemes*” above;
 - financial indices;
 - interest rates;
 - foreign exchange rates; and
 - currencies;
 - (b) (unless it falls within the heading “*Derivative Exposure*” below) must be effected on or under the rules of an eligible derivatives market;
 - (c) must not cause the Trust to diverge from the investment objectives as stated in the Trust Deed or this Prospectus; and

- (d) must not be entered into by the Trust if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes, or derivatives.
- (iv) Eligible derivatives markets are (a) regulated markets, (b) markets established in European Union member states or any other states within the European Economic Area which are regulated, operate regularly and are open to the public, and (c) those which the Manager, after consultation with the Trustee has decided are appropriate for the purpose of investment of, or dealing in, the property of the Trust with regard to the relevant criteria set out in the Regulations and the guidance issued by the FSA as amended from time to time.

The eligible derivatives markets for the Trust as at the date of this Prospectus are described under "Eligible Markets" below.

Further eligible derivatives markets may be added to an existing list for the Trust if:

- the Manager and the Trustee agree in writing that the addition is of minimal significance to the investment strategy of the Trust; or
- the Manager has given at least 60 days' written notice of the proposed addition to the Trustee and unitholders in the Trust and has revised this Prospectus to include reference to the new market and the effective date of the revision; or
- the addition has been approved by a resolution of unitholders of the Trust.

Any forward transaction by the Trust may only be with an approved counterparty.

A derivative or forward transaction which is permitted under this Prospectus which will or could lead to the delivery of property for the account of the Trust may be entered into only if that property can be held for the account of the Trust and the Manager, having taken reasonable care, determines that delivery of the property will not occur or will not lead to a breach of the Regulations.

The Trust may not dispose of property or rights unless the obligation to make the disposal and any other similar obligation could immediately be honoured by delivery of property or the assignment (or, in Scotland, assignation) of rights; and the property and rights are owned by the Trust at the time of the agreement. However this restriction does not apply to a deposit.

OTC Transactions

Any transaction in an OTC derivative (being a future, option or contract for differences) under (ii)(b) above must be:

- (i) with a counterparty which is an eligible institution or an approved bank or who is authorised by the FSA or its home state regulator to enter into transactions as principal off exchange.
- (ii) on approved terms, in that, before the transaction is entered into, the Trustee must be satisfied that the Manager:
- (a) carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and

- (b) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at a fair value; and
- (iii) capable of reliable valuation in that, a transaction in derivatives is capable reliable valuation only if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy (a) on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable or (b) if the value referred to in (a) is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- (iv) subject to verifiable valuation a transaction in derivatives is subject to verifiable valuation only if throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by (a) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the Manager is able to check it; or (b) a department within the Manager which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

Efficient Portfolio Management

The use of derivatives will be for efficient portfolio management purposes only and should not affect the risk profile of the Trust.

The aim of any derivative or forward used for efficient portfolio management is not to materially alter the risk profile of a trust, rather their use is to assist the Manager in meeting the investment objectives of each Trust as set out in Appendix 1. Efficient portfolio management involves techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost effective way;
- (b) they are entered into for one or more of the following specific aims:
 - (i) reduction of risk;
 - (ii) reduction of cost;
 - (iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the FSA Rules.

The aim of reducing risks or costs will allow the Manager to enter into exposures on permissible assets or currencies using derivatives or forwards as an alternative to selling or purchasing underlying assets or currencies. These exposures may continue for as long as the Manager considers that the use of derivatives continues to meet the original aim.

The aim of generating additional capital or income allows the Manager to write options on existing assets where it considers the transaction will result in the Trust deriving a benefit, even if the benefit obtained results in surrendering the chance of greater benefit in the future.

The aim of generating additional capital allows the Manager to take advantage of any pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights relating to assets the same as, or equivalent to which the Trust holds or may hold.

Derivative exposure

A transaction in derivatives or a forward transaction may only be entered into by each Trust if the maximum exposure, in terms of the principal or notional principal created by the

transaction to which the Trust is or may be committed by another person is covered globally as defined under this heading.

Exposure is covered globally if adequate cover from within the Trust (including cash not yet received but due within one month) is available to meet its total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk and the time available to liquidate any positions. The total exposure relating to derivatives held for each Trust may not exceed the net value of the Trust.

Borrowing

Cash obtained from borrowing, and borrowing which the Manager reasonably regards an eligible institution or an approved bank to be committed to provide, is available for cover pursuant to "*Derivative exposure*" above as long as the normal limits on borrowing described under the heading "*Borrowing Powers*" below are observed.

If the Trustee for the account of each Trust on the instructions of the Manager borrows an amount of currency from an eligible institution or an approved bank; and keeps an amount in another currency, at least equal to the borrowing on deposit with that lender (or his agent or nominee); then the heading "*Derivative exposure*" above and the preceding paragraph apply as if the borrowed currency, and not the deposited currency, were part of the property of the Trust.

Borrowing powers

The Trustee may, on the instructions of the Manager and subject to the Regulations, borrow money from an eligible institution or approved bank for the use of each Trust on terms that the borrowing is to be repayable out of the assets of the Trust. The Manager must ensure that borrowing does not, on any week day on which the London Stock Exchange is open for business (a "Business Day"), exceed 10 per cent. of the value of a Trust. These borrowing restrictions do not apply to "back-to-back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

At the date hereof, each Trust does not intend to exercise its borrowing powers, other than where required to effect the settlement of underlying securities.

Eligible Markets for each Trust

To protect investors, markets on which investments of the Trusts are dealt in or traded on must be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold. If a market ceases to be eligible, investments on that market cease to fall within (i) or (ii) below and the 20 per cent. restriction will apply to them.

An eligible market is:

- (i) a regulated market or any market established in a European Union member state or any other state within the EEA which is regulated, operates regularly and is open to the public (Note that after consultation with the Trustee, the Manager has excluded Cyprus and Malta as eligible markets for the purposes of rule 5.2.10R of COLL); and
- (ii) any other market in the list below.

The Manager has determined (following consultation with the Trustee) that the following markets are to be regarded as eligible markets for the purposes of rule 5.2.10R of COLL:-

Hong Kong Stock Exchanges
Tokyo Stock Exchange

New York Stock Exchange
NYSE Amex Equities

A market may be added to the list (by appearing in a supplement to, or an updated version of this Prospectus) if the Manager, after consultation with the Trustee, considers the market is appropriate for the investment of, or dealing in, the property of the Trust, and the Trustee 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 Manager in deciding whether that market is eligible.

However, a market will not be considered appropriate unless it:

- (a) is regulated;
- (b) operates regularly;
- (c) is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator;
- (d) is open to the public;
- (e) is adequately liquid; and
- (f) has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

Spread limits

Spread of Investments

Other than in relation to holdings in government and public securities or collective investment schemes:

- (i) no more than 20 per cent. in value of each Trust may consist of deposits with a single body as defined in Rule 5.6.7R(2) of COLL.
- (ii) no more than 10 per cent. in value of each Trust property may consist of transferable securities or money market instruments issued by any single body subject to Rule 5.6.23R of COLL.
- (iii) the exposure of each Trust to any one counterparty in an OTC derivative transaction must not exceed 10 per cent. in value of the Trust.

Each Trust will not invest directly in immovable property or directly in gold.

Winding up of a Trust

The Trustee shall proceed to wind-up a Trust:-

- (i) if the order declaring the Trust to be an authorised unit trust (the "Order") is revoked by the FSA;
- (ii) if the Manager or the Trustee requests the FSA to revoke the Order and the FSA has agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Trust, the FSA will accede to a request by the Manager or the Trustee that the order of authorisation be revoked; or
- (iii) on the effective date of a duly approved scheme of arrangement which is to result in the Trust being left with no property.

If any of the events set out above or other events set out in the Regulations occurs, the Manager will cease to issue and redeem units.

In the case of a scheme of arrangement referred to above, the Trustee shall wind-up the Trust in accordance with the approved scheme of arrangement.

In any other case, the Trustee will as soon as practicable after a Trust falls to be wound up realise the property of that Trust and, after paying out of the proceeds all liabilities properly so payable and retaining provision for the cost of the winding up, distribute the net proceeds to the unitholders and the Manager (upon production by them of evidence as to their entitlement) proportionately to their respective interests in the Trust.

Any unclaimed net proceeds or other cash held by the Trustee after the expiration of twelve months from the date on which such proceeds became payable will be paid by the Trustee into court subject to the Trustee having the right to retain from the proceeds any expenses incurred by it in making the payment into court.

Accounting Dates

The annual and interim accounting periods for each Trust shall end on 28 February and 31 August respectively and the annual and interim accounts will be published by 30 April and 31 October respectively.

Units in the Trusts

Different classes of units may be issued in respect of each Trust. The classes currently available in each Trust are set out in Appendix 1.

Holders of income units are entitled to be paid the income attributable to such units in respect of each annual or interim accounting period. Holders of accumulation units are not entitled to be paid the income attributable to such units, but that income is automatically added to (and retained as part of) the capital assets of the Trust attributable to accumulation units at the end of each annual or interim accounting period. The price of an accumulation unit increases to reflect accrued income.

The price of units is expressed in the currency of denomination of the relevant class as set out in Appendix 1.

Units in each class of each Trust are in registered form. Certificates will not be issued to unitholders. The Registrar has established and maintains the register (the "Register") and a plan sub-register for each Trust which are available for inspection by unitholders at its office at Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ. The Register shall (save where a unitholder has defaulted for the purposes of regulation 6.4.4R of COLL and the Trustee makes a necessary alteration to the register) be conclusive evidence as to the persons respectively entitled to the units entered in the Register. No notice of any trust, express, implied or constructive, shall be entered on the Register in respect of any unit and the Manager and the Trustee shall not be bound by any such notice. The Trust Deeds do not provide for bearer units and consequently none will be issued.

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

Income Allocation Dates

The annual and interim income allocation dates for each Trust are as follows:-

<i>Annual income allocation date</i>	<i>Interim income allocation date</i>
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30 April	31 October
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The Cazenove Diversity Income Fund will make two additional income allocations on 31 January and 31 July of each year.

Income Allocation

Allocations of income in each Trust are made to holders of income units in respect of the income available for allocation in each annual accounting period and are paid on or before the annual income allocation date. The amount available for allocation in an annual accounting period is calculated by:-

- (a) taking the aggregate of the income received or receivable for the accounting period;
- (b) deducting the aggregate of the Manager's and the Trustee's remuneration and any other payments paid or payable out of income for that accounting period; and
- (c) making such other adjustments as the Manager considers appropriate in relation to tax (after consulting the auditors) and certain other matters.

Distributable income payable on income units may be paid by cheque or BACS (Bankers Automated Clearing System) transfer (if the unitholder has supplied to the Manager appropriate bank details).

In order to conduct a controlled dividend flow to unitholders from each Trust, the Manager and the Trustee may agree a de minimis amount in respect of which a distribution of income is not required. Interim distributions will be made at the Manager's discretion, up to the maximum of the distributable income available for the period. All remaining income is distributed in accordance with the Regulations.

Any distribution payment that remains unclaimed after six years will be transferred to and become part of the capital property of each Trust respectively.

Equalisation

The purchase price of a unit of each class reflects the entitlement to share in the accrued income of such a unit of a Trust since the previous allocation of income (whether annual or interim). This capital sum, known as "income equalisation", is returned to unitholders with the first allocation of income in respect of a unit issued during an accounting period. Income equalisation is not earned income and income tax will not be payable on it, however, it should be deducted from the acquisition cost of the holding for capital gains tax purposes.

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

Income earned in respect of units of each class purchased prior to the latest annual or interim accounting period is dealt with as income in the normal way.

Voting

The convening and conduct of general meetings of unitholders of each Trust and the voting rights of unitholders at such meetings is governed by the Regulations.

The quorum for such meetings shall be two unitholders either present in person or by proxy. Notice convening a general meeting of unitholders will be given in accordance with the Regulations.

Except where an extraordinary resolution is required or permitted, a resolution of unitholders is required to be passed by a simple majority of votes cast at a general meeting of unitholders.

At any meeting of the unitholders of a Trust, a resolution put to the vote should 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 in accordance with the Regulations by the chairman of the meeting, by the Trustee or by two or more unitholders. On a show of hands every holder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard shall have one vote. On a poll votes may be given either personally or by proxy or in another manner permitted by the instrument constituting each Trust. The voting rights attaching to each unit on a poll are the proportion of the voting rights attached to all units in issue in the Trust that the price of the units bears to the aggregate price or prices of all of the units in issue calculated on a date specified pursuant to the Regulations. A unitholder need not use all his votes or cast all of his votes in the same way.

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

For joint unitholders of a unit, only the vote of the first mentioned in the Register of unitholders can be taken.

A unitholder may appoint another person to attend a general meeting and vote in his place. An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve executed under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney so authorised. A person appointed to act as a proxy need not be a unitholder. For the appointment of a proxy to be effective, the instrument of proxy must be received as provided pursuant to the Regulations not less than 48 hours before the relevant meeting or adjourned meeting.

The Manager may not be counted in the quorum for a general meeting, and neither the Manager nor any associate of the Manager is entitled to vote at any general meeting except in respect of units which the Manager or associate holds on behalf of or jointly with a person who, if the registered unitholder, would be entitled to vote and from whom the Manager or associate has received voting instructions.

“Unitholders” in this context means unitholders on the date seven days before the notice of meeting is deemed to have been served, but excluding persons who are known to the Manager not to be unitholders at the time of the meeting.

Minimum Value of Holdings

The minimum value of holdings is set out in Appendix 1. These limits may be waived at the Manager's discretion.

Buying Units

Investors may request to purchase units of each class in each Trust by application in writing to the Manager or by telephone daily between 9.00 a.m. and 5.00 p.m. on each Business Day in the following manner:-

- (a) Application in Writing: Investors should complete an application form available from the Manager and send it to the Manager. Payment should be included with the application form (cheques made payable to CAZENOVE INVESTMENT FUND MANAGEMENT LIMITED) or payment can be made by electronic transfer. Details of

the account in which payments are to be made is set out in the application. On acceptance of the application, units will be issued at the relevant price, and a contract note confirming the issue price and the number of units issued together with, in appropriate cases, a notice of the applicant's right to cancel the application (a "Contract Note") will normally be despatched by close of business on the next Business Day following the Business Day on which the transaction is effected.

- (b) Application by Telephone: Units may be purchased by telephone either through a professional adviser or direct to the Manager's Dealing Department- telephone 020 3479 0000. On acceptance of telephone instructions units will be issued at the relevant price and a Contract Note will normally be despatched by close of business on the next Business Day following the Business Day on which the transaction is effected. Payment is due on receipt of the Contract Note and can be made by cheque (cheques made payable to CAZENOVE INVESTMENT FUND MANAGEMENT LIMITED) or electronic transfer. Details of the account in which payments are to be made is set out in the application form.

Dealing instructions received between 9.00 a.m. and 12.05 p.m. will be carried out by reference to the valuation point at 12.05 p.m. on that Business Day. Dealing instructions received after 12.05 p.m. on a Business Day will be carried out by reference to the valuation point at 12:05 p.m. on the next Business Day following receipt by the Manager of the dealing instructions.

The Manager reserves the right in accordance with the Regulations to reject any application for units in whole or in part in which case the application money or any balance will be returned by post at the risk of the applicant.

Default by a purchaser in payment of any moneys under the purchaser's application will entitle the Trustee to cancel any rights of the purchaser in the units. In the case of default, the Manager will hold the purchaser liable, or jointly and severally liable with any agent of the purchaser, for any loss sustained by the Manager as a consequence of a fall in the price of units.

The Manager will not pay interest on any monies held by it pending investment in units.

Restrictions on the purchase of units

The Manager may institute any restriction on the buying, selling or switching of units to ensure that the law or government regulation of any country or territory is not breached and as such the Manager may reject in its discretion any application for the purchase, redemption or switching of units in the Trusts.

Unitholders or potential unitholders who are nationals or citizens of jurisdictions outside the UK, or who are nominees of, custodians or trustees for, citizens or nationals of jurisdictions outside the UK should inform themselves about any laws or regulations that may impact upon their holding of units in a Trust and in doing so should observe any applicable legal requirements. In particular it is the responsibility of unitholders or potential unitholders to satisfy themselves as to the full observances of the laws and regulatory requirements of the relevant jurisdiction including but not limited to the observance and payment of any taxes or duties as a result of owning units in a Trust.

If the Manager becomes aware that units in a Trust are owned directly or beneficially by a unitholder in breach of any law or government regulation of any country or territory which would result (or would if other units were acquired in a Trust) result in the Trust incurring any liability to taxation which the Trust would not be able to recover itself or suffering any other adverse consequences (including a requirement to register under any securities or investment law or government regulations of any jurisdiction or territory) or by virtue of which the unitholder is not, or may not be, qualified to hold such units the Manager may give notice in writing to the unitholder requiring the redemption of such units. If a unitholder upon whom

such a notice is served does not within thirty days after the date of such notice redeem the units or establish to the satisfaction of the Manager that the unitholder is qualified and entitled to own units in the Trust, the units shall be forcibly redeemed upon which normal settlement terms will then apply.

US Persons

The Trusts have not been and will not be registered under the United States Securities Act of 1933 as amended ("Securities Act") and, subject to certain exceptions, units may not be offered or sold in the United States of America, in its territories and possessions, any state of the United States of America and the District of Columbia ("United States of America") or offered or sold to US Persons (as defined below). The Trusts have not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Manager has not been and will not be registered under the United States Investment Advisors Act of 1940.

"US Person" means a United States person within the meaning of Regulation S under the Securities Act.

Selling Units

Unitholders may request to sell their units of each class in each Trust by writing to the Manager or by telephone daily between 9.00 a.m. and 5.00 p.m. on each Business Day in the following manner:-

- (a) **Notice in Writing:** To redeem units, investors should complete and sign a redemption notice and return it to the Manager. The units will be repurchased at the relevant price. Proceeds of redemption (less, if the proceeds are to be remitted abroad, the cost of such remittance) will be paid by the close of business on the fourth Business Day following the later of (i) receipt of the redemption notice duly signed by the unitholder, and (ii) the Business Day on which the transaction was effected.
- (b) **Notice by Telephone:** Units may be sold by telephone either through a professional adviser or direct to the Manager's Dealing Department - telephone 020 3479 0000. On acceptance of telephone instructions, units will be repurchased at the relevant price and a Contract Note will be despatched. Investors should then complete and sign the redemption notice and return it to the Manager. Proceeds of redemption (less, if the proceeds are to be remitted abroad, the cost of such remittance) will be paid by cheque or electronic transfer by the close of business on the fourth Business Day following the later of (i) receipt of the redemption notice duly signed by the unitholder, and (ii) the Business Day on which the transaction was effected.

Dealing instructions received between 9.00 a.m. and 12.05 p.m. will be carried out by reference to the valuation point at 12.05 p.m. on that Business Day. Dealing instructions received after 12.05 p.m. on a Business Day will be carried out by reference to the valuation point at 12:05 p.m. on the next Business Day following receipt by the Manager of the dealing instructions.

Certain institutional investors may place valid dealing instructions with the Manager via electronic trading platforms supported by the Manager or its appointed agents but this facility does not currently extend to retail investors. The Manager may in the future introduce an electronic trading system which will enable private investors to buy and sell units using the internet but at present the Manager will only accept written and telephone instructions to deal from these investors.

Unit trusts should generally be regarded as medium- to long-term investments. Instructions for redemption are irrevocable. Significant delays in payment of the proceeds of redemption can occur in cases where a unitholder has not advised the Manager in advance of a change of address.

Pricing Basis and Valuation

Pricing

Unit prices are determined on a single mid-market basis in accordance with the Regulations. The single mid-market price applies whether you are investing in units or selling units. Unit prices for each Trust are calculated on Business Days in the United Kingdom on the basis of valuations taken on the property of the Trust as at 12.05 p.m. each Business Day (prior to 1 October each Trust will be valued at 4.00 p.m.). This is with the exception of Christmas Eve and New Year's Eve or the last Business Day prior to those days annually, when the valuation may be carried out at a time agreed in advance between the Manager and the Trustee.

The unit price will be calculated at the next valuation point of the property of each Trust after the purchase or sale of units is agreed. This is known as forward pricing.

Valuation

The Manager reserves the right to (i) value the property of each Trust at an alternative time on any day on which the London Stock Exchange reduces the length of its mandatory quote period and (ii) suspend valuation of the property of each Trust at any time when the buying and selling of units is suspended

The Manager may carry out an additional valuation of the property of each Trust at any time during a Business Day if he considers it desirable to do so and may carry out special valuations in the following circumstances:-

- (a) where necessary for the purposes of effecting a scheme of reconstruction or amalgamation; or
- (b) on the day on which the annual or half-yearly accounting period ends.

Investors should bear in mind that, on investing, the Manager's initial charge is added to the price of units. In addition, for both purchases and sales of units by investors, a dilution adjustment and a stamp duty reserve tax provision may be payable or deducted in certain circumstances.

The price of a unit is calculated by reference to the net asset value of the property of a Trust. The net asset value of the property of a Trust is the value of the Trust's assets less the value of the Trust's liabilities determined in accordance with the provisions of the Trust Deed. A summary of such provisions applying to each Trust follows:-

1. All the property of the Trust (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 below) 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 Manager, the price obtained is unreliable or if no recent traded price is available or if no recent price exists, at a value which in the opinion of the Manager 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 Manager and the Trustee;
 - (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 Manager, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which in the opinion of the Manager 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 Manager, 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 property of the Trust, all instructions given to issue or cancel units 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 Trust Deed 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 Manager, their omission will 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 Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
- 8. Deduct an estimated amount for the anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Trust; on

realised capital gains in respect of the 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 property of the Trust and any tax thereon, treating periodic items as accruing from day to day.
10. Deduct the principal amount of any outstanding borrowings whenever repayable 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 property of the Trust.
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 the base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of unitholders or potential unitholders.

When an investment is fair valued, there is no guarantee that the investment will be sold at the price at which a Trust is carrying the investment. The Manager monitors domestic and foreign markets and news information for any developing events that may have an impact on the valuation of each Trust's investments.

Where the Manager believes that a reliable unit price cannot be established as at the valuation point, dealing in the relevant Trust may be suspended.

Manager Dealing as Principal

The Manager will, on the completion of the valuation of the Trust, advise the Trustee of the issue and cancellation prices of units. These are the prices which the Manager has to pay to the Trustee for the issue of units or which the Manager will receive from the Trustee upon the cancellation of units. The Manager deals as principal in these units and may hold units for its own account. However, units will generally only be held by the Manager to facilitate unit orders and will not be held for speculative purposes. Any profits or losses arising from such transactions shall accrue to the Manager and not to the Fund. The Manager is under no obligation to account to the Trustee, or to unitholders for any profit it makes on the issue or re-issue of units or cancellation of units which it has redeemed.

Dilution Adjustment

The actual cost of purchasing or selling units in a Trust may be higher or lower than the mid market value used in calculating the unit price. These costs may include dealing charges, commissions and the effects of dealing at prices other than the mid-market price. The effects of transaction charges and the dealing spread may have a materially disadvantageous effect on the unitholders' interest in a Trust.

To prevent this effect, known as "dilution", the Manager may make a dilution adjustment when there are net inflows into a Trust or net outflows from a Trust, so that the price of a unit is above or below that which would have resulted from a mid-market valuation. It is not, however, possible to predict accurately whether dilution will occur at any point in time. Consequently it is not possible to accurately predict how frequently the Manager will need to

make such a dilution adjustment. The imposition of a dilution adjustment may reduce the redemption price or increase the purchase price of units.

The imposition of a dilution adjustment will depend on the volume of sales or redemptions of units. The Manager may make a dilution adjustment:

- (i) if net sales or redemptions are £250,000 or more in value for Trusts whose NAV is less than £50 million (Cazenove Diversity Income Fund); or
- (ii) if net sales or redemptions are over 0.5 per cent. of a Trust's net asset value for Trusts whose net asset value is £50 million or more (as at the date of this Prospectus, the net asset value of Cazenove Multi-Manager Diversity Fund, Cazenove Multi-Manager Diversity Tactical Fund, Cazenove Multi-Manager UK Growth Fund and Cazenove Multi-Manager Global (ex UK) Fund is more than £50 million); or
- (iii) where a Trust is in continual decline (i.e. is suffering a net outflow of investments); or
- (iv) in any other case where the Manager believes that it is in the interest of unitholders to impose a dilution adjustment.

The dilution adjustment for each Trust will be calculated by reference to the costs of dealing in the underlying investments of that Trust, including any dealing spreads, commission and transfer taxes. The cost of dealing in underlying investments can vary over time and as a result the amount of dilution adjustment will also vary over time. The price of each class of unit in the Cazenove Multi-Manager Diversity Fund, the Cazenove Multi-Manager Diversity Tactical Fund and the Cazenove Diversity Income Fund will be calculated separately but any dilution adjustment will affect the price of units of each class of units in the Trust equally. When the dilution adjustment is not made and units are bought or sold at a mid-market price there may be an adverse impact on the total assets of a Trust.

Estimates of the dilution adjustment calculated on securities held in each Trust, dealing expenses incurred and market conditions are set out below.

Cazenove Multi-Manager Diversity Fund	0.08%
Cazenove Multi-Manager UK Growth Fund	0.20%
Cazenove Multi-Manager Global (ex UK) Fund	0.02%
Cazenove Multi-Manager Diversity Tactical Fund	0.03%
Cazenove Diversity Income Fund	0.08%

These rates are indicative and are only intended to provide a guide to unitholders and potential unitholders on the possible rate at which the dilution adjustment may be made. The Manager will review dilution adjustment charges on a quarterly basis.

The table below sets out the number of times a dilution adjustment was applied to each Trust (on the basis set out above) in the 12 month period from 1 January 2010 to 31 December 2010.

Cazenove Multi-Manager Diversity Fund	1
Cazenove Multi-Manager UK Growth Fund	2
Cazenove Multi-Manager Global (ex UK) Fund	2
Cazenove Multi-Manager Diversity Tactical Fund	9
Cazenove Diversity Income Fund	2*

*for period 15 December 2010 to 31 December 2010

Stamp Duty Reserve Tax

The surrender or transfer of units by a unitholder may result in the Trustee incurring a liability for stamp duty reserve tax ("SDRT"). SDRT is a tax which is charged on certain agreements to transfer securities. The SDRT liability (if any) will be determined by reference to the nature of the Trust's underlying investments and by the number of units issued and surrendered or transferred during the week in which the surrender or transfer occurs and in the following week.

The Manager will, as permitted by the Regulations, pay any liability for SDRT out of the capital property of the Trust. The maximum amount of SDRT which will be due is 0.5 per cent. of the value of the units surrendered or transferred before the imposition of the provision.

The Manager may also, where it believes that it is in the overall best interests of unitholders to do so, impose an SDRT provision on large deals. The Manager currently considers a transaction (or series of transactions in one dealing period) by any person to buy or sell units that represents 5 per cent. or more of the then current net asset value of each Trust to be a "large deal" for these purposes. The imposition of an SDRT provision will have the effect of increasing the cost of buying units or reducing the proceeds from the sale of units by the amount of the SDRT provision. The Manager does not at present intend to charge an SDRT provision on other transactions.

The amount of the SDRT provision will not exceed 0.5 per cent. of the value of the transaction before the imposition of the provision. If the Manager receives an SDRT provision in respect of any unit issued, surrendered or transferred it shall, forthwith upon receipt of that SDRT provision, pay it to the Trustee to become part of the property of the Trust.

In Specie Cancellation

If a unitholder requests the redemption or cancellation of units, the Manager may, if it considers the deal substantial in relation to the total size of the relevant Trust, arrange for the Trustee to cancel units and transfer an appropriate amount of the property of the Trust to the unitholder instead of paying the price of the units in cash. A deal involving units representing 5 per cent. or more in value of the property of the Trust will normally be considered substantial, although the Manager may in its discretion agree an in specie cancellation with a unitholder whose units represent less than 5 per cent. in value of the property of the Trust.

Before the proceeds of cancellation of the units become payable, the Manager will give written notice to the unitholder that property of the Trust will be transferred to that unitholder.

The Manager will select the property to be transferred in consultation with the Trustee. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the unitholder requesting cancellation than to continuing unitholders. The Trustee will retain from that property the value (or amount) of any SDRT provision or redemption charge.

Suspension of Redemption and Issue of Units

The buying, selling and switching of units of each Trust may at any time be temporarily suspended by the Manager, with the prior agreement of the Trustee or if the Trustee so requires, if the Manager or the Trustee, as appropriate, is of the opinion that there is good and sufficient reason to do so having regard to the interests of the unitholders in a Trust. Such reasons may include:

- i) the closure or suspension of dealing on a relevant stock exchange; or
- ii) the inability of the Manager to ascertain properly the value of any or all of the assets or realise any material part of the assets of a Trust; or
- iii) the value of redemption requests received in respect of any Business Day is deemed, in the Manager's absolute discretion, to be exceptional in relation to the value of the relevant Trust.

Unitholders will be notified of any suspension as soon as practicable after suspension commences.

The Manager and the Trustee will ensure that any suspension is only allowed to continue as long as it is justified having regard to the interests of the unitholders and that the suspension is reviewed at least every 28 days.

Where the Manager agrees during the suspension to deal in units, all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first relevant Valuation Point after the restart of dealings in units.

Publication of Prices

Units in each Trust are not listed or dealt in on any investment exchange. The most recent issue and redemption prices of each Trust are published on Cazenove Capital Management Limited's website, www.cazenovecapital.com.

Unitholders can obtain up-to-date prices free of charge by telephoning 0800 0159 592.

Money Laundering

The Manager has both statutory and regulatory obligations to maintain procedures to combat money laundering and terrorist financing. This means that in certain circumstances persons buying or selling units may be required to provide proof of identity. For each person who signs the application form, the Manager may request documentation which evidences proof of identity and proof of address. The Manager may request additional documentation as required. Alternatively the Manager may use credit reference/information agencies in order to meet its money laundering obligations. These agencies may keep a record of this enquiry.

Until satisfactory proof of identity is obtained, the Manager reserves the right to refuse to issue units, pay proceeds of a redemption of units or pay income on units to the investor.

Preliminary Charge

The preliminary charge which the Manager may include in the unit price of a unit of each class of each Trust is set out in Appendix 1. The preliminary charge shall be a percentage of the unit price (plus value added tax if any) excluding the amount of such charge.

This charge may be waived by the Manager at its discretion either generally or in a specific case.

If and to the extent that a Trust purchases shares or units in another authorised unit trust or OEIC which is managed or operated by (or whose authorised corporate director is) the Manager or an associate of the Manager, there will be no preliminary charge included in the price at which those shares or units are purchased. In addition, when a Trust sells shares or units in such a fund, no redemption charge will be deducted from the price at which those shares or units are sold.

Selling Charge

The Manager currently makes no charge on the sale of units of each Trust. However, the Manager reserves the right to charge up to 5 per cent. on the sale of units that have been held by the selling unitholder for less than 1 year. The charge will be subsequently reduced by 1 per cent. for each complete year that the units have been held. Unitholders will be given not less than 60 days' notice of the introduction of any such charge. Where a unitholder has acquired units at different times and seeks to redeem units, he will be treated, for the purposes of any selling charge applied, as selling units in the order in which they were acquired.

If selling charges are introduced, and then such charges are changed, historical rates will be available from the Manager on request.

Periodic Management Charge

The Manager currently makes a periodic management charge. The rate of the periodic management charge in respect of each class of units of each trust is set out in Appendix 1.

The periodic management charge shall accrue daily and will be determined by reference to the net asset value of the relevant Trust on each Business Day and shall be paid in arrears at the end of each calendar quarter. The management charge for the Cazenove Multi-Manager Diversity Fund, Cazenove Multi-Manager UK Growth Fund, Cazenove Multi-Manager Global (ex UK) Fund and Cazenove Multi-Manager Diversity Tactical Fund will be taken from the income. The management charge for the Cazenove Diversity Income Fund will be taken from capital.

Any increase in the Manager's initial or preliminary charge, periodic management charge or the basis upon which its expenses are reimbursed may be made by the Manager, if it is determined by the Manager to be a significant rather than a fundamental change, as set out in the Regulations only after:

- (i) giving 60 days' written notice in writing to the unitholders (in the case of an increase of the periodic management charge or any savings plan (in the case of the preliminary charge)); and
- (ii) the Manager revising this Prospectus to reflect the proposed increase.

If any such charge is deemed to be fundamental, it will require the approval of unitholders in accordance with the Regulations

Where a Trust invests in collective investment schemes, such underlying investments will incur management fees and expenses including a periodic management charge. Certain underlying funds may also charge an initial charge and/or performance fees. Where a Trust invests in collective investment schemes managed by other management groups a partial rebate of the periodic management charge charged by those collective investment schemes will normally be negotiated. Where a Trust invests in regulated collective investment schemes managed by Cazenove Investment Fund Management Limited, or its associate companies, partial rebates of the periodic management charge may be obtained and the periodic management charge charged by these funds will not generally exceed 75 basis points. Where a Trust invests in unregulated collective investment schemes managed by Cazenove Investment Fund Management Limited, or its associate companies, the Fund will pay the full periodic management charge and no rebate will be given to a Trust. Note that certain funds managed by Cazenove Investment Fund Management Limited, or its associate companies, which may be invested in by a Trust may charge performance related fees. There will not be any rebate to a Trust of these performance related fees.

Trustee's Fees

The Trustee's remuneration, which is payable out of the assets of each Trust, is a periodic charge at such annual percentage of the value of the property of the Trust as set out in the table below, with the property of the Trust being valued and such remuneration accruing and being paid on the same basis as the Manager's periodic management charge. Currently, the Manager and the Trustee have agreed that the Trustee's remuneration in respect of each Trust shall be calculated on a sliding scale as follows:

<u>Band Range</u>	<u>Fee</u>
On the first £40 million of the value of the property of the Trust	0.0275 per cent.
On the next £40 million of the value of the property of the Trust	0.0175 per cent.

Where the value of the property of the Trust exceeds £80 million	0.0075 per cent.
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The Trustee is also entitled to receive out of the property of each Trust remuneration for performing or arranging for the performance of the functions conferred on the Trustee by each Trust's Trust Deed or the Regulations. The Trustee's remuneration under this paragraph shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears on the next following date on which payment of the Trustee's periodic charge is to be made or as soon as practicable thereafter. Currently the Trustee does not receive any remuneration or service charges under this paragraph

The Trustee is permitted to increase its remuneration subject to the agreement of the Trustee and the Manager. If the change materially increases the payment out of a Trust, written notice will be given in the same manner as for an increase to the Periodic Management Charge.

Trustee's Expenses

In addition to the remuneration referred to above, the Trustee will be entitled to receive reimbursement for expenses properly incurred by it in the discharge of its duties or exercising any of the powers conferred upon it in relation to each Trust, subject to approval by the Manager.

The Trustee has appointed JPMorgan Chase Bank (the "Custodian") as the Custodian of the property of each Trust and is entitled to receive reimbursement of the Custodian's fees as an expense of the Trust. The Custodian's remuneration for acting as Custodian is calculated at an ad valorem rate determined by the territory or country in which the assets of each Trust are held. Currently, the lowest rate is 0.0025 per cent. and the highest rate is 0.40 per cent. In addition, the Custodian makes a transaction charge determined by the territory or country in which the transaction is effected. Currently, these transaction charges range from £5 to £200 per transaction.

The Trustee is also entitled to be reimbursed out of the property of each Trust in respect of remuneration charged by the Custodian for such services as the Manager, Trustee and the Custodian may from time to time agree, being services delegated to the Custodian by the Trustee in performing or arranging for the performance of the functions conferred on the Trustee by the Trust Deed or the Regulations. Remuneration charged under this paragraph shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears. Currently the Custodian does not receive any remuneration under this paragraph.

The Trustee is permitted to increase its remuneration and the basis upon which its expense and disbursements are reimbursed subject to the agreement of the Manager. If the charge materially increases the payment out of the trust, written notice will be given in the same manner as for an increase in the Manager's periodic charge. If any such charge is deemed to be fundamental, it will require the approval of unitholders in accordance with the Regulations.

Registrar and Transfer Agent Fee

The Registrar and Transfer Agent will be paid a periodic charge of 0.0275 per cent. The fee will be payable to JP Morgan Europe Limited for the provision of the following services:

- (i) maintenance of the Register of unitholders;
- (ii) preparation of data used for the financial statements for the Trust;
- (iii) all costs arising from the provision of facilities for dealing in the Trust's units; and
- (iv) any expenses incurred by the Trust in connection with the maintenance of its accounting and other books and records.

The Registrar and Transfer Agent charge shall accrue daily and will be determined by reference to the NAV of the trust on each dealing day and shall be deducted and paid at the end of each month,

Other Expenses of each Trust

In addition to the Manager's periodic management charge and the fees and expenses of the Trustee and any applicable value added tax thereon, the following expenses may be paid out of the property of each of the Trusts:

- (a) brokers' commission, fiscal charges and other disbursements which are:
 - (i) necessarily incurred in effecting transactions for the Trust; and
 - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate.
- (b) interest on borrowings permitted in respect of the Trust and charges incurred in effecting or terminating or in negotiating or varying the terms of such borrowings;
- (c) any applicable taxes and duties payable in respect of the property of the Trust, the Trust Deed or the issue of units and any SDRT provision made in accordance with Schedule 19 of the Finance Act 1999 (or any statutory modification or re-enactment thereof);
- (d) any costs incurred in modifying the Trust Deed, including costs incurred in respect of meetings of unitholders convened for purposes which include the purpose of modifying the Trust Deed, where the modification is:-
 - (i) necessary to implement any change in the law, or
 - (ii) necessary as a direct consequence of any change in the law, or
 - (iii) expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interest of unitholders of the Trust, or
 - (iv) to remove obsolete provisions from the Trust Deed;
- (e) any costs incurred in respect of meetings of unitholders convened on a requisition by unitholders not including the Manager or an associate of the Manager;
- (f) the expenses for the production of financial statements, tax returns and any expenses incurred in connection with the maintenance of accounting and other books and records;
- (g) liabilities on unitisation, amalgamation or reconstruction, in accordance with Rule 6.7.15 of COLL;
- (h) the audit fees and any proper expenses of the auditors (plus value added tax);
- (i) the fees of the FSA and any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which units in the Trust are or may be marketed;
- (j) any sum due or payable by virtue of any provision of the Regulations;
- (k) the fees and expenses payable to the Administrator in respect of:

- (i) preparation of financial statements for the Trust;
 - (ii) preparation of tax returns; and
 - (iii) any expenses incurred by the Trust in connection with the maintenance of its accounting and other books and records;
- (l) any expenses or disbursements of the Trustee incurred in exercising any powers conferred upon the Trustee, or in performing any of the duties imposed upon it by the Regulations, the Trust Deed governing the Trust or by law, which duties may include:-
- (i) delivery of stock to the Trustee or custodian;
 - (ii) custody of assets;
 - (iii) maintenance of the Register and plan sub-register;
 - (iv) collection of income and capital;
 - (v) submission of tax returns;
 - (vi) handling tax claims;
 - (vii) preparation of the Trustee's annual report; and
 - (viii) such other duties as the Trustee is required by the Regulations, the Trust Deed or by law to perform.

Allocation of Expenses to Income and Capital

Payments will be charged to the capital or income of each Trust in accordance with the Regulations and the policy of each Trust as set out in Appendix I. If charges are applied in whole or part to capital, this may result in capital erosion or constrain capital growth.

Taxation

The taxation of income and capital gains of both the Trusts and unitholders is subject to the fiscal law and practice of the United Kingdom and of the jurisdictions in which unitholders are resident or otherwise subject to tax. The following summary of the anticipated tax treatment in the UK does not constitute legal or tax advice and applies only to persons holding units as an investment.

Prospective investors should consult their own professional advisers on the tax implications of making an investment in, holding or disposing of units and the receipt of distributions and deemed distributions with respect to such units under the laws of the countries in which they may be liable to taxation.

This summary is based on the taxation law and practice in force at the date of this document, but prospective investors should be aware that the relevant fiscal rules and practice or their interpretation may change. The following tax summary is not a guarantee to any investor of the tax results of investing in the Trust.

Taxation of the Trusts

The Trusts are authorised unit trusts and, as such, do not suffer any liability to United Kingdom taxation in respect of any capital gains arising on the disposal of their investments held in each Trust. The Trusts will be liable to United Kingdom corporation tax at the current rate of 20 per cent. on certain categories of income after the deduction of expenses of management. Legislation included in Finance Act 2009 changes the way in which dividends and other income distributions received by companies within the charge to UK corporation tax (which will include the Trusts) are treated for UK tax purposes. The legislation provides, with effect from 1 July 2009, for a wide exemption from UK corporation tax on such distributions (including distributions received from non-UK companies) subject to certain exclusions and specific anti-avoidance rules. Dividend distributions from other authorised unit trusts or OEICs are treated in accordance with the rules for unitholders within the charge to corporation tax described below. Credit is given for all or part of any foreign tax paid on each Trust's income.

Dividend distributions made or treated as made by each Trust are not subject to UK withholding tax.

Taxation of Unitholders

Each Trust will be treated for tax purposes as distributing to its unitholders for each distribution period the whole of the income shown in its accounts as being income available for payment to unitholders or for reinvestment, regardless of the amount actually distributed. Accordingly, any excess of the amount so shown over the income actually distributed will be deemed to be distributed to unitholders in proportion to their respective interests in the Trust. The date of any such deemed distribution will be determined by the Trust's relevant interim or annual income allocation date (details of which are given above).

Dividend distributions and deemed distributions comprise income for UK tax purposes. Except for unitholders within the charge to corporation tax, (as explained below), dividend distributions and deemed dividend distributions carry a tax credit currently equivalent to 10 per cent. of the aggregate of the distribution or deemed distribution and the tax credit (i.e. an amount equal to one ninth of the amount distributed or deemed to have been distributed).

UK resident individuals and certain trusts liable to UK income tax will be taxable on the sum of their distributions and deemed distributions and associated tax credits but will be entitled to set the tax credits against their UK income tax liability on these distributions and deemed distributions. Associated tax credits will satisfy the liability to income tax (at the dividend ordinary rate) of lower and basic rate taxpayers. Higher rate taxpayers will be liable to income tax (at the dividend upper rate) and the additional tax will be equivalent to 22.5 per cent. of the gross amount of the dividend distribution or deemed distribution. If the total income of the unitholder is less than his or her personal allowances, the associated tax credits applicable to dividend distributions and deemed distributions cannot be the subject of a tax repayment claim. Unitholders should note that from tax year 2010-11 dividend distributions and deemed distributions forming a part of an individual's taxable income in excess of £150,000 will be taxable at a new 42.5 per cent dividend rate, subject to the 10 per cent. tax credit.

In the case of unitholders who are within the charge to UK corporation tax, dividend distributions and deemed distributions will be exempt from corporation tax.

The first income allocation received by a unitholder after buying units may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the unitholder as part of the purchase price. It is a return of capital and is not taxable. Rather it should be deducted from the allowable cost of the units for capital gains tax purposes.

Unitholders who are resident or ordinarily resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including redemption, of units. Each individual has an annual exemption, currently £10,600 (2011/2012 tax year), such that capital gains tax is chargeable only on net gains arising during the tax year in excess of this figure.

Short and Long Reports

The Manager's annual short report and the Manager's half yearly short report for each Trust will be issued on or before the dates below:-

Annual short report	Half yearly short report
30 April	31 October

A full annual and half yearly long report for each period will be published shortly before 30 April and 31 October respectively and will be available to unitholders, free of charge, on request.

General Information

- (a) Copies of the Trust Deed for each Trust and of any supplemental deeds, the latest Prospectus and the most recent annual and half-yearly reports of each Trust may be inspected and copies may be obtained between 9.00 a.m. and 5.00 p.m. on every Business Day at the head office of the Manager at 12 Moorgate, London EC2R 6DA.
- (b) Persons interested in subscribing for units should inform themselves as to:-
 - (i) the legal requirements within their own countries for subscription of units;
 - (ii) any foreign exchange restrictions which may be encountered; and
 - (iii) the income, estate and other tax consequences of becoming a unitholder.
- (c) If you have a complaint about the operation or marketing of the Trusts you should in the first instance make such complaint to The Compliance Officer of the Manager at the address shown on page 5. Copies of the Manager's Complaint Handling Procedures are available from the Manager on request.

If your complaint is not dealt with to your satisfaction you can also write directly to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, Docklands, London E14 9SR. We will inform you of your rights when answering your complaint.

- (d) The Manager may effect transactions, on which commissions or other charges are payable, through brokers. Information about dealing commissions and mark-ups and mark-downs paid in respect of these transactions will be given in the Manager's annual report to unitholders.
- (e) The Manager executes transactions on behalf of clients with a number of selected brokers. In the normal course of business, the Manager has entered or may enter into arrangements ("Commission Sharing Arrangements") whereby the broker agrees to set aside a proportion of the commission earned on transactions and to use this to discharge the cost of the provision of investment research received by the Manager. The services received under such arrangements are directly relevant to and assist in the cost-effective provision of management services generally by the Manager to its clients and are consistent with practices in the markets in which the Manager does business. In accordance with FSA rules, the Manager will not enter into such Commission Sharing Arrangements unless the types of goods and services provided to it are related to the provision of research and do not constitute goods or services which the FSA has specified do not satisfy the requirements of the rules in respect of such arrangements and will reasonably assist the Manager in the provision of its services to clients on whose behalf orders are being executed
- (f) The Manager is under no obligation to account to the Trustee or to the unitholders of each Trust for any profits or loss made or receives that are derived from or in connection with dealing in the units together with any transactions in Trust property or the supply of services of the Trust, and accordingly will not do so.
- (g) Information concerning the quantitative limits applying to the risk management of each Trust and the risk management methods used by the Trusts together with any recent development of the risk and yields of the main categories of investment for each Trust are available from the Manager upon request.
- (h) Fund accounting and administration, registration; and transfer agency functions have been delegated by the Manager to JP Morgan Europe Limited.

- (i) A notice is duly served if it is delivered to the unitholder's address as appearing in the register or is delivered by electronic means in accordance with the Regulations. Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted. Any document left at a registered address or delivered other than by post is deemed to have been served on that day.

APPENDIX 1: THE TRUSTS

Cazenove Multi-Manager Diversity Unit Trust

Investment Objective and Policy

The Cazenove Multi-Manager Diversity Fund's aim is to achieve long term capital growth in excess of inflation from a portfolio invested across a broad range of asset classes. The Trust is intended to provide consistent rates of return with lower risk than more traditional approaches to portfolio management which tend to be largely dependent on the performance of equities.

The investment policy of the Trust is to invest mainly in collective investment schemes but, where it is considered appropriate, investment may also be made in closed ended funds, individual transferable securities, money market instruments and/or derivative and forward transactions.

The Trust may also seek investment diversification by obtaining exposure to alternative asset classes including hedge funds, private equity, commodities and indirectly in property through investment in collective investments, transferable securities and other securities and instruments in which the Trust may invest.

The Trust may utilise derivatives for the purposes of efficient portfolio management. Generally the Manager intends the Trust to remain fully invested subject to the holding of cash or near cash.

Table of Information

	Classes of Units						
	A Class		B Class		X Class		C Class
Unit Type	Income	Accum*	Income	Accum	Income	Accum	Accum
Currency of Denomination	Sterling	Sterling	Sterling	Sterling	Sterling	Sterling	Sterling
Minimum Initial Investment	£5,000	£5,000	£1,000	£1,000	£1 million	£1 million	£1 million
Minimum Subsequent Investment	£500	£500	£500	£500	£50,000	£50,000	£50,000
Minimum Redemption	£500 ¹	£500 ¹	£500 ¹	£500 ¹	£50,000 ₁	£50,000 ₁	£50,000 ₁
Minimum Holding	£1,000	£1,000	£1,000	£1,000	£1 million	£1 million	£1 million
Manager's Preliminary Charge	5%	5%	5% ²	5% ²	0%	0%	5%
Selling Charge	up to 5%	up to 5%	up to 5%	up to 5%	up to 5%	up to 5%	up to 5%
Periodic Management Charge	1% per annum ³	1% per annum ³	1.25% per annum ³	1.25% per annum ³	0.50% per annum ³	0.50% per annum ³	0.90% per annum ³
- Charged to	Income	Income	Income	Income	Income	Income	Income
Annual Income Allocation Date	30 April	30 April	30 April	30 April	30 April	30 April	30 April
Interim Income Allocation Date	31 October	31 October	31 October	31 October	31 October	31 October	31 October

* **abbr : Accumulation**

¹ If the redemption transaction would reduce the value of the unitholder's holding to less than the minimum holding in the Trust, the minimum value of units which may be the subject of the redemption transaction is the unitholder's entire holding in the Trust.

²The Manager's Preliminary Charge for B Class units was increased from 3% to 5% on 12th December 2011,

³The periodic management charge is a percentage of the value of the property attributable to that class of units of the Trust. The periodic charge and other expenses are charged in the first instance to the income of the Trust.

Cazenove Multi-Manager UK Growth Unit Trust

Investment Objective and Policy

The Cazenove Multi-Manager UK Growth Fund seeks to provide capital appreciation through investment, predominantly in the UK, in all economic sectors, through UK authorised unit trusts, open-ended investment companies and other collective investment schemes across several investment management groups.

Although the investment policy of the Trust is to invest mainly in collective investment schemes, where it is considered appropriate, investment may also be made in closed-ended funds, individual transferable securities, money market instruments and/or deposits.

The Trust may utilise derivatives and forward transactions for the purpose of efficient portfolio management.

Generally the Manager intends the Trust to remain fully invested subject to the holding of cash or near cash.

Table of Information

Unit Type	Classes of Units	
	Accumulation	Income
Currency of Denomination	Sterling	Sterling
Minimum Initial Investment	£1,000	£1,000
Minimum Subsequent Investment	£500	£500
Minimum Redemption	£500 ¹	£500 ¹
Minimum Holding	£1,000	£1,000
Manager's Preliminary Charge	5%	5%
Periodic Management Charge	1% per annum ²	1% per annum ²
- Charged to	Income	Income
Annual Income Allocation Date	30 April	30 April
Interim Income Allocation Date	31 October	31 October

¹ If the redemption transaction would reduce the value of the unitholder's holding to less than the minimum holding in the Trust, the minimum value of unit which may be the subject of the redemption transaction in the unitholder's entire holding in the Trust.

² The management charge is a percentage of the value of the property attributable to that class of units of the Trust. The periodic charge and other expenses are charged in the first instance to the income of the Trust.

Cazenove Multi-Manager Global (Ex UK) Unit Trust

Investment Objective and Policy

The Cazenove Multi-Manager Global (ex UK) Fund seeks to provide capital appreciation through investment in any and all geographic areas of the world and in all economic sectors, outside the UK, through authorised unit trusts, open-ended investment companies and other collective investment schemes across several investment management groups.

Although the investment policy of the Trust is to invest mainly in collective investment schemes, where it is considered appropriate, investment may also be made in closed-ended funds, individual transferable securities, money market instruments and/or deposits.

The Trust may utilise derivatives and forward transactions for the purpose of efficient portfolio management.

Generally the Manager intends the Trust to remain fully invested subject to the holding of cash or near cash.

Table of Information

Unit Type	Classes of Units	
	Accumulation	Income
Currency of Denomination	Sterling	Sterling
Minimum Initial Investment	£1,000	£1,000
Minimum Subsequent Investment	£500	£500
Minimum Redemption	£500 ¹	£500 ¹
Minimum Holding	£1,000	£1,000
Manager's Preliminary Charge	5%	5%
Periodic Management Charge	1% per annum ²	1% per annum ²
- Charged to	Income	Income
Annual Income Allocation Date	30 April	30 April
Interim Income Allocation Date	31 October	31 October

¹ If the redemption transaction would reduce the value of the unitholder's holding to less than the minimum holding in the Trust, the minimum value of unit which may be the subject of the redemption transaction in the unitholder's entire holding in the Trust.

² The management charge is a percentage of the value of the property attributable to that class of units of the Trust. The periodic charge and other expenses are charged in the first instance to the income of the Trust.

Cazenove Multi-Manager Diversity Tactical Unit Trust

Investment Objective and Policy

The Cazenove Multi-Manager Diversity Tactical Fund seeks to provide capital appreciation through exposure to a diverse range of asset types including equities, bonds, fixed interest, cash and any other permitted assets deemed appropriate to meet the investment objective.

The Trust will invest mainly in global markets primarily through authorised unit trusts, open-ended investment companies, exchange traded funds and other collective investment schemes across several investment management groups.

The Trust will follow a tactical asset allocation strategy through which it will seek to achieve its objective by seeking to increase returns and reduce downside risk by making tactical adjustments to the Trust's holdings based on market conditions.

Where appropriate the Trust may invest in alternative investments including hedge funds, private equity funds and indirectly in commodities and property investment. It may also in certain circumstances hold individual transferable securities, money market instruments and/or deposits.

The Trust may utilise derivatives and forward transactions for the purpose of efficient portfolio management.

Table of Information

	Classes of Units					
	A Class		B Class		X Class	
Unit Type	Income	Accum	Income	Accum	Income	Accum
Currency of Denomination	Sterling	Sterling	Sterling	Sterling	Sterling	Sterling
Minimum Initial Investment	£5,000	£5,000	£1,000	£1,000	£1 million	£1 million
Minimum Subsequent Investment	£500	£500	£500	£500	£50,000	£50,000
Minimum Redemption	£500 ¹	£500 ¹	£500 ¹	£500 ¹	£50,000 ¹	£50,000 ¹
Minimum Holding	£1,000	£1,000	£1,000	£1,000	£1 million	£1 million
Manager's Preliminary Charge	5%	5%	5% ²	5% ²	0%	0%
Periodic Management Charge	1% per annum ³	1% per annum ³	1.25% per annum ³	1.25% per annum ³	0.50% per annum ³	0.50% per annum ³
- Charged to	Income	Income	Income	Income	Income	Income
Annual Income Allocation Date	30 April	30 April	30 April	30 April	30 April	30 April
Interim Income Allocation Date	31 October	31 October	31 October	31 October	31 October	31 October

* *abbr* : Accumulation

¹ *If the redemption transaction would reduce the value of the unitholder's holding to less than the minimum holding in the Trust, the minimum value of unit which may be the subject of the redemption transaction in the unitholder's entire holding in the Trust.*

² *The Manager's Preliminary Charge for B Class units was increased from 3% to 5% on 12th December 2011,*

³ *The periodic management charge is a percentage of the value of the property attributable to that class of units of the Trust. The periodic charge and other expenses are charged in the first instance to the income of the Trust.*

Cazenove Diversity Income Unit Trust

Investment Objective and Policy

The Cazenove Diversity Income Fund seeks over the medium term to deliver a capital return that is in line with, or above, the consumer price index while also providing an average income distribution of 4 per cent. per annum. There is no guarantee that this objective will be met.

The Trust will invest across a broad range of asset classes which are intended to provide consistent rates of return with lower risk than more traditional approaches to portfolio management which tend to be largely dependent on the performance of equities.

The investment policy of the Trust is to invest mainly in collective investment schemes but, where it is considered appropriate, investment may also be made in closed ended funds, individual transferable securities and money market instruments.

The Trust may, in seeking investment diversification, obtain exposure to alternative asset classes including hedge funds, private equity, commodities and indirectly in property through investment in collective investments and transferable securities.

The Trust may utilise derivatives for the purposes of efficient portfolio management. Generally the Manager intends the Trust to remain fully invested subject to the holding of cash or near cash.

Table of Information

	Classes of Units					
	A Class		B Class		X Class	
Unit Type	Income	Accum*	Income	Accum*	Income	Accum*
Currency of Denomination	Sterling	Sterling	Sterling	Sterling	Sterling	Sterling
Minimum Initial Investment	£5,000	£5,000	£1,000	£1,000	£1 million	£1 million
Minimum Subsequent Investment	£500 ²	£500 ²	£500 ³	£500 ³	£50,000 ²	£50,000 ²
Minimum Redemption	£500 ¹	£500 ¹	£500 ¹	£500 ¹	£50,000 ¹	£50,000 ¹
Minimum Holding	£1,000	£1,000	£1,000	£1,000	£1 million	£1 million
Manager's Preliminary Charge	5%	5%	5% ²	5% ²	0%	0%
Periodic Management Charge	1% per annum ³	1% per annum ³	1.25% per annum ³	1.25% per annum ³	0.50% per annum ³	0.50% per annum ³
- Charge to	Capital	Capital	Capital	Capital	Capital	Capital
Annual Income Allocation Date	30 April	30 April	30 April	30 April	30 April	30 April
Quarterly Income Allocation Date	31 Jan 31 July 31 Oct	31 Jan 31 July 31 Oct	31 Jan 31 July 31 Oct	31 Jan 31 July 31 Oct	31 Jan 31 July 31 Oct	31 Jan 31 July 31 Oct

* *abbr* : Accumulation

¹ *If the redemption transaction would reduce the value of the unitholder's holding to less than the minimum holding in the Trust, the minimum value of unit which may be the subject of the redemption transaction in the unitholder's entire holding in the Trust.*

² *The Manager's Preliminary Charge for B Class units was increased from 3% to 5% on 12th December 2011,*

³ *The periodic management charge is a percentage of the value of the property attributable to that class of units of the Trust. The periodic charge and other expenses are charged in the first instance to the capital of the Trust.*