

# Simplified Prospectus

## FP CAF Investment Fund

Valid as at 5<sup>th</sup> January 2016

**CAF** Charities Aid  
Foundation



**FUND PARTNERS**

# Helping you decide

## What you should know before you invest

**This document gives you a summary of information to help you decide if you want to invest in FP CAF Investment Fund and provides answers to some important questions.**

**You should read this document carefully so that you understand what you are buying, and keep it safe for future reference.**

The Financial Conduct Authority (FCA) is the UK's independent financial services regulator. It requires us to give you this important information to help you decide whether to invest in a fund.

This Simplified Prospectus contains key information in relation to FP CAF Investment Fund (the "Company") which is an open-ended investment company with variable capital incorporated in England and Wales on 4<sup>th</sup> March 2011 with registered number IC000876. The Company is classified as a Non-UCITS Retail Scheme (NURS) under the rules of the Financial Conduct Authority ("FCA").

The Company is structured as an umbrella company, in that different Funds may be established from time to time by the authorised corporate director with the approval of the FCA. The Company currently has four sub-funds as follows:

**FP CAF Fixed Interest Fund**

**FP CAF UK Equity Fund**

**FP CAF International Equity Fund**

**FP CAF Alternative Strategies Fund**

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund.

Potential investors are advised to read the latest Prospectus (the "Prospectus") before making an investment decision. The rights and duties of investors as well as their legal relationship with the Company are laid down in the Prospectus.

**Because we are not registered with the relevant authorities in the United States we cannot sell shares to people who are "US persons". If you think you may be a US person please see further details in the Prospectus, including a definition of what a US person is or call us on 03000 123 444.**



## **The Company and its Head Office**

FP CAF Investment Fund, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB.

Authorised and regulated by the Financial Conduct Authority.

Administration Office: Fund Partners Ltd c/o CAF Financial Solutions Limited\*, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4TA.

Telephone: 03000 123 444.

\*Throughout this document CAF Financial Solutions Limited is referred to as “CFSL”.

## **Sponsor**

CAF Investments Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4TA. Authorised and regulated by the Financial Conduct Authority.

## **Authorised Corporate Director (“ACD”)**

Fund Partners Limited, Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB. Authorised and regulated by the Financial Conduct Authority.

Fund Partners Limited is a subsidiary of Professional Partners Administration Limited (“PPAL”).

## **Investment Manager**

Octopus Investments Limited, 33 Holborn, London EC1N 2HT. Authorised and regulated by the Financial Conduct Authority.

## **Marketing and Distribution for the Funds will be carried out by:**

Octopus Investments Limited, 33 Holborn, London EC1N 2HT. Authorised and regulated by the Financial Conduct Authority.

## **Depository**

State Street Trustees Limited, 20 Churchill Place, London, E14 5HJ. Authorised and regulated by the Financial Conduct Authority.

## **Administrator**

International Financial Data Services (UK) Limited, IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS. Authorised and regulated by the Financial Conduct Authority.

## **Registrar**

International Financial Data Services Limited, IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS.

## **Administration Office:**

Fund Partners Ltd c/o CAF Financial Solutions Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4TA.

Telephone: 03000 123 444.

## **Auditors**

Deloitte LLP, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2DB.

## **Competent Authority**

The Company is authorised and regulated by the Financial Conduct Authority. They can be contacted at 25 The North Colonnade, Canary Wharf, London E14 5HS or by calling 0845 606 1234 (local call rates). Website [www.fca.org.uk](http://www.fca.org.uk)

# Fund Information

## What are the Funds' investment objectives and policies?

The Funds will have their assets invested in accordance with the investment objectives and policies as detailed below.

### FP CAF Fixed Interest Fund

A bond sub-fund of FP CAF Investment Fund.

## What is the Fund's investment objective and policy?

The Fund aims to achieve a balance of income and capital growth over the medium to longer term, the total of which is in excess of that of the Global Fixed Interest market, hedged into £-Sterling.

The Fund aims to generate a return, which is in excess of that of the Global Fixed Interest market average as measured by generally accepted broad market indices, like the Merrill Lynch Sterling Broad Market or Citigroup World Broad Investment Grade Bond. \*

The Fund will seek to achieve its objective through investments primarily in global fixed interest securities. This will be achieved either through direct investments (such as gilts and bonds) or through shares and units of collective investment schemes such as unit trusts, and open-ended investment companies (OEICs), as well as closed-ended schemes. Foreign currency exposure may be hedged back into £-Sterling.

The Fund may also invest, at the ACD's discretion, in other transferable securities and collective investment schemes, money market instruments, cash and near cash and deposits to meet the investment objective. Use may also be made of stocklending, borrowing, cash holdings, derivatives for hedging and other investment techniques for efficient portfolio management permitted in COLL.

\*The shares in the FP CAF Fixed Interest Fund are not in any way sponsored, endorsed, sold or promoted by Merrill Lynch Sterling Bond Market or Citigroup World Broad Investment Grade Bond Market (the Indices) and the Indices do not make any warranty or representation whatsoever, expressly or implied, either as to the results to be obtained from the Indices and/or the figure at which the Indices stand at any particular time on any

particular day or otherwise. The indices shall not be liable (whether in negligence or otherwise) to any person for any error in any of the Indices and shall not be under any obligation to advise any person of any error therein.

### FP CAF UK Equity Fund

An equity sub-fund of FP CAF Investment Fund.

## What is the Fund's investment objective and policy?

The Fund aims to achieve capital growth over the medium to longer term which is in excess of that of the UK equity market average.

The Fund aims to generate a return, which is in excess of that of the UK equity market average as measured by generally accepted broad market indices, like the FTSE All-share index. \*\*

The Fund will seek to achieve its objective through investments primarily in UK equities and may gain exposure to such equities either through direct investment or through shares and units of collective investment schemes such as unit trusts and open-ended investment companies (OEICs) as well as closed-ended schemes and Foreign currency exposure may be hedged back into £-Sterling.

The Fund may also invest, at the ACD's discretion, in other transferable securities and collective investment schemes, money market instruments, cash and near cash and deposits to meet the investment objective. Use may also be made of stocklending, borrowing, cash holdings, derivatives for hedging and other investment techniques for efficient portfolio management permitted in COLL.

\*\*The shares in the FP CAF UK Equity Fund are not in any way sponsored, endorsed, sold or promoted by FTSE International Ltd ("FTSE") or by The London Stock Exchange plc, (the "Exchange") or by The Financial Times Limited ("FT") and neither FTSE nor Exchange nor FT makes any warranty or representation whatsoever, expressly or implied, either as to the results to be obtained from the FTSE All share Index ("the Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, neither FTSE nor Exchange nor FT shall be liable (whether in negligence or otherwise) to any person for any error in any of the Index and neither FTSE or

Exchange or FT shall be under any obligation to advise any person of any error therein. "FTSETM, "FT-SE®" and "Footsie" are trade marks of the London Stock Exchange plc and the Financial Times Limited and are used by FTSE International Limited ("FTSE") under License. "ALL-share" is a trademark of FTSE.

## **FP CAF International Equity Fund**

An equity sub-fund of FP CAF Investment Fund

### **What is the Fund's investment objective and policy?**

The Fund aims to achieve capital growth over the medium to longer term which is in excess of that of international equities, excluding the UK.

The Fund aims to generate a return, which is in excess of that of international equities, excluding the UK as measured by generally accepted broad market indices, like the FTSE All-World ex UK.\*\*\*

The Fund will seek to achieve its objective through investments primarily in non-UK equities, and may gain exposure either through direct investment or through shares and units in collective investment schemes such as unit trusts and open-ended investment companies (OEICs), as well as closed-ended schemes. Foreign currency exposure may be hedged back into £-Sterling.

The Fund may also invest, at the ACD's discretion, in other transferable securities and collective investment schemes, money market instruments, cash and near cash and deposits to meet the investment objective. Use may also be made of stocklending, borrowing, cash holdings, derivatives for hedging and other investment techniques for efficient portfolio management permitted in COLL.

\*\*\*The shares in the FP CAF International Equity Fund are not in any way sponsored, endorsed, sold or promoted by FTSE International Ltd ("FTSE") or by The London Stock Exchange plc, (the "Exchange") or by The Financial Times Limited ("FT") and neither FTSE nor Exchange nor FT makes any warranty or representation whatsoever, expressly or implied, either as to the results to be obtained from the FTSE All-World ex UK Index ("the Index") and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE. However, neither FTSE nor Exchange nor FT shall be liable (whether in negligence or otherwise) to any

person for any error in any of the Index and neither FTSE or Exchange or FT shall be under any obligation to advise any person of any error therein. "FTSETM, "FT-SE®" and "Footsie" are trade marks of the London Stock Exchange plc and the Financial Times Limited and are used by FTSE International Limited ("FTSE") under License.

## **FP CAF Alternative Strategies Fund**

An equity sub-fund of FP CAF Investment Fund

### **What is the Fund's investment objective and policy?**

The Fund aims to provide an absolute return for investors over any 12-month rolling period regardless of the prevailing market conditions, although Capital invested in the Fund is at risk and there is no guarantee that this objective will be met. The Fund will look to deliver its return through investment in alternative investment strategies across multiple asset classes.

The Fund will seek to achieve its objective through investments in a range of collective investment schemes, money market instruments, deposits, transferable securities and derivative instruments.

Subject to the requirements of the FCA Regulations, the portfolio will normally remain fully invested. There will, however, be no restrictions on the underlying investments held, in terms of investment type, geographical or economic sector, other than those imposed by the FCA Regulations, meaning that the fund manager has the absolute discretion to weight the portfolio towards any investment type or sector, including cash, at any time.

Unregulated collective investment schemes may be used to the extent permitted by the FCA Regulations. The portfolio will be actively managed and the Fund may hold exchange traded derivatives for investment purposes as well as for efficient portfolio management purposes (including hedging). Borrowing will be permitted up to the levels stated in the Regulations.

Please note that a positive return in a twelve month period is not guaranteed.

## What is the profile of the typical investor the Funds are designed for?

Shares in the Company are only available to the following categories of investors:

- Charitable Organisations;
- Registered Charities;
- Community investment companies;
- Community land trusts;
- CAF Private Client Donors
- The nominee from time to time of the managed portfolio service (managed by Octopus Investments Limited, the Investment Manager, on behalf of CFSL) currently Octopus Nominees Limited.

These are known as “Eligible Investors”.

Please note that in relation to the FP CAF Fixed Interest Fund only, all shares issued are gross shares and so investors are restricted to those qualifying for gross distributions of interest distributions under the Authorised Investment Funds (Tax) Regulations 2006 and Part 15 of the Income Tax Act 2007, and, with the exception of registered charities and investors who can provide evidence of entitlement to gross interest, they must complete a Declaration of Eligibility and Undertaking which may be obtained from CFSL or the ACD.

The Funds should be suitable for investors who are seeking a well diversified, actively managed investment exposure to the respective asset classes covered by the different Funds. These investors are expected to have a good understanding of the investment risk and return parameters of the asset classes the Funds invest into.

Class A shares are intended for use by all investors.

Class B shares are only available to investors who were previously invested in the CAF Bond Income Fund and CAF UK Equity Growth Fund.

Class C shares are only available to the nominee from time to time of the managed portfolio service (managed by Octopus Investments Limited on behalf of CFSL) currently Octopus Nominees Limited.

If you are in any doubt about whether you are an “Eligible Investor” please call CFSL on 03000 123 444.

## Risk Factors

### What are the Funds’ general risk factors?

We recommend that you contact a financial adviser if you are in any doubt about the suitability of an investment in any Fund, or if you are not confident that you fully understand the risks involved.

Further details of the investment risks may be found in the Prospectus.

**Market risk** – The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of any Fund will actually be achieved and no warranty or representation is given to this effect. Past performance is no guide to the future.

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

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the shares. If the market value of the shares has increased the redemption charge will show a corresponding increase.

Currently there is no redemption charge levied on shares.

The shares therefore should be viewed as medium to long term investments. Please note that the sub funds of FP CAF Investment Fund do not currently have an initial charge or redemption charge.

**Dilution adjustment** - Investors should note that in certain circumstances a dilution adjustment may be applied to the price payable on the purchase. Where dilution adjustment is not applied the Fund in question may incur dilution which may constrain capital growth.

**Charges to Capital** - Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee and other expenses may be charged against capital instead of against income. This treatment of the ACD's fee and other expenses will increase the amount of income (which may be taxable) available for distribution to Shareholders in the Fund concerned but may constrain capital growth. Details of which of the Funds charge the ACD fee and other expenses against capital can be found in the Charges & Expenses section.

**Suspension of dealings in shares** - Investors are reminded that in certain circumstances their right to redeem shares (including a redemption by way of Switching) may be suspended.

**Pricing and liquidity** - Where a Fund has exposure to alternative asset classes there is a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to a lack of liquidity in the relevant market. As a result, at times, the ACD may have to delay acting on instructions to sell investments, and the proceeds on redemption may be materially less than the value implied by the Fund's price.

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

**Currency exchange rates** - Currency fluctuations may adversely affect the value of a Fund's investments and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in shares.

**Emerging markets** - Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

The following is a brief summary of some of the more common risks associated with emerging markets investment:

- **Fraudulent securities** – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.
- **Lack of liquidity** – The accumulation and disposal of holdings may be more expensive, time consuming and generally more difficult than in more developed markets. Also, due to the lack of liquidity, volatility may be higher. Many emerging markets are small, have low trading volumes, low liquidity and significant price volatility.
- **Currency fluctuations** – Where a Fund makes investments, which are denominated in a currency other than the base currency of that Fund, there may be a significant change in the relative value of the investments' currency against the base currency. These changes may impact the total return of the Fund to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.
- **Settlement and custody risks** - Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement may be



delayed and that cash or securities could be disadvantaged.

- **Investment and remittance restrictions** - In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Fund because the maximum permitted number of or investment by foreign shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval. The Company will only invest in markets in which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.
- **Accounting** – Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

**Smaller companies** - Funds investing in smaller companies invest in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

**Sub investment grade bonds** - The Funds may hold sub-investment grade bonds. Such bonds have a lower credit rating than investment grade bonds and carry a higher degree of risk.

**Overseas bonds and currencies** - From time to time, a Fund may invest in overseas bonds and currencies. These markets may respond to different influences to those that affect the underlying funds and accordingly carry a higher degree of risk.

**Performance risk** - There will be a variation in performance between Funds with similar objectives due to the different assets selected. The degree of investment risk depends on the risk profile of the Fund chosen.

**Inflation Risk** - Inflation will, over time, reduce the value of your investments in real terms.

**Counterparty Risk** - If a Fund enters into a derivative contract it will be exposed to the credit of the other party (usually referred to as 'counterparty') and their ability to wholly or partly satisfy the terms of the contract.

In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and may incur significant losses. The ACD may use one or more counterparties to undertake derivative transactions on behalf of a Fund and may be required to pledge a Fund's assets as collateral against these transactions. There may be a risk that a counterparty will be unable to meet its obligations with regards to the return of the collateral and may not meet other payments due to a Fund.

**Derivatives and Volatility** - Derivative instruments may be used in all the Funds for the purposes of Efficient Portfolio Management (EPM). The use of derivatives for EPM should not lead to an increase in risk to the Fund.

**Derivatives will also be used for the purposes of investment for FP CAF Alternative Strategies Fund only.** The COLL Sourcebook permits the ACD to use certain techniques when investing in derivatives in order to manage a Fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure to over-the-counter ("OTC") derivatives; for example a Fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits a Fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

**Derivatives will be used in the FP CAF Alternative Strategies Fund for the purposes of investment. Where the ACD invests in derivatives and forward**



transactions in the pursuit of FP CAF Alternative Strategies Fund's objectives, the Net Asset Value of FP CAF Alternative Strategies Fund may at times be volatile (in the absence of compensating investment techniques). However, it is the ACD's intention that the FP CAF Alternative Strategies Fund will not have volatility over and above the general market volatility of the markets of the Fund's underlying investments owing to the use of the derivatives and/or forward transactions in the pursuit of its objectives. It is not the ACD's intention that the use of derivatives and forward transactions in the pursuit of FP CAF Alternative Strategies Fund's objective will cause its risk profile to change.

**Professional Liability Risks** - As the Company is an 'Alternative Investment Fund' for the purposes of the Alternative Investment Fund Managers Directive ("AIFMD"), the ACD is required to ensure that certain Professional Liability Risks are covered at all times, either through additional own funds and/or through appropriate coverage of professional indemnity insurance. The ACD satisfies its obligations to cover Professional Liability Risks in relation to the Company by: (a) holding professional indemnity insurance (in accordance with the Regulations) and maintaining an amount of own funds to meet the capital requirements under the AIFMD; and (b) complying with the qualitative requirements in the AIFMD that address professional liability risks.

**Leverage** – Leverage of the Company's assets is limited to the permanent borrowing referred to in section 25 (Borrowing powers and Leverage) of Appendix III (Investment and Borrowing Powers of the Company).

## What specific risk factors affect the Funds?

Specific risks relating to these Funds are as follows:

**Non-UCITS Retail Schemes (NURS)** – The Company and the Funds are classed as NURS for the purposes of the rules in the FCA Handbook. Such funds can have wider investment and borrowing powers than UCITS schemes with higher investment limits in various areas. They can also invest to a greater extent in areas such as property and unregulated schemes and have the option to borrow on a permanent basis. Such additional powers can increase potential reward, but may also increase risk.

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

**Unregulated Collective Investment Schemes** - A Fund may invest, in total no more than 20% of the Scheme Property, in unregulated collective investment schemes which are generally considered to be a higher risk than investment in regulated schemes. An unregulated collective investment scheme is unlikely to be subject to regulations which govern how they are managed. For example, they can utilise higher risk investment techniques, they may borrow to invest, they can suspend calculation of net asset value preventing redemption or otherwise limit redemption, they may not adhere to internationally recognised accounting standards and functions such as pricing and custody may not be subject to any rules. A Fund may also invest in unregulated collective investment schemes which are valued less frequently than the investing Fund. As a result, there is a risk that any market movements will not be reflected in the daily price of the Fund and that investors may miss out on unrealised profits from underlying investments.

**Exchange Traded Funds ("ETF")** - The Fund may invest in Exchange Traded Funds. Exchange Traded Funds represent a basket of securities that are traded on an exchange and may not necessarily trade at the net asset value of their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio.

**Warrants** - Whilst warrants may be utilised for the management of investment risk they can also be volatile. A warrant allows within a subscribed period the right to apply for shares, debentures, loan stock or government securities from the issuer of the underlying security. A small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant.

Therefore the larger the Fund holding in warrants the larger the risk of volatility. No more than 5% of any Fund will be held in warrants.

**Regular Savings Plan** - If a Shareholder is making regular monthly investments in a Fund with a view to saving for a specific objective, they should regularly review whether these savings will be sufficient to achieve their objective. Shareholders may not achieve their objective if they do not continue to invest regularly with a sufficient amount or if the investment does not appreciate sufficiently.

**Cancellation Rights** - Where cancellation rights are applicable, if Shareholders choose to exercise their cancellation rights and the value of the investment falls before notice of cancellation is received by the ACD in writing, a full refund of the original investment may not be provided but rather the original amount less the fall in value.

## What limits apply to investing in the Funds?

Fund	Share Class and Type	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding	Minimum Redemption	Regular Savings Facility*	Regular withdrawal facility (accumulation shares only)**
FP CAF Fixed Interest Fund	A Class Gross Income or Accumulation	£1,000	£1,000	£1,000	£250	£100 per month (minimum of £50 per Fund).	Minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000.
	B Class Gross Income or Accumulation	N/A	£1,000	£1,000	£250	£100 per month (minimum of £50 per Fund).	Minimum withdrawal per fund per year is £3000 or 3% on a minimum qualifying investment of £10,000.
	C Class Gross Income or Accumulation	£1,000	£1,000	£1,000	£250	N/A	N/A
FP CAF UK Equity Fund	A Class Net Income or Accumulation	£1,000	£1,000	£1,000	£250	£100 per month (minimum of £50 per Fund).	Minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000.
	B Class Net Income or Accumulation	N/A	£1,000	£1,000	£250	£100 per month (minimum of £50 per Fund).	Minimum withdrawal per fund per year is £3000 or 3% on a minimum qualifying investment of £10,000.
	C Class Net Income or Accumulation	£1,000	£1,000	£1,000	£250	N/A	N/A
FP CAF International Equity Fund	A Class Net Income or Accumulation	£1,000	£1,000	£1,000	£250	£100 per month (minimum of £50 per Fund).	Minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000.
	C Class Net Income Accumulation	£1,000	£1,000	£1,000	£250	N/A	N/A
FP CAF Alternative Strategies Fund	A Class Net Income or Accumulation	£1,000	£1,000	£1,000	£250	£100 per month (minimum of £50 per Fund).	Minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000.
	C Class Net Income or Accumulation	£1,000	£1,000	£1,000	£250	N/A	N/A

\*Collection date for regular savings is the 10th of each month or the next business day if the 10th falls on a non business day.

\*\*Withdrawals will be paid on 6<sup>th</sup> of the month or the previous business day if 6<sup>th</sup> falls on a non business day. This facility is not available if you are investing new money by direct debit in a monthly savings scheme.

Please note:

A Class shares are available to all investors as detailed in the profile section on page 6.

B Class shares are only available in the FP CAF Fixed Interest Fund and FP CAF UK Equity Fund.

C Class shares are only available to the nominee from time to time of the managed portfolio service (managed by Octopus Investments Limited on behalf of CFSL) currently Octopus Nominees Limited. For any further information on Class C shares, including how to buy, sell, Convert or Switch, please contact CFSL on 03000 123 444.

## How do I buy/sell my investment?

### General

The Administration office at CAF Financial Solutions is normally open from 9am to 5pm each dealing day to receive postal requests for the purchase, sale, Conversion and Switching of Class A and Class B shares in a Fund. The initial purchase must, at the discretion of the Administrator, be accompanied by an application form. The Administration address is Fund Partners Limited c/o CAF Financial Solutions Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4TA.

Valid instructions received by CFSL before the Cut Off Point of 5pm on each business day will be processed at the share price calculated, based on the Net Asset Value per share, at the 12 noon Valuation Point on the next business day. All applications received by CFSL after 5pm on any business day will not be dealt at the Valuation Point on the next Dealing Day but will be held over until the next following day which is a Dealing Day in the relevant Fund or Funds, e.g. an application received after 5pm on a Tuesday would be dealt at the Valuation Point on the following Thursday.

### Buying shares

A confirmation giving details of the number and price of shares bought will be issued (by the ACD) no later than the end of the business day following the later of receipt of the application to buy shares and the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

### Selling shares

Every Shareholder is entitled on any Dealing Day to redeem their shares. A confirmation giving details of the number and price of shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder,

in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the business day following the later of the request to redeem shares or the valuation point by reference to which the price is determined.

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

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

Please note that where an instruction is received after 5pm it will be carried over to the next business day and will be dealt at the Valuation Point on the next following day which is a Dealing Day e.g. an instruction received after 5pm on a Tuesday would be dealt at the Valuation Point on Thursday.

### Can I convert my shares for another share Class in the same Fund?

Subject to any restrictions on the eligibility of investors for a particular share class, an investor may at any time Convert all or some of his shares ("Original shares") of one Class in a Fund for shares in another Class ("New

shares”) in the same Fund. There is no charge for Converting between share Classes.

### Can I Switch between the different Funds?

Subject to any restrictions on the eligibility of investors for a particular share Class, a Shareholder may at any time Switch all or some of his shares (“the Original shares”) for shares of another Fund (“the New shares”) in the Company.

The ACD may at its discretion make a charge on the Switching of shares between Funds. Any such charge on Switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original shares and any initial charge on the New shares, subject to certain waivers. There is currently no charge for Switching between Funds or for Converting shares in another Class of the same Fund (as permitted). A Switch of shares in one

Fund for shares of any Class in any other Fund is treated as a redemption and purchase of New shares and will, for persons subject to taxation, be a realisation for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Shareholder’s circumstances. A Conversion between share classes in the same Fund will not generally be subject to capital gains taxation.

A Shareholder who Switches shares in one Fund for shares in any other Fund (or who Converts between Classes of shares in a Fund) will not be given a right by law to withdraw from or cancel the transaction. Please note that where an instruction is received after 5pm it will be carried over to the next business day and will be dealt at the Valuation Point on the next following day which is a Dealing Day e.g. an instruction received after 5pm on a Tuesday would be dealt at the Valuation Point on Thursday.

## Permitted Conversions and Switches

	A Class	B Class	C Class
<b>A Class to</b>	✓ (either a Conversion between income and accumulation shares (or vice versa) or a Switch into Class A shares in another Fund)	✗	✗
<b>B Class to</b>	✓ (either a Conversion to Class A shares in the same Fund or a Switch into Class A shares in another Fund)	✓ (B income shares to B accumulation shares, or vice versa)	✓
<b>C Class to</b>	✗	✗	✓ (only Switches to Class C shares in other Funds)

### When will my investment be made?

Where an application for A & B Classes is received before 5pm on any business day, the investment will be made at the 12 noon Valuation Point on the following business day.

### How can I keep track of the price of the Funds?

The prices of all share Classes are available at [www.fundlistings.com](http://www.fundlistings.com). The prices of shares may also be obtained by calling CFSL on 03000 123 444 between 9am and 5pm or on CFSL's website [www.cafonline.org/investments](http://www.cafonline.org/investments).

As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the

same as the one at which investors can currently deal. The ACD may also, at its sole discretion, decide to publish certain share prices on third party websites or in publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by these sources for reasons beyond the control of the ACD.

### When are distributions of income made?

All of the four Funds offer both Accumulation and Income shares.

Please refer to the table below for the Accumulation and Distribution dates.

## Table of Accumulation and Distribution Dates

Fund	Final Accounting Date	Interim Accounting Dates	Ex-dividend Dates	Income Distribution/ Accumulation Dates
All Funds	30 April	31 July 31 October 31 January	1 May 1 August 1 November 1 February	15 June 15 September 15 December 15 March

Income will be accumulated in the price of Accumulation shares and the share price will be increased to reflect this. Holders of Accumulation shares will be sent an Accumulation Statement giving details of the amount accumulated during the relevant period.

Income will be distributed to holders of income shares who will receive a Distribution Statement giving details of the amount distributed during the relevant period.

## Charges & Expenses

What fees and expenses apply to a Fund's shares?

### Fees paid directly by you:

- Initial Charge: Nil
- Switch Charge: Nil
- Redemption Charge: Nil

### Fees paid out of the Funds' assets:

- **Annual Management Charge (see table below):**

Fund and Share Type	Share Class and Type		
	A Class	B Class	C Class
FP CAF Fixed Interest Fund (Income & Accumulation)	0.55%	0.475%	0.55%
FP CAF UK Equity Fund (Income & Accumulation)	0.55%	0.55%	0.55%
FP CAF International Equity Fund (Income & Accumulation)	0.55%	N/A	0.55%
FP CAF Alternative Strategies Fund (Income & Accumulation)	0.55%	N/A	0.55%

- **Other fees and expenses related to the management and administration of the Fund for which the ACD is permitted to be reimbursed as detailed in the Prospectus (see section 7 “Fees and Expenses”).**

### **How much will any advice cost?**

Should you decide to take advice about the Fund your adviser will give you details about the cost. The amount will depend on the size of your investment and, in the case of regular savings, the period for which you make them.

### **How will charges and expenses affect my investment?**

Shares in a Fund are purchased and sold at the Fund's share price based on Net Asset Value. The initial charge paid as detailed above is deducted from an investor's subscription monies before shares are purchased.

### **Where are the fees and expenses for the Funds taken from?**

Fund	Fees & expenses deducted from Income or Capital
FP CAF Fixed Interest Fund	Capital
FP CAF UK Equity Fund	50% Capital 50% Income
FP CAF International Equity Fund	Income
FP CAF Alternative Strategies Fund	Income



## Illustration of the possible effect of charges and expenses on your investment

Fund Name		FP CAF Fixed Interest Fund				FP CAF UK Equity Fund			
Share Class		A		B		A		B	
Lump Sum Invested		£1,000		£1,000		£1,000		£1,000	
Illustrative Growth Rate per Annum		4.50%		4.50%		4.50%		4.50%	
Initial Charge		0%		0%		0%		0%	
Income to date:	At End of Year	Acc	Inc	Acc	Inc	Acc	Inc	Acc	Inc
	1	N/A	£29	N/A	£29	N/A	£20	N/A	£20
	3		£88		£88		£61		£61
	5		£147		£148		£103		£103
	10		£299		£300		£213		£213
Effect of Deductions to date:	1	£11	£10	£10	£10	£11	£11	£11	£11
	3	£34	£33	£32	£31	£36	£35	£36	£35
	5	£62	£58	£58	£54	£66	£63	£66	£63
	10	£151	£132	£140	£122	£159	£145	£159	£145
What you might get back:	1	£1,034	£1,005	£1,035	£1,005	£1,034	£1,013	£1,034	£1,013
	3	£1,107	£1,014	£1,109	£1,016	£1,105	£1,041	£1,105	£1,041
	5	£1,184	£1,024	£1,189	£1,028	£1,181	£1,069	£1,181	£1,069
	10	£1,402	£1,048	£1,413	£1,056	£1,394	£1,143	£1,394	£1,143
This line shows that over 10 years the effect of total charges and expenses could amount to:		£151	£132	£140	£122	£159	£145	£159	£145
Putting it another way this would have the same effect as bringing investment growth from 4.5% or 5% a year down to:		3.40%	3.50%	3.50%	3.60%	3.30%	3.40%	3.30%	3.40%

Fund Name		FP CAF International Equity Fund		FP CAF Alternative Strategies Fund	
Share Class		A		A	
Lump Sum Invested		£1,000		£1,000	
Illustrative Growth Rate per Annum		4.50%		4.50%	
Initial Charge		0%		0%	
Income to date:	At End of Year	Acc	Inc	Acc	Inc
	1	N/A	£7	N/A	£4
	3		£21		£13
	5		£37		£23
	10		£79		£50
Effect of Deductions to date:	1	£13	£13	£15	£15
	3	£42	£41	£50	£49
	5	£75	£74	£89	£88
	10	£181	£175	£214	£209
What you might get back:	1	£1,032	£1,025	£1,030	£1,025
	3	£1,099	£1,077	£1,092	£1,077
	5	£1,171	£1,131	£1,157	£1,132
	10	£1,372	£1,280	£1,339	£1,281
This line shows that over 10 years the effect of total charges and expenses could amount to:		£181	£175	£214	£209
Putting it another way this would have the same effect as bringing investment growth from 4.5% or 5% a year down to:		3.20%	3.20%	2.90%	2.90%

Please note that these illustrations are based on a direct investment into Accumulation and Income shares. If you require further details please contact the ACD on 03000 123 444.

### What is the total expense ratio (“TER”)?

The TER is a measure used to show the annual operating expenses of the relevant Fund. The TER is the accepted standard used in the European Union for the comparison of these costs. Certain costs are excluded from the calculation of the TER. They include:

- The initial charge

- interest on borrowing
- payments incurred due to financial derivative instruments
- entry/exit commissions or any fees paid directly by the investor
- commission sharing arrangements

## Table of charges and expenses

Sub-Fund	Share Class	Initial Charge	AMC	TER *
FP CAF Fixed Interest Fund	A	Nil	0.55%	1.02%
	B	Nil	0.475%	0.95%
	C	Nil	0.55%	1.02%
FP CAF UK Equity Fund	A	Nil	0.55%	1.08%
	B	Nil	0.55%	1.08%
	C	Nil	0.55%	1.08%
FP CAF International Equity Fund	A	Nil	0.55%	1.24%
	C	Nil	0.55%	1.24%
FP CAF Alternative Strategies Fund	A	Nil	0.55%	1.48%
	C	Nil	0.55%	1.48%

\*The TER calculated at 31<sup>st</sup> October 2014.

### **Do you apply a dilution adjustment?**

The actual cost of purchasing, selling or Switching assets and investments in the Funds may deviate from the mid-market value used in calculating its share price, due to dealing charges, taxes, and any spread between buying and selling prices of that Fund's underlying investments. These costs could have an adverse effect on the value of the Funds, known as "dilution". In order to mitigate the effect of dilution the FCA Regulations which govern the Funds allow the ACD to adjust the sale and purchase price of shares in the Funds to take into account the possible effects of dilution. This practise is known as making a "dilution adjustment" or operating swinging single pricing. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Funds. The price of each Class of share in the Funds will be calculated separately but any dilution adjustment will in percentage terms affect the price of shares of each Class identically.

The ACD reserves the right to make a dilution adjustment every day.

The dilution adjustment is calculated using the estimated dealing costs of a Fund's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes. It is envisaged (based on future projections) that a dilution adjustment will be applied from time to time. The need to make a dilution adjustment will depend on the difference between the value of shares being acquired and the value of shares being redeemed as a proportion of the total value of that Fund. The measurement period will typically be a single day but, where a trend develops so that for a number of days in a row there is a surplus of acquisitions or redemptions on each and every day, the aggregate effect of such acquisitions or redemptions as a proportion of the total relevant Fund value will be considered.

Where a Fund is experiencing net acquisitions of its shares the dilution adjustment would increase the price of shares above their mid-market value. Where a Fund is experiencing net redemptions the dilution adjustment would decrease the price of shares to below their mid-market value.

It is the ACD's policy to reserve the right to impose a dilution adjustment on purchases, sales and switches of shares of whatever size and whenever made. In the event that a dilution adjustment is made it will be applied to all transactions in a Fund during the relevant measurement period and all transactions during the relevant measurement period will be dealt on the same price inclusive of the dilution adjustment. The ACD's decision on whether or not to make this adjustment, and at what level this adjustment might be made in a particular case or generally, will not prevent it from making a different decision on future similar transactions.

On the occasions when a dilution adjustment is not applied, if a Fund is experiencing net acquisitions of shares or net redemptions, there may be an adverse impact on the assets of that Fund attributable to each underlying share, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a share. As dilution is directly related to the inflows and outflows of monies from a Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make a dilution adjustment.

The dilution adjustment will be applied to the mid price for shares resulting in a figure calculated up to six decimal places. The final digit in this figure will then be rounded either up or down in accordance with standard mathematical principles resulting in the final price for the shares.

It is envisaged (based on future projections) that a dilution adjustment will continue to be applied from time to time.

The dilution adjustment for any one Fund may vary over time because the dilution adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions. A typical dilution adjustment may range from 0.2% to 0.8% when buying or selling shares. Full details on this policy are available in the full Prospectus.

**What is the Portfolio Turnover Rate (“PTR”)?**

The PTR shows the level of trading activity in the Company over the previous 12 months. The formula used to calculate the PTR is as follows:

$$\frac{(\text{purchases} + \text{sales}) - (\text{subscriptions} + \text{redemptions}) \times 100}{(\text{average Fund value over 12 months})}$$

The PTR for each of the Funds, as at the date specified, was as follows:

Fund	PTR as at 31 October 2014
FP CAF Fixed Interest Fund	40.75%
FP CAF UK Equity Fund	20.95%
FP CAF International Equity Fund	42.11%
FP CAF Alternative Strategies Fund	162.37%

Economic Information

**What about tax?**

The information below is a general guide based on current United Kingdom law and HM Revenue and Customs practice, which are subject to change. It summarises the tax position of the Funds and of investors who are United Kingdom resident and hold shares as investments. The actual tax treatment of each investor will depend on the particular circumstances of the investor concerned. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice. The current treatment of charitable organisations which invest in these Funds may be subject to change in the future.

**How are the Funds themselves treated for tax purposes?**

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

The Funds are generally exempt from tax on dividends realised on the disposal of investments (including interest-paying securities and derivatives, but excluding on non-reporting offshore funds) held

within them.

Dividends from both United Kingdom and non-United Kingdom companies are received by a Fund with a tax credit and no further tax is payable by the Fund on that income. The Funds will each be subject to corporation tax at 20% on most other types of income but after deducting allowable management expenses and the gross amount of any interest distributions. Where a Fund suffers foreign tax on income received, this may normally be treated as an expense or deducted from any United Kingdom tax due payable on that income.

**How does tax affect an investor?**

For tax purposes, the FP CAF Fixed Interest Fund is a ‘Bond’ Fund and the remaining three Funds are all “Equity” Funds.

**Income from “Equity” Funds**

Funds which are so called “Equity” Funds for the purposes of tax will pay any distributable income as dividend distributions, (which will be automatically retained in the Fund in the case of accumulation shares). Dividend distributions will be paid with a 10% tax credit. United Kingdom resident individuals liable to income tax on investment income at the basic rate will have no further liability to tax. Higher rate taxpayers will have to pay an additional amount of income tax, as will additional rate taxpayers. Non-taxpayers may not reclaim the tax credits on dividend distributions paid.

Corporate Shareholders who receive dividend distributions may have to divide them into two (in which case the division will be indicated on the tax voucher). Any part representing dividends received from a company will be treated as dividend income (that is, franked investment income) and no further tax will be due on it. The remainder will be received as an annual payment after deduction of income tax at the basic rate, and corporate Shareholders may, depending on their circumstances, be liable to tax on the grossed up amount, with the benefit of the 20% income tax credit attached or to reclaim part of the tax credit as shown on the tax voucher.

**Income from “Bond” Funds**

Funds which are so called “Bond” Funds for the purposes of tax currently pay interest distributions

(which will be automatically retained in the case of accumulation shares). These distributions are made after income tax has been deducted and paid to HM Revenue and Customs. A tax voucher will be supplied to Shareholders showing the total interest distribution before the deduction of tax (Gross interest), and where relevant the tax deducted and the amount of the interest distribution after tax has been deducted (net interest).

Shareholders subject to United Kingdom corporation tax will be liable to tax on the Gross interest but will receive credit for the 20% income tax deducted.

Non United Kingdom resident Shareholders may be entitled to a refund from HM Revenue and Customs of the tax deducted from their interest distributions (or a proportion of it). This will depend on their personal circumstances and the terms of any double taxation agreement between their country of residence and the United Kingdom.

## Gains

Investors who are resident in the United Kingdom for tax purposes may, depending on their personal circumstances, be liable to capital gains tax or, if a corporate investor, corporation tax on gains arising from the redemption, transfer or other disposal of shares (but not usually on Conversions between classes within a Fund).

Corporate Shareholders in the “Bond” Funds who are subject to corporation tax must treat their Shareholding as a creditor relationship subject to a fair value basis of accounting.

Part of any increase in value of accumulation shares represents the accumulation of income (including income equalisation but excluding tax credit). These amounts may be added to the acquisition cost when calculating the capital gain realised on their disposal.

Non-taxpayers are not subject to United Kingdom tax on capital gains or under the loan relationships provisions.

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

## Client Money

### Delivery versus payment (DVP) exemption

We are required to comply with the FCA’s client money rules, as set out in Chapter 7 of the FCA’s Client Assets sourcebook (CASS) (the ‘Client Money Rules’). We are making use of the DVP exemption available under the Client Money Rules when handling money for you in connection with the buying or selling of units/shares in our funds. Under the DVP exemption your money need not be treated by us as client money for the purposes of the Client Money Rules in the following two scenarios:

(1) where money is received from you that relates to your subscription to units/shares in one of our funds; and

(2) where money is held by us that relates to the redemption of your units/shares in one of our funds. While we are operating under the DVP exemption, your money will not be subject to the protections conferred by the Client Money Rules and, if we were to fail, the FCA’s client money distribution rules as set out in Chapter 7A of CASS (the ‘Client Money Distribution Rules’) will not apply to these sums and you will not be entitled to share in any distribution under the Client Money Distribution Rules in respect of these sums.

Where we have not paid any money belonging to you to the trustee (in respect of a unit trust), the depositary (in respect of an OEIC) or to you, as the case may be, by close of business on the business day following receipt, we will stop operating under the DVP exemption for that transaction and will treat the relevant sum of money as client money for the purposes of the Client Money Rules.

Any redemption proceeds paid to you by cheque will be held as client money under the Client Money Rules until such time as the cheque is presented.

By buying units/shares in one of our funds through us, you agree to our use of the DVP exemption as set out above. Should we cease at any time to make use of the DVP exemption, you will be notified in advance in writing.

### Interest

We will not pay to you any interest earned on money we hold for you as client money under the Client Money Rules.

# General Information

## What other information can I access?

The annual report of the Company will normally be despatched within two months of each annual accounting period although the ACD reserves the right to despatch the annual report at a later date but not later than four months from the end of each annual accounting period and the half yearly report will be despatched within two months of each interim accounting period.

The ACD has determined that the accounts contained in this report should be short reports and are available to any person free of charge on request. A report containing the full accounts is available to any person free of charge on request.

The relevant accounting end dates are detailed in the "Investing in the Funds" section.

## Manager's reports and Company's Prospectus

Copies of the Prospectus and the latest annual and half-yearly reports may be obtained free of charge, before or after you invest with the ACD, at the administration address quoted within the section "Introduction". In addition the latest annual and half-yearly reports may be downloaded from the ACD's website at [www.fundpartners.co.uk](http://www.fundpartners.co.uk).

## Distance Marketing Directive

If an investor has not had a face to face discussion with a representative of the company through which they are making this investment, which could, for example, be the ACD or a company providing financial advice, then the investor is entering into this transaction 'at a distance'.

In this situation an investor does not have a right to cancel this investment unless the ACD decides to extend such a right to them. An investor who has bought shares at a distance can still sell those shares, as they are able to do at any time. However, they cannot recover any initial charges incurred in the purchase of the shares.

This Simplified Prospectus contains all of the information required for an investment made directly

through the ACD. Where shares are purchased through an agent, investors should ask that agent for details of their identity, geographical address and the capacity in which they are acting.

The main service we provide to investors is the management and administration of the Company. Details of all fees and expenses associated with the provision of this service are provided in this document. There are no additional costs levied by the ACD for investing at a distance, but there may be other taxes or third party costs that may apply to investors depending on their personal circumstances.

The investment contract between an investor and the ACD is governed by English Law and, by purchasing shares, the investor agrees that the Courts of England have exclusive jurisdiction to settle any disputes. All communications in connection with this investment will be in the English language.

Any information in this document is valid only at the date of publication which is stated on the front cover. All such information can change at any time and it will not necessarily be possible for us to notify you of any such changes in advance. Please contact the ACD for updates on any of the enclosed information.

## Cancellation

An investor does not have the right to cancel their application to invest in a Fund if the application has been made directly by the investor or if the investor did not meet their adviser or agent face to face though the ACD may, at its discretion, extend cancellation rights to such an investor.

If an investor has received face to face advice on the investment they will have a right to change their mind under rules made by the FCA under the Financial Services and Markets Act 2000. The investor will be able to exercise the right to cancel within 14 days of receipt of the cancellation notice from the Administrator and they will receive a refund of the amount invested either in full or less a deduction to reflect any fall in the markets in the interim.

## UK Money Laundering Regulations

In order to comply with the identification requirements of the UK Money Laundering



Regulations, we may need to ask you to provide proof of your identity and address when buying or selling shares or to perform independent electronic searches of third-party databases supplying such information. Until satisfactory evidence has been received we reserve the right to refuse to pay the proceeds of a redemption of shares to you. Any such withheld proceeds will be held on a client money account; no interest will be payable.

### **Governing Law**

The Company, the Instrument of Incorporation, this Prospectus and any matters arising out of or in connection with a Shareholder's investment in the Company and the establishment, management and administration of the Company shall be governed by and construed in accordance with the laws of England and Wales. The rights of the Shareholders and the construction and effect of the provisions of the Instrument of Incorporation and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

### **Complaints**

To obtain a copy of the Complaints Procedure or to make a complaint concerning the operation or marketing of the Company, please write to the Complaints Officer of the ACD at Fund Partners Limited c/o CAF Financial Solutions, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4TA.

The complaints procedure can also be found on the 'Charities Aid Foundation' page of the ACD's website at [www.fundpartners.co.uk](http://www.fundpartners.co.uk). If a complaint is not resolved to your satisfaction and you subsequently wish to take the matter further you may refer it direct to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR.

### **Compensation**

In the event that the ACD is not able to meet its financial liabilities to the investor, the investor may be entitled to compensation under the Financial Services Compensation Scheme (FSCS) established under the Financial Services and Markets Act 2000. The FSCS can pay compensation to investors of a firm in certain circumstances if the firm is unable to meet its financial obligations. The FSCS does not protect charitable organisations but access may be restricted depending

upon the structure and legal personality of your organisation.

The FSCS has advised that:

- charitable organisations formed as limited companies will be eligible claimants provided they fulfil **two** of the following three criteria:-
  - (i) turnover of not more than £6.5 million
  - (ii) balance sheet total of not more than £3.26 million and
  - (iii) not more than 50 employees
- unincorporated charitable organisations will be eligible claimants provided they have less than £1.4 million in net assets.

The maximum amount that an eligible claimant might be entitled to claim is £50,000. This limit relates to the combined amount of all the eligible claimant's investments with the firm in question, and not to each separate one. Please note that this is the maximum amount which the FSCS may make available per eligible claimant and is a guarantee that you would receive the amount from FSCS if your affected investments were equal or higher than £50,000.

For further information about the FSCS, including the amounts covered and the eligibility to claim, please refer to the FSCS website (<http://www.fscs.org.uk/>) or contact the FSCS at 7<sup>th</sup> Floor, Lloyds Chambers, Portsoken Street, London, E1 8BN (tel. 0800 678 1100 or 0207 741 4100).

### **Data Protection: How we use your personal information**

The way in which we may use your personal information is governed by the requirements of the Data Protection Act 1998 ("Act") and is called "personal data" under the Act. For the purposes of the Act, the data controller of any personal data provided to us in connection with your investments is Fund Partners Limited, which is registered under the Act for the purpose of processing personal data.

Fund Partners Limited (we) may use your information to keep your customer records up to date and administer/service your investments. We may pass the information you supply us with to our associated companies and agents for any of these purposes and for systems administration. Your personal information may be disclosed to regulatory bodies for the purposes of monitoring and/or enforcing our compliance with any regulatory rules/codes. Some of

the companies may be situated outside of the European Economic Area. Where this happens, we will put steps into place to ensure that your personal information is appropriately protected.

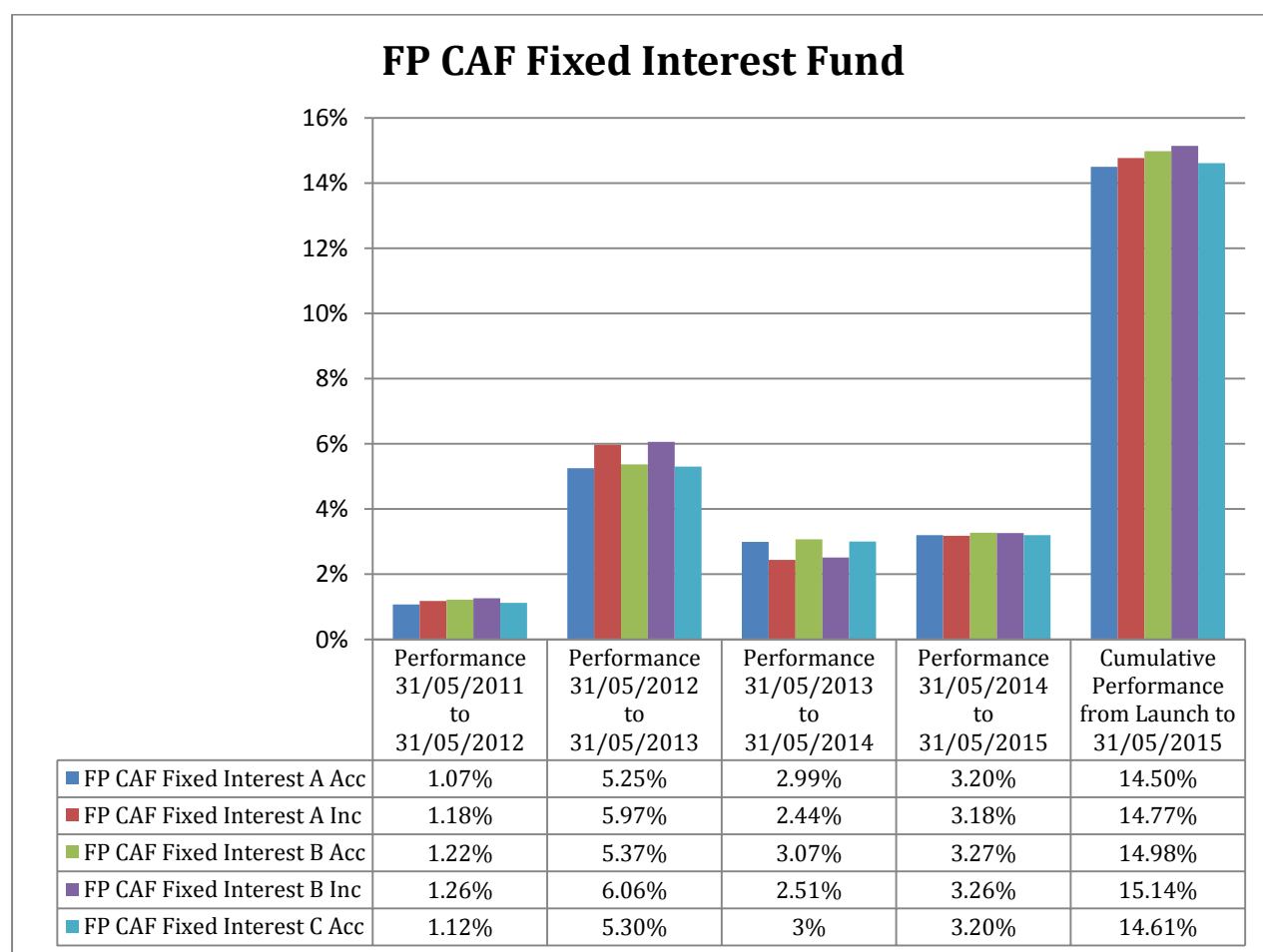
**Access to the personal information we hold about you**

Subject to payment of a fee (as permitted by the Act), you can ask for a copy of the personal information we hold about you by writing to:

Administration Support,  
Fund Partners Limited,  
Cedar House,  
3 Cedar Park,  
Cobham Road,  
Wimborne,  
Dorset BH21 7SB

## Historical Performance

This section provides details on the historical performance of the FP CAF Investment Fund to the month ending 31<sup>st</sup> May 2015. All performance information is net of tax and charges (subscription and redemption fees) but does not include the effect of any preliminary charge that may be paid on the purchase of an investment. Past performance is no indication of future performance.

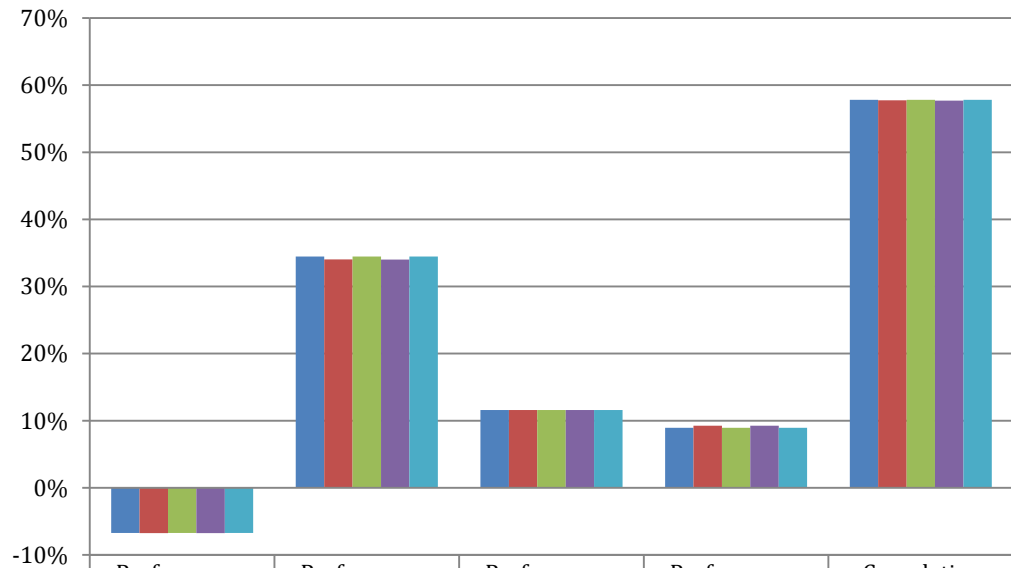


Source: Financial Express

Based on percentage growth, cumulative, daily total return, ex dividend, in Sterling.

The Funds were launched on 12 March 2011 but performance has been measured from the date when investor deals were first placed i.e. 14 March 2011.

## FP CAF UK Equity Fund



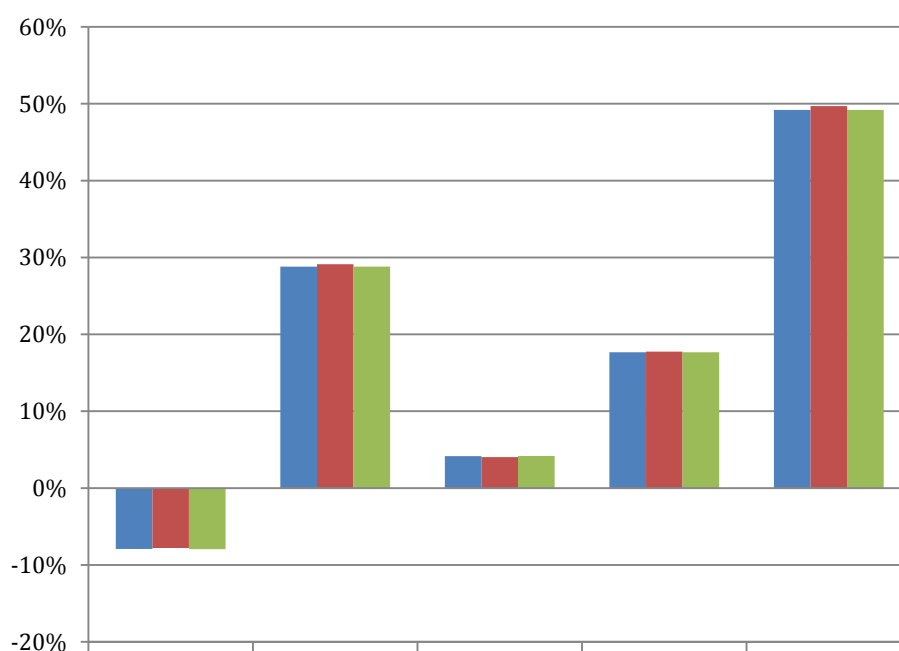
	Performance 31/05/2011 to 31/05/2012	Performance 31/05/2012 to 31/05/2013	Performance 31/05/2013 to 31/05/2014	Performance 31/05/2014 to 31/05/2015	Cumulative Performance from Launch to 31/05/2015
FP CAF UK Equity A Acc	-6.74%	34.45%	11.58%	8.95%	57.80%
FP CAF UK Equity A Inc	-6.75%	34.02%	11.59%	9.26%	57.73%
FP CAF UK Equity B Acc	-6.74%	34.46%	11.58%	8.95%	57.80%
FP CAF UK Equity B Inc	-6.76%	34.01%	11.58%	9.25%	57.69%
FP CAF UK Equity C Acc	-6.74%	34.46%	11.58%	8.95%	57.81%

Source: Financial Express

Based on percentage growth, cumulative, daily total return, ex dividend, in Sterling.

The Funds were launched on 12 March 2011 but performance has been measured from the date when investor deals were first placed i.e. 14 March 2011.

## FP CAF International Equity Fund



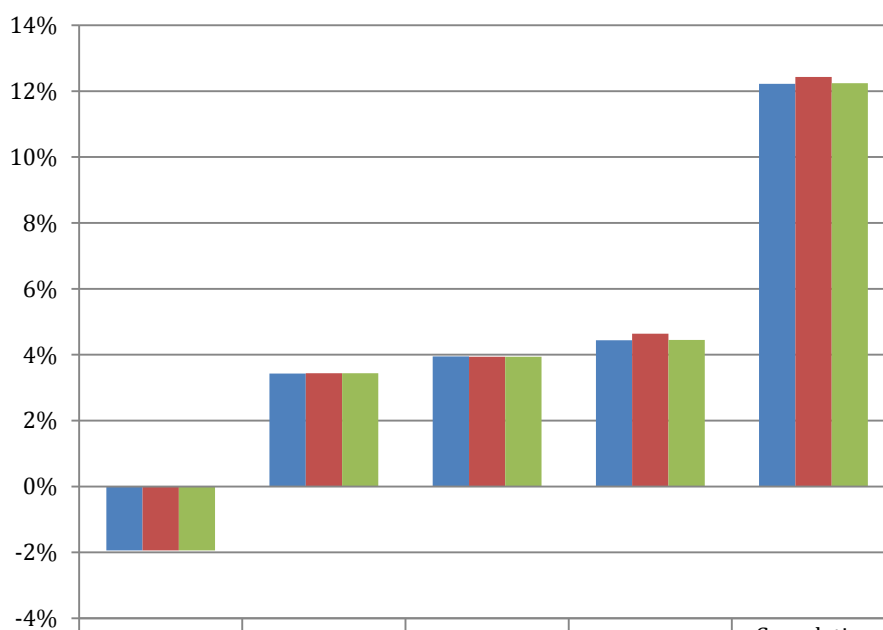
	Performance 31/05/2011 to 31/05/2012	Performance 31/05/2012 to 31/05/2013	Performance 31/05/2013 to 31/05/2014	Performance 31/05/2014 to 31/05/2015	Cumulative Performance from Launch to 31/05/2015
■ FP CAF International Equity A Acc	-7.92%	28.81%	4.16%	17.68%	49.19%
■ FP CAF International Equity A Inc	-7.80%	29.12%	4.03%	17.76%	49.69%
■ FP CAF International Equity C Acc	-7.93%	28.82%	4.17%	17.68%	49.20%

Source: Financial Express

Based on percentage growth, cumulative, daily total return, ex dividend, in Sterling.

The Funds were launched on 12 March 2011 but performance has been measured from the date when investor deals were first placed i.e. 14 March 2011.

## FP CAF Alternative Strategies Fund



	Performance 31/05/2011 to 31/05/2012	Performance 31/05/2012 to 31/05/2013	Performance 31/05/2013 to 31/05/2014	Performance 31/05/2014 to 31/05/2015	Cumulative Performance from Launch to 31/05/2015
■ FP CAF Alternative Strategies A Acc	-1.94%	3.43%	3.95%	4.44%	12.22%
■ FP CAF Alternative Strategies A Inc	-1.94%	3.44%	3.94%	4.64%	12.43%
■ FP CAF Alternative Strategies C Acc	-1.94%	3.44%	3.94%	4.45%	12.24%

Source: Financial Express

Based on percentage growth, cumulative, daily total return, ex dividend, in Sterling.

The Funds were launched on 12 March 2011 but performance has been measured from the date when investor deals were first placed i.e. 14 March 2011.