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

HARGREAVES LANSDOWN FUND MANAGERS LIMITED

PROSPECTUS

Dated and valid as at
23 September 2024

HL MULTI-MANAGER BALANCED MANAGED TRUST
HL MULTI-MANAGER SPECIAL SITUATIONS TRUST
HL UK INCOME FUND
HL INCOME (previously known as HL MULTI-MANAGER EQUITY & BOND TRUST)
HL MULTI-MANAGER STRATEGIC BOND TRUST

PROSPECTUS

This document is the Prospectus for the Funds which has been prepared in accordance with the Rules (each as defined in Section 1 below), and is dated and valid as at 23 September 2024. Copies of this document have been sent to the FCA and the Trustee (Northern Trust Investor Services Limited).

Hargreaves Lansdown Fund Managers Limited, the authorised fund manager of the Funds, is the entity responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Rules to be included in it. Hargreaves Lansdown Fund Managers Limited accepts responsibility accordingly.

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of Units other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Manager. The delivery of this Prospectus or the issue of Units shall not, under any circumstances, create any implication that the affairs of the Funds have not changed since the date of this Prospectus. This Prospectus is based on information, law and practice at the date hereof. The Manager cannot be bound by an out of date Prospectus when a new version has been issued, and investors should check with the Manager that this is the most recently published Prospectus.

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

The distribution of this Prospectus and the offering of Units in certain jurisdictions may be restricted. Potential investors are required to inform themselves about, and to observe, any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Manager and the Fund have not been and will not be registered in the United States of America under any applicable legislation. Units may not be offered, sold or delivered in the United States of America or to investors who are US Persons.

Units are not listed on any investment exchange.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Hargreaves Lansdown Fund Managers Limited.

SECTION 1: DEFINITIONS

"Administrator and Registrar"	Northern Trust Global Services SE or such other entity (or entities) to whom the Manager has delegated its administration and/or registrar function from time to time.
"AIF"	An alternative investment fund, as defined in the AIFMD Rules.
"AIFM"	An alternative investment fund manager as defined in the AIFMD Rules.
"AIFMD"	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Funds Managers
"AIFMD Rules"	The provisions of: (i) the UK version of Commission Delegated Regulation (EU) No 231/2013 supplementing AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision, which is part of UK law by virtue of the EUWA; and (ii) the provisions of the FUND Sourcebook and (iii) the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom and any other implementing measures; in each case as may be altered, amended, added to or cancelled from time to time.
"Auditor"	Ernst & Young LLP, or such other entity as is appointed as auditor to the Fund from time to time.
"Benchmark Regulation"	The UK version of Regulation (EU) 2016/1011, which is part of UK law by virtue of the EUWA.
"Business Day"	Monday to Friday excluding public and bank holidays in England or any day on which UK clearing banks are not open for business in London.
"CASS"	The Client Assets Sourcebook which forms part of the FCA's Handbook of Rules and Guidance, as amended from time to time. References to rules and guidance in the CASS Sourcebook are prefaced by "CASS".
"COLL Sourcebook"	The Collective Investment Scheme Sourcebook which forms part of the FCA's Handbook of Rules and Guidance, as amended from time to time. References to rules and guidance in the COLL Sourcebook are prefaced by "COLL".
"Custodian"	The Northern Trust Company, London Branch or such other entity (or entities) to whom the Trustee has delegated its custody function from time to time.
"Cut Off Point"	the point prior to which orders to buy, sell, Convert or Switch Shares must be received by the Administrator in order for them to be actioned at the next Valuation Point:
"Dealing Day"	Monday to Friday, where these days are Business Days, or any other days declared by the Manager to be a non-Dealing Day.
"efficient portfolio management"	An investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or the generation of additional income with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the COLL Sourcebook, as further described in Schedule 1.
"EUWA"	The European Union (Withdrawal) Act 2018.

"FCA"	The Financial Conduct Authority or any relevant successor regulatory body from time to time.
"Funds"	The authorised unit trusts managed by the Manager as set out in Section 3 of this Prospectus, and "Fund" means any one of the Funds.
"FUND Sourcebook"	The Investment Fund Sourcebook which forms part of the FCA's Handbook of Rules and Guidance, as amended from time to time. References to rules and guidance in the Fund Sourcebook are prefaced by "FUND".
"HL Group"	The Hargreaves Lansdown group of companies, the ultimate holding company of which is Hargreaves Lansdown plc.
"HMRC"	HM Revenue & Customs.
"Manager"	Hargreaves Lansdown Fund Managers Limited, the authorised fund manager of the Funds.
"Non-UCITS Retail Scheme" or "NURS"	A scheme complying with the requirements of the COLL Sourcebook for a non-UCITS retail scheme.
"PRA"	The Prudential Regulation Authority or any relevant successor regulatory body from time to time.
"Register"	The register of Unitholders of a Fund.
"Rules"	The applicable rules set out in the COLL Sourcebook and the FUND Sourcebook.
"Sub-Adviser"	A sub-adviser appointed by the Manager from time to time to manage certain of the assets of a Fund from time to time, as further explained in Section 2 and Schedule 5.
"Trust Deed"	In respect of each Fund, the deed entered into by the Manager and the Trustee constituting that Fund, as amended or supplemented from time to time.
"Trustee"	Northern Trust Investor Services Limited, the trustee and depositary of the Funds.
"Unit"	A Unit in a Fund (or a fraction thereof), and "Units" shall be construed accordingly.
"Unitholder"	A holder of Units.
"United States of America"	The United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.
"US Persons"	Means as defined in Section 8.
"Valuation Point"	the point, whether on a periodic basis or for a particular valuation, at which the Manager carries out a valuation of the Scheme Property for the Fund (as the case may be) for the purpose of determining the price at which Units of a Class may be issued, cancelled, sold or redeemed.
"VAT"	UK value added tax.

SECTION 2: MANAGEMENT AND ADMINISTRATION

The Manager of the Funds

Hargreaves Lansdown Fund Managers Limited is the authorised fund manager of the Funds and also of the other authorised schemes listed in Schedule 5 to this Prospectus. The Manager is a private limited company incorporated in England and Wales on 15 April 1992 (registered number 2707155). The registered and head office of the Manager is One College Square South, Anchor Road, Bristol BS1 5HL. The Manager is a wholly-owned subsidiary of Hargreaves Lansdown PLC and forms part of the HL Group. The Manager is authorised and regulated by the FCA. The Manager is the alternative investment fund manager (AIFM) of the Funds, which are each regarded as an "alternative investment fund" or "AIF" for the purposes of the AIFMD Rules.

The Manager has an authorised share capital of 100,000 shares of £1 each of which 80,000 shares of £1 each are in issue and fully paid.

The executive directors of the Manager are: Paul Anthony Dimambro, Tobias Vaughan and Shawn Elizabeth Gamble. Each of these individuals is employed within the HL Group, the services of which include a direct-to-consumer platform service, portfolio management, personal financial planning and stockbroking.

The independent directors of the Manager are John Troiano and John Misselbrook. Each of these individuals: (a) may also serve as independent / non-executive directors of other entities of the HL Group; and (b) may engage in other business activities not connected with the business of the Manager or the HL Group. Any material conflicts of interests are managed appropriately and regularly reviewed.

The Trust Deed and Rules contain provisions governing the responsibilities of the Manager in relation to the management and administration of each Fund, including (but not limited to) portfolio management and risk management of the Fund, maintaining the Fund's books and records, valuing the Fund's assets and liabilities, calculating the net asset value of the Fund and each Unit, and the, issue, redemption and distribution of Units. The Manager covers its professional liability risks in respect of these activities by holding additional capital ("own funds"), as calculated in accordance with the Rules.

The Manager may delegate the performance of (but not responsibility for) certain of its functions to third parties. Further details of the functions currently delegated by the Manager are set out below.

The Trustee and Depositary

* The trustee and depositary of the Funds changed from Northern Trust Global Services SE, UK Branch on 1 September 2021.

The trustee of the Funds is Northern Trust Investor Services Limited, a UK limited liability company, incorporated on 29 April 2020 with company number 12578024. Its registered office and principal place of business is at 50 Bank Street, London E14 5NT.

The Trustee is authorised and regulated by the Financial Conduct Authority.

The Trustee's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Delaware, United States of America, with its headquarters at 50 South La Salle Street, Chicago, Illinois.

The Trustee has been appointed as the depositary of each Fund's assets in accordance with the Rules. The rights and duties of the Trustee (in its capacity as depositary) are governed by the depositary agreements entered into by the Manager and the Trustee (each as amended and novated from time to time) (the "**Depositary Agreements**") and the Rules.

The Depositary Agreements are each terminable on receipt of six months' written notice given by the Trustee or the Manager or nine months' written notice given by the Trustee (in its role as depositary). The Trustee may not retire from its role as depositary voluntarily except on the appointment of a new depositary.

The Depositary Agreements contain provisions indemnifying the Trustee and limiting the liability of the Trustee in certain circumstances.

The Trustee is entitled to receive remuneration out of the scheme property of the Funds as explained under the heading "Trustee's Charges and Expenses" below.

The Trustee is responsible for the safekeeping of all the scheme property of the Funds, which includes: (i) holding in custody all financial instruments that can be registered in an account opened in the Trustee's books and all financial instruments that can be physically delivered to the Trustee; and (ii) for other assets, verifying the ownership of such assets and maintaining records accordingly. The Trustee also has a duty to take reasonable care to ensure that each Fund is managed in accordance with the Fund's Trust Deed and the provisions of the Rules relating to the pricing of, and dealing in, Units and relating to the income and the investment and borrowing powers of the Fund. The Trustee is also responsible for monitoring the cash flows of each Fund and must ensure that certain processes carried out by the Manager are performed in accordance with the Rules, this Prospectus and the relevant Trust Deed.

The Depositary Agreements provide for the Trustee to appoint third party delegates (including its own affiliates, subsidiaries or country branches) (and to authorise its delegate to appoint sub-delegates) to provide custody services and asset verification services in respect of the assets of the Funds, in accordance with the applicable provisions laid down in the Rules and the AIFMD Rules.

As a general rule, where the Trustee delegates any of its custody functions to a delegate, the Trustee will remain liable for any losses suffered as a result of an act or omission of the delegate as if such loss had arisen as a result of an act or omission of the Trustee. The use of clearing or settlement systems or order routing systems, does not constitute a delegation by the Trustee of its functions.

As at the date of this Prospectus, the Trustee has delegated the custody function to The Northern Trust Company, London Branch. The Custodian is a company established under the laws of the State of Illinois in the United States of America with limited liability, whose principal place of business in England and Wales is at 50 Bank Street, Canary Wharf, London E14 5NT. The Custodian is authorised by the PRA and regulated by the FCA and the PRA. The Custodian has sub-delegated custody services to sub-custodians in certain markets in which the Trust may invest.

The Custodian may appoint sub-custodians to provide custody services in respect of a Fund's assets provided that any such sub-delegation complies with the Rules and the terms of the Custodian's appointment by the Depositary.

The Trustee is liable to each Fund for the loss of financial instruments which are held in custody as part of the Trustee's safekeeping duties. The liability of the Trustee will not be affected by the fact that it has entrusted its safekeeping duties to a third party save where this liability has been lawfully discharged to a delegate (any such discharge will be notified to Unitholders) or where the loss of a financial instrument arises as a result of an external event beyond the reasonable control of the Trustee as provided for under the AIFMD Rules. The Trustee will not be indemnified out of the assets of a Fund for the loss of financial instruments where it is so responsible. As per written agreement the Trustee is not entitled to re-use any of the fund assets or to authorise the Custodian (or any sub-custodian to do so), unless otherwise agreed by the Manager.

Administration Services

The Manager has appointed Northern Trust Global Services SE to provide certain fund administration services, including fund valuation and accounting, Unit price calculation and transfer agency services. The Manager has also appointed Northern Trust Global Services SE to maintain each Fund's Register.

The Administrator and Registrar is authorised by the European Central Bank and subject to the prudential supervision of the European Central Bank and the Luxembourg Commission de Surveillance du Secteur Financier. Authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. The nature and extent of consumer protections may differ from those firms based in the UK. Details of the Temporary Permissions Regime, which allows EEA based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website.

Sub-Advisers

Subject to the Rules, the Manager will appoint one or more third party sub-advisors to provide investment management and advisory services to the Manager in respect of the Funds. Details of the Sub-Adviser(s) appointed by the Manager as at the date of this Prospectus are set out in Schedule 5.

Where a Sub-Adviser is appointed, the appointment agreement will provide that:

- the Manager delegates a segment of the relevant Fund's scheme property to the Sub-Adviser, and the Sub-Adviser has the discretion to deal in investments for that segment of the portfolio, subject at all times to: (i) the investment and borrowing powers applicable to the Fund (as summarised in Schedule1); and (ii) the oversight of the Manager;
- the Sub-Adviser is not entitled to any commission as a result of its dealings with the scheme property of the relevant Fund. However, the Sub-Adviser is remunerated from the scheme property of the Fund, as set out in Section 5 of this Prospectus;
- the Sub-Adviser's appointment shall terminate: (i) automatically if the Manager ceases to be the authorised fund manager of the Fund, or if the Fund is wound-up; and (ii) immediately by notice from the Manager to the Sub-Adviser at any time where it is in the best interests of the Unitholders to do so.

For each Fund, where appointed, a Sub-Adviser will exercise their responsibilities over a segmented portfolio of the scheme property of the relevant Fund. At the discretion of the Manager: (i) subscriptions to the relevant Fund will be allocated to the segmented portfolios; and (ii) withdrawals from the Fund will be taken from the segmented portfolios, in each case in such proportions as the Manager determines. The Manager reserves the right at any time to re-allocate a proportion of the value of any segmented portfolio to another segment (where applicable).

Information on the potential conflicts of interests relating to a Sub-Adviser's appointment is set out in Section 10. Further information concerning the Manager's use of Sub-Advisers is set out in Schedules 4 and 5.

The Auditor

The Auditor of the Funds is Ernst & Young LLP, of 1 More London Place, London SE1 2AF. The Auditor is required to audit and express its opinion of the financial statements of each Fund in accordance with applicable laws and auditing standards.

SECTION 3: CONSTITUTION AND STATUS OF THE FUND

The Funds

Name	FCA product reference number	Authorisation Date	Trust Deed (as amended)
HL Multi-Manager Balanced Managed Trust	193783	5 December 2000	30 November 2000
HL Multi-Manager Special Situations Trust	194798	15 March 2001	13 March 2001
HL UK Income Fund	200107	21 August 2002	23 August 2002
HL Income (previously known as HL Multi-Manager Equity & Bond Trust)	448366	28 April 2006	28 April 2006
HL Multi-Manager Strategic Bond Trust	488903	20 January 2009	20 January 2009

Structure and regulatory classification

Each Fund is an authorised unit trust scheme and is categorised as a Non-UCITS Retail Scheme and an "alternative investment fund" for the purposes of the Rules. The base currency of each Fund is pounds sterling.

Key investor information documents in respect of the Funds, including historic performance data, are available from the Manager.

Nature of the Units

For each Fund, Unitholders hold Units which reflect the value of the assets held by the Fund. The right represented by Units in the Fund is that of a beneficial interest under a trust. A Unitholder is not liable to make any further payment to the Fund after they have paid the purchase price of the Unit. Unitholders will not be liable for the debts, if any, of the Fund. Each undivided Unit ranks *pari passu* with the other undivided Units in the Fund.

The Trust Deed for each Fund permits the issue of a number of different classes and types of Units, including both income Units and accumulation Units. An income Unit represents one undivided Unit in the Fund in respect of which income earned by that Unit (if any) is to be distributed to the Unitholder. An accumulation Unit is an undivided Unit in respect of which the income earned by that Unit (if any) is accumulated and reflected in its value.

Each class of Unit issued by a Fund may vary by factors such as whether it pays out or accumulates income, or attracts different fees, charges and expenses. As a result, money may be deducted from the classes in unequal proportions. In these circumstances the proportionate interests of the Fund's Unit classes will be adjusted in accordance with the relevant Trust Deed.

A summary of the Unit classes currently issued by each Fund, the relevant investment requirements and applicable charges for each class of Unit is set out in Schedule 4.

The Trustee (at the instruction of the Manager) may from time to time create additional Unit classes in a Fund, provided this does not result in any material prejudice to existing Unitholders of that Fund, and subject to the relevant Trust Deed. In these circumstances, a new Prospectus shall be issued, setting out the details of such new Unit class(es).

Further information on the Funds' Unit dealing and pricing arrangements is set out in Sections 6 and 7.

The Manager seeks at all times to ensure that Unitholders are treated fairly and has an obligation to act honestly, fairly, professionally, independently and in the interest of the Funds and their respective Unitholders. For each Fund, there is no preferential treatment afforded to any one individual or group of Unitholders above another in terms of buying and selling Units and holding Units within the Fund, although the Manager may use its discretion in such matters, in which case Unitholders will be given a description of the preferential treatment and what it involves.

The Manager has internal controls in place to prevent conflicts of interest and to prevent a material risk of damage to the interests of Unitholders. Further information about potential conflicts of interest is set out in Section 10.

The Registers

For each Fund, title to Units is evidenced in that Fund's Register of Unitholders, and the Register shall be conclusive as to the persons respectively entitled to the Units entered in the Register as a matter of law. No certificates will be issued to Unitholders. No notice of any trust, express, implied or constructive, shall be entered on the Register in respect of any Unit and the Manager and Trustee shall not be bound by any such notice.

The Register for each Fund is maintained by the Administrator and Registrar and may be inspected by a Unitholder at the following address during normal business hours on a Business Day: 50 Bank Street, Canary Wharf, London E14 5NT.

Unitholder's relationship with a Fund and its service providers

All Unitholders in a Fund are entitled to the benefit of, are bound by, and are deemed to have notice of, the relevant Trust Deed, copies of which are available on request from the Manager. The provisions of the Trust Deed are binding on the Manager, the Trustee and each Unitholder.

The subscription documents for a Fund (being this Prospectus, the relevant Trust Deed and any application form submitted by or on behalf of a Unitholder) are governed by English law, and the Courts of England & Wales shall have jurisdiction in relation to claims made under or in respect of such subscription documents against parties domiciled in England.

Each Fund is reliant on the performance of service providers, whose details are set out above. No Unitholder will have any direct contractual claim against any such service provider. This is without prejudice to any right a Unitholder may have to bring a claim against an FCA authorised service provider pursuant to Section 138D of the Financial Services and Markets Act 2000 or any tortious rights of action.

If a Unitholder has a complaint in respect of a Fund, such complaints may be made to the Manager at the following address: Fund Administration Manager, One College Square South, Anchor Road, Bristol BS1 5HL. If a Unitholder is not satisfied with the way the Manager handles a complaint, Unitholders who are "eligible complainants" may refer such complaints to the Financial Ombudsman Service: (i) by post at Exchange Tower, London E14 9SR; by telephone on 0800 023 4567 or 0300

123 9 123; or (iii) by email at: complaint.info@financial-ombudsman.org.uk. Further information is available at: www.financial-ombudsman.org.uk.

The Manager is a member of the Financial Service Compensation Scheme. Unitholders may therefore be entitled to compensation from the Scheme if the Manager cannot meet its obligations. This depends on the eligibility of the relevant investor and the circumstances of the claim. There are limits on the amount of compensation available (as at the date of this Prospectus, most types of investment business are covered up to 100% of the first £85,000). Further information about the Financial Services Compensation Scheme is available on request, or by contacting the FSCS at: 10th Floor Beaufort House, 15 St. Botolph Street, London EC3A 7QA, by visiting www.fscs.org.uk, or by telephone: 08006781100.

SECTION 4: INVESTMENT OBJECTIVES AND POLICIES

General

The investment objective and investment policy for each Fund is set out in Schedule 4 to this Prospectus.

Investment and borrowing powers and restrictions

All of the Funds are Non-UCITS Retail Schemes and are therefore subject to certain investment restrictions, as prescribed by the Rules. Each Fund is also subject to any restrictions set out in the relevant Trust Deed and this Prospectus. A summary of each Fund's investment and borrowing powers is set out in Schedule 1 of this Prospectus.

ISA eligibility

It is intended that Units in a Fund are eligible investments for a Stocks & Shares Individual Savings Account (ISA).

Typical Investor

A typical investor in the Funds will be a retail investor who understands and appreciates the risks associated with investing in Units, and may or may not have received advice from a qualified professional adviser. The Fund may also accept applications from institutional investors.

Changes to the investment objective and/or the investment policy

In the event the Manager proposes to amend the investment objective and/or investment policy of a Fund:

- it will obtain the Trustee's and the FCA's consent, in accordance with the Rules;
- depending on the materiality of the proposed changes, it will treat the change as a "fundamental change", a "significant change" or a "notifiable change" (see Section 10), and will either obtain Unitholders' consent or notify Unitholders, as is required in the circumstances under the applicable Rules.

SECTION 5: CHARGES AND EXPENSES

The Manager's Charges and Expenses

Preliminary charge

The Manager is entitled, under the Trust Deed for each Fund, to a preliminary charge which is included in the issue price of the Units. The preliminary charge may be waived at the Manager's discretion. The Manager's current preliminary charges are set out in Schedule 4.

Annual management charge

For each Fund, the Manager is also entitled under the Trust Deed to receive an annual management charge (or the "AMC") out of the scheme property of the Fund. The AMC is calculated and accrued daily. The daily accrual is based on the net asset value of the Fund in respect of each Unit class at the Valuation Point of the previous day. The AMC is paid monthly in arrears out of the scheme property of each Fund.

Currently, the Manager's AMC is charged on a tiered pricing basis ("**Tiered Pricing**") in respect of Class A Units available in each of the Funds other than HL Income. By way of summary, this means that the Manager's AMC will be charged at different rates across different tiers or levels of the Funds' overall net asset value. The purpose of this arrangement is to pass on to Unitholders some of the benefit of the potential savings which may be achieved through the economies of scale generated through an applicable growth of assets under management of a Fund.

Where the Manager's AMC is charged on a Tiered Pricing basis, each relevant Unit class will have a starting AMC which will, in effect, represent the maximum rate of AMC that may currently be applied in respect of that Unit class (the "**Starting AMC**"). The table below sets out the rate of AMC that will be charged for the current Unit classes issued in respect of each Fund where Tiered Pricing is applied.

Fund	Starting AMC rate applied to the net asset value of the Fund up to £1 billion	AMC rate applied to the net asset value of the Fund between in excess of £1 billion and up to £2 billion	AMC rate applied to the net asset value of the Fund between in excess of £2 billion and up to £3 billion	AMC rate applied to the net asset value of the Fund in excess of £3 billion
HL Multi-Manager Special Situations Trust	0.75%	0.70%	0.65%	0.60%
HL UK Income Fund	0.65%	0.60%	0.55%	0.50%
HL Multi-Manager Balanced Managed Trust	0.72%	0.67%	0.62%	0.58%
HL Multi-Manager Strategic Bond Trust	0.60%	0.56%	0.52%	0.48%

The table and information above will be updated, as appropriate, on the issue of new Unit classes and/or sub-funds.

Schedule 4 contains information on the annual management charge for each Unit class of each Fund (including HL Income).

Redemption charge

The Manager is entitled, under the Trust Deed for each Fund, to apply a charge on the redemption of Units in the Fund but at present does not intend to introduce such a charge.

Fund accounting charges

The Administrator and Registrar is remunerated for the provision of fund accounting services by a charge that is calculated and accrued daily based on the net asset value of each Fund. The charge is paid monthly in arrears out of the scheme property of the Fund. The per annum fund accounting charge is:

0.01% of the net asset value of the Fund up to £250 million*;
0.0075% of the net asset value of the Fund between £250 million and £500 million;
0.005% of the net asset value of the Fund between £500 million and £750 million; and
0.002% of the net asset value of the Fund over £750 million.
*subject to a minimum charge, per Fund, of £25,000 per annum.

Sub-Adviser Fee

The Sub-Advisers appointed to each Fund are remunerated by advisory fees that are deducted from the scheme property of the relevant Fund. The current maximum (aggregate) Sub-Adviser Fee that may be charged to each Fund is set out in Schedule 4.

For each Sub-Adviser, the Sub-Adviser Fee is calculated and accrued daily based on the net asset value of the segment of the Fund's portfolio allocated to that Sub-Adviser. The fee is paid monthly in arrears out of the scheme property of the relevant Fund.

Increases to the Manager's charges and expenses

The Manager is not permitted to: (i) introduce a redemption charge; or (ii) increase the rates of its preliminary, annual management, administration or advisory fees and charges, unless 60 days' prior written notice of such change is given to all Unitholders in the relevant Fund(s) and this Prospectus is revised to reflect the proposed change.

Trustee's Charges and Expenses

Periodic charge

The Trustee's fee is a periodic charge based on the net asset value of each Fund, charged per Fund at the following rates:

- 0.01% of the net asset value of a Fund up to £100 million;
- 0.0075% of the net asset value of a Fund between £100 million and £1 billion; and
- 0.005% on balances greater than £1 billion,

per annum (plus VAT). The Trustee's periodic charge is accrued and calculated on a daily basis based on the net asset value of each Fund in respect of each Unit class at the Valuation Point of the previous day. The fee is paid monthly in arrears out of the scheme property of the Funds.

Custody and transaction charges

The Trustee is also entitled to payment of custody and transaction charges in relation to the transaction handling and safekeeping of the Funds' scheme property as follows:

	Range
Transaction charges (second schemes)	£25 per transaction
Transaction charges (other assets)	£2 to £80 per transaction
Custody charges (second schemes)	£100 per holding, per annum
Custody charges (other assets)	0.002% to 0.15%

These charges vary from country to country depending on the markets and types of transaction involved. The transaction charges accrue at the time the transactions are carried out and are payable no later than the last Business Day of the month where the charge is incurred or as otherwise agreed between the Manager and the Trustee. Custody charges accrue on a daily basis and are paid monthly in arrears. The minimum custody and transactions charges in aggregate per annum, and in total across all schemes managed by the Manager, is £40,000.

Expenses

Where relevant, the Trustee may make a charge for its services in relation to distributions from a Fund. The Trustee may purchase or sell or deal in the purchase or sale of scheme property, provided always that the services concerned and any such dealing are in accordance with the provisions of the Rules.

The Trustee is also entitled to reimbursement out of the scheme property of the Fund in respect of all liabilities, costs and expenses (together with VAT thereon) incurred in the proper performance of its duties (or exercising powers conferred upon it) under the Trust Deed, the Rules or by general law.

Increase to Trustee's charges and expenses

The Trustee is permitted to increase its remuneration subject to the Manager's agreement. If the change materially increases the payments out of the Fund, Unitholders will be given 60 days prior written notice.

Registration fees and charges

Charges in relation to the establishment and maintenance of the Register for each Fund are charged directly to the Fund and are paid monthly in arrears out of the Fund's scheme property. The current charge is £12 per Unitholder per annum. There is also an administration fee of £3,000 per Fund.

In respect of transfer agency activities, a Unitholder transaction fee is charged of £10 or £12 per transaction in respect of manual transactions, and £4 per transaction in respect of automated transactions. These charges are paid monthly in arrears out of the relevant Fund.

Any increase in the Administrator and Registrar's fees may only take effect if 60 days' prior written notice has been given to all Unitholders and this Prospectus has been revised to reflect the change and date of commencement.

Other costs and expenses

The following costs and expenses (being the amounts actually incurred at such time) together with any applicable VAT thereon may be payable by each Fund from its assets at the discretion of the Manager:

(a) transaction costs such as broker's commission, fiscal charges and other disbursements which are:

- (i) necessary to be incurred in effecting transactions for the Fund; and
- (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate;

(b) interest on borrowings permitted under the Rules and charges incurred in effecting or terminating such borrowing or in negotiating or varying the terms of such borrowings;

(c) taxation and duties payable in respect of the property of the Fund, the Trust Deed or the issue of Units;

(d) any costs incurred in modifying the Trust Deed (including costs incurred in respect of meetings of holders convened for purposes which include the purpose of modifying the Trust Deed), where the modification is:

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

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

(f) certain liabilities (as set out in the COLL Sourcebook) on unitisation, amalgamation or reconstruction of the Fund;

(g) the audit fee properly payable to the Auditor and any proper expenses of the Auditor;

(h) any fee and any proper expenses of any professional advisers retained for or on behalf of the Fund or by the Manager in relation to the Fund;

(i) payments, costs or any other administrative expenses in relation to the preparation or dissemination of the Fund's Prospectus and the preparation of the key investor information document or equivalent documentation (in the case of the key investor information document or equivalent documentation, only the cost of preparation may be charged);

(j) the periodic fees of the FCA under the Financial Services and Markets Act 2000 or the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Units in the Fund are or may be marketed;

(k) any costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided to unitholders;

(l) any costs of listing the price of units in the Fund in publications and information services selected by the Manager;

(m) any payment permitted by the Rules in connection with liabilities on a transfer of assets;

(n) any costs of establishing and obtaining authorisation of the Fund;

(o) any costs incurred producing and despatching any payment from the Fund;

(p) any costs incurred in taking out and maintaining an insurance policy in relation to the Fund;

(q) any costs or fees which arise in connection with pursuing or defending litigation on behalf of the Fund;

(r) any amount payable by the Fund under any indemnity provisions provided for in the Trust Deed constituting the Fund or any agreement to which the Fund is party (subject to all applicable laws, regulations and the Rules);

(s) any costs incurred in connection with the establishment and maintenance of the register and any plan sub-register;

(t) out of pocket expenses incurred in providing administration services such as Fund set-up costs, telephone, fax, courier charges etc.

VAT on any fees, charges or expenses will be chargeable out of the property of the Fund where applicable.

The Funds also pay the dealing charges of the Administrator& Registrar and any electronic straight-through-processing transaction network providers.

<u>Charges to capital</u>

Where the 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 Manager's fees (and any other charges) may be charged against the Fund's capital instead of its income. This may result in capital erosion or constrain capital growth.

Currently, the following Funds deduct some or all charges (including the Manager's Annual Management Charge (or AMC), the Sub-Adviser Fee (if any) and the Trustee's Periodic Charges) from capital: HL UK Income Fund; and HL Income.

This treatment should increase the amount of income available for distribution to Unitholders, but may constrain capital growth.

Exemption from liability to account for profits

The Manager is not liable to Unitholders for any profits or benefits it makes or receives that are derived from or in connection with: (i) dealings in Units; (ii) any transactions in Fund property; and (iii) the supply of services to the Fund.

SECTION 6: DEALING

Purchase and Redemption of Units in the Funds

The Manager will accept orders for the purchase and sale of Units between the hours of 9.00 a.m. and 5.00pm of each Dealing Day, subject to the rules on pricing (see Section 7). Units will be bought/sold at the price calculated by reference to the relevant Valuation Point following receipt of the request, as further explained below and in Section 7. Instructions to purchase or redeem Units may either be in writing at: Hargreaves Lansdown Fund Managers Limited, Sunderland, SR43 4AS, through a 'straight through process' (STP) provider, or at the Manager's discretion over the telephone on 0333 300 0360 (all telephone calls may be recorded).

A contract note confirming each purchase of Units will be issued no later than the end of the Business Day following the relevant Valuation Point. Certificates will not be issued. The Valuation Point, by reference to which the price of each Unit is determined, is 10.30pm on each Dealing Day. All requests for purchases of Units must be received by the Manager by the Cut Off Point which is 1:30pm on each Dealing Day, otherwise they will be held over until the next Valuation Point. The Manager has the right to reject any application for Units that has not been completed to its satisfaction.

Investors will only have cancellation rights if an investment is made in a Fund as a result of having taken investment advice from an authorised financial adviser. If an investor exercises a right to cancel, the full amount initially invested may not be received if the price for the Units has fallen since the investment was made.

The settlement period for both subscriptions and redemptions of Units is three Business Days from the relevant Valuation Point (T+3) for HL Income and HL Multi-Manager Strategic Bond Trust, and two Business Days from the relevant Valuation Point (T+2) for HL UK Income Fund, HL Multi-Manager Balanced Managed Trust and HL Multi-Manager Special Situations Trust. The Manager reserves the right to cancel any application for Units where payment is not received in full by the expiry of those settlement periods.

Units will be redeemed at no less than the price of the Unit as determined at the relevant Valuation Point following the time instructions are received by the Manager, as calculated in accordance with the Rules. However, Units may also be redeemed through an authorised intermediary who may charge commission. Instructions for the redemption of Units may be given in writing or, at the Manager's discretion may be accepted if given by telephone (as outlined above). Payment of redemption proceeds will be made by the expiry of three Business Days of the Manager receiving properly completed documentation for HL Income and HL Multi-Manager Strategic Bond Trust, and payment of redemption proceeds will be made by the expiry of two Business Days of the Manager receiving properly completed documentation for , HL UK Income Fund, HL Multi-Manager Balanced Managed Trust and HL Multi-Manager Special Situations Trust. A contract note will be issued to confirm the transaction by the end of the next Business Day following the relevant Valuation Point. Once a request to redeem Units has been given, it cannot subsequently be withdrawn.

The minimum investment and minimum holding thresholds for each Fund are set out in Schedule 4 (except where the Manager shall in its absolute discretion, permit to the contrary). Investors that invest via platforms or other nominee companies may be permitted to invest smaller minimum investments, including through a regular savings plan. Instructions for the sale of part only of a holding will be accepted provided that the value of the Units remaining will be at least the applicable holding value (except where the Manager shall in its absolute discretion, permit to the contrary).

Client Money

Money received by the Manager which is pending the purchase or follows the redemption of Units will be held in accordance with the FCA's rules in CASS on "**client money**", in a client money bank account held by the Manager with a third party bank, currently Lloyds Banking Group. No interest is payable to investors on money held in the client money bank account.

Where the Manager holds client money for an investor which remains unclaimed for a period of six years, the Manager will make reasonable efforts to contact the investor in order to repay that client money. If the Manager is not able to contact such investor, the Manager may pay such unclaimed client money to a registered charity in accordance with the FCA's rules on client money, and the cash will no longer be treated as client money. If the amount due to an investor is greater than £25 (or £100 for an investor that is categorised as a professional client), such investor will subsequently be entitled to a sum equal to such amount, subject to the Manager's verification requirements.

If a bank holding client money fails, investors should note that their client money held by the Manager will be pooled with that held for other investors in the Funds. This means that investors will have a claim against the common pool of money, rather than a claim against a specific sum in a specific account. As a result, any shortfall in the client money bank accounts will be shared on a pro rata basis between all investors on whose behalf the Manager holds client money in the relevant account.

If any bank holding client money fails and the relevant money is not returned, affected investors may be eligible to claim compensation under the Financial Services Compensation Scheme ("**FSCS**"). The current compensation limit is £85,000 per eligible complainant, per bank, and the limit covers all money held with the bank, whether by the investor directly or through the Manager. Full details of the arrangements under the FSCS are available on its website: www.fscs.org.uk.

If the Manager itself were to fail, a pooling of all the client money held in the client money bank accounts of the Manager at the time of failing would take place, with an obligation to distribute it. The FCA's CASS 7A.2 rules set out how this pooling and distribution would operate, including how any client money received after the failure of the Manger should be treated. This money is not pooled with the money already held at the time of the pooling event but is instead placed in a client money bank account opened after the event and handled in accordance with CASS.

In specie application

The Manager may, by special arrangement and at its discretion, agree to arrange for the issue of Units in exchange for assets other than cash but only if the Trustee is satisfied that acquisition of the assets in exchange for the Units to be issued is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders of the relevant Fund.

Suspension of Dealings

The Manager may with the prior agreement of the Trustee, or must without delay if the Trustee so requires, temporarily suspend the issue, cancellation, sale and redemption of Units ("**dealing**") where due to exceptional circumstances it is in the interests of all the Unitholders in the relevant Fund. The Manager and the Trustee must ensure that the suspension is only allowed to continue for as long as is justified having regards to the interests of the Unitholders and that dealing resumes as soon as possible after the circumstances triggering the suspension have ceased. Upon suspension, the Manager or the Trustee must immediately inform the FCA, giving reasons for the suspension.

The Manager will inform Unitholders of the suspension as soon as practicable after the suspension commences, explaining the reasons for the suspension. The Manager will also publish sufficient details on its website to keep Unitholders appropriately informed about the suspension including (if known) its likely duration. The Manager and the Trustee will formally review the suspension at least every 28 days, keeping the FCA informed. During such period of suspension, the Manager may agree to deal in Units at a price calculated by reference to the first Valuation Point after resumption of dealing in Units. The Manager will resume dealing in Units after giving the FCA notice in accordance with the COLL Sourcebook.

The Manager may suspend dealing with respect to a particular Unit class, without being applied to all other Unit classes in a Fund, if it is in the interests of all the Unitholders in that Fund.

Deferred Redemption

In times of high levels of redemption, the Manager may, with the prior agreement of the Trustee, or shall if the Trustee so requires, permit deferral of redemptions at a Valuation Point to the next Valuation Point where the total value of the redemptions requested together represent over 10% of the relevant Fund's net asset value. In these circumstances, following the provisions of the Rules in COLL 6.2.21R, redemption requests up to the 10% level will be met and all requests above that level will be deferred until the next Valuation Point. Such deferred redemptions shall be met in priority to that day's redemption requests.

Conversion between classes of Unit in a Fund

A Unitholder may convert all or some of their Units in one class in a Fund ("**original Units**") for Units of another class within that Fund ("**new Units**"), subject to the minimum investment thresholds and eligibility criteria for that class (as set out in Schedule 4). The number of new Units issued in respect of the conversion will be determined by the respective prices of Units at the Valuation Point applicable at the time the original Units are cancelled and the new Units are created.

If the conversion would result in the Unitholder holding less than the minimum holding requirements in the class concerned, the Manager may convert the whole of the Unitholder's original Units to the new Units or decline to effect any conversion of the original Units. No conversion will be made during any period when the right to Unitholders to deal in their Units has been suspended. The general provisions on procedures relating to the purchase and redemption of units in a Fund will apply equally to a conversion (see above under the heading "Purchase and Redemption of Units in the Funds").

The Manager does not apply a charge on the conversion of Units in one class in a Fund to Units of another class in the same Fund. Conversions between different Unit classes in the same Fund should not generally give rise to a disposal for UK capital gains tax purposes. However, Unitholders should seek their own professional tax advice in this regard.

Mandatory Conversion of Units

If a Fund has one or more Unit Classes with the same or similar terms, the Manager may at its discretion, taking into account its duty to act fairly and in the Unitholders' best interests, mandatorily convert a Unitholder's Units in a Unit class (the "**Original Units**") to Units in another Unit

class in the same Fund (the "**New Units**"), provided that the rights attached to such New Units are the same as, or more favourable than, the rights attached to the Original Units.
Any Conversions effected in accordance with the paragraph above, shall be carried out as set out in the section "Conversion between classes of Unit in a Fund" and the Manager will provide Unitholders with 60 days' written notice before any such mandatory conversion is carried out. No charge on Conversion will be applied.
A letter of confirmation showing details of the transactions will be sent to the Unitholder in due course once the Conversion has been effected.

Mandatory redemption and cancellation of Units

The Manager may from time to time take such action, and impose such restrictions, as it thinks necessary for the purpose of ensuring that no Units are acquired or held by any person in circumstances ("**relevant circumstances**"): (i) which constitute a breach of the law or governmental regulation (or any interpretation of the law or regulation by a competent authority) of any country or territory; or (ii) which would (or could if other Units were acquired or held in like circumstances) result in the relevant Fund incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or regulations of any country or territory). In this connection, the Manager may reject, at its discretion, any subscription for, sale, conversion or transfer of Units.

If it comes to the Manager's attention that any affected Units have been acquired or are being held, whether beneficially or otherwise, in an of the relevant circumstances referred to above or if the Manager reasonably believes this to be the case, the Manager may give notice to the holder of the affected Units requiring that Unitholder to transfer the Units to a person qualified or entitled to own the Units in question or to give a request in writing for the redemption or cancellation of such Units. If any person to whom such notice is served does not, within thirty days after the date of such notice, transfer the affected Units to a person qualified or entitled to hold the same, or establish the satisfaction of the Manager (whose judgement shall be final and binding) that the holder and any person on whose behalf he holds the affected Units, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption or cancellation of the affected Units.

Compliance with applicable laws, including anti-money laundering legislation

The Manager is subject to applicable laws and regulations relating to the prevention of crime, anti-money laundering and tax laws. This means that the Manager is obliged to verify the identity of Unitholders when dealing in Units, which the Manager will do so via electronic checks with credit reference agencies and of the electoral roll. If the Manager is unable to verify a Unitholder's identity electronically, it may ask for further documentary evidence to be provided. The Manager reserves the right to delay applications for Units or withhold redemption settlement proceeds until this evidence is provided.

By applying for Units, Unitholders are giving the Manager permission to ask for (and store) this information and to conduct such electronic checks, for the purpose of verifying the Unitholder's identity.

The Manager reserves the right to adopt such additional practices and procedures (including additional verification) from time to time as it deems reasonably necessary to avoid it committing an offence or regulatory breach under the applicable legislation and regulations concerning the prevention of crime, anti-money laundering and tax laws.

Market Timing

The Manager does not permit the Funds to be used for the purposes of market timing, being a trading strategy used with the intention of taking advantages of short term changes in prices. Each of the Funds is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of a Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The Manager undertakes monitoring activities to ensure that market timing is not taking place in relation to any of the Funds.

SECTION 7: VALUATIONS AND PRICING

Valuation of Fund property

The price of each Unit is determined by reference to the net asset value of the Fund to which it relates, by dividing that value (or that part of the value attributed to Units of the class in question) by the number of Units (of that class) in issue. Valuations for a Fund are normally carried out at the Valuation Point on each Dealing Day, being 11.00am for all Funds other than HL Income. HL Income has a Valuation Point at 10:30pm on each Dealing Day. The Manager may (with the agreement of the Trustee) declare additional valuation points. At the Valuation Point, the Manager will calculate the Unit prices, using the most recent prices of the underlying assets that it can reasonably obtain. The valuation of each Fund's scheme property and the pricing of Units is governed by the Rules, the AIFMD Rules and the relevant Trust Deed. Information regarding the calculation of each Fund's net asset value is set out in Schedule 3 to this Prospectus.

Subject to the Rules, the Manager may use a fair value pricing policy in respect of a Fund's assets. Fair value pricing will only apply where the Manager has reasonable grounds to believe that no reliable price exists for one or more underlying securities at a Valuation Point or the most recent price available does not reflect the Manager's best estimate of the value of the asset at the Valuation Point. In these circumstances, the Manager may value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment. Circumstances which may give rise to a fair value price being used include: (i) instances where there is no recent trade in the security concerned; or (ii) the occurrence of a significant event since the most recent closure of the market where the price of the asset is taken.

Valuations will not be made during a period of suspension of dealings (see 'Suspension of Dealings' in Section 6). In the event that, for any reason, the Manager is unable to calculate the Unit price of any Fund at the normal Valuation Point, the prices will be based on the next available valuation thereafter.

Unit prices

Units in each Fund are "single priced", meaning that (subject to any dilution adjustment and initial charge) the price of each Unit for both buying and selling purposes will be the same and determined by reference to the particular Valuation Point. The price of each Unit of any class will be calculated by reference to the proportion of the net asset value of the Fund attributable to Units of that class by:

- taking the proportion of the net asset value of the relevant Fund attributable to the Units of the class concerned at the Valuation Point of that Fund;
- dividing the result by the number of Units of the relevant class in issue immediately before the Valuation Point concerned; and
- increasing or decreasing the result by any dilution adjustment determined by the Manager (as described below).

Information regarding the apportionment of the net asset value of a Fund between each of its Unit classes in issue is set out in Schedule 3.

The Manager deals at forward prices, that is to say, at the price ruling at the next Valuation Point.

Publication of Prices

Prices of Units are made available at www.hl.co.uk. The prices shown will be the prices calculated at the previous Valuation Point and therefore may not be the prices obtained when the Units are purchased or sold.

The Manager's dilution policy

What is dilution?
For single priced schemes, such as the Funds, the actual cost of purchasing or selling investments may be higher or lower than the mid-market value used in calculating the Unit price, for example, due to dealing charges or through dealing at prices other than the mid-market price. Under certain circumstances (particularly, large volumes of deals) this may have an adverse effect on the Unitholders' interests in a Fund and is known as "dilution", i.e. it can dilute the value of their investment. To help mitigate the effects of dilution, the Manager operates on a swinging single price basis, as described in more detail below.

The Manager's dilution policy
As described above, the Manager has in place a swinging single pricing policy, which allows the Manager to "swing" (adjust) the Unit price of a Fund in order to mitigate the effects of dilution. Typically, if there are net inflows into a Fund, the dilution adjustment would usually swing the Fund to an offer basis, thereby increasing the Unit price. If there are net outflows, the dilution adjustment would usually swing the Fund to a bid basis by decreasing the Unit price (as summarised in more detail below). The Manager receives no financial benefit from this dilution adjustment, and the swinging range (price adjustment) is monitored. On the occasions where the price is not swung, the relevant Fund will have to cover these costs directly, which could restrict capital growth.

Dilution adjustment and pricing
Where applied, the amount of any swing is based on the estimated costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, taxes or broker commissions (for example). In particular, the Manager may swing the price (make a dilution adjustment) in the following circumstances:

- in the case of a "large deal" relative to the relevant Fund's size, where the potential cost to that Fund justifies the application of an adjustment;
- if the net effect of Unit issues and redemptions during the period between two Valuation Points represents a potential impact on ongoing Unitholders;
- where a Fund is in decline (i.e. is experiencing a net outflow of investment);
- where there are inflows into a Fund (i.e. is experiencing a net inflow of investment);
- in any other case where the Manager believes that adjusting the Unit price is required to safeguard the interests of Unitholders.

As the requirement to swing the price is directly related to the net issue and sale of Units in a Fund, it is not possible to accurately predict when or how often dilution will occur in the future. Although it is not possible to accurately predict whether any dilution will occur within a Fund at any time, the Manager will apply its dilution adjustment policy on any Dealing Day where there is Unitholder cash flows into or out of a Fund. If there is no Unitholder dealing, no dilution adjustments will take place and the Fund will price at the mid-market value.

In the usual course of business, the application of a dilution adjustment will be triggered automatically and on a consistent basis.

Estimates of the dilution adjustments for each Fund are set out below, based on the assets held in each Fund and the market conditions at the 31 July 2023:

Fund	Dilution adjustment estimate applicable to redemptions as at 31 July 2023	Dilution adjustment estimate applicable to purchases as at 31 July 2023
HL Multi-Manager Balanced Managed Trust	-0.02%	0.07%
HL Multi-Manager Special Situations Trust	-0.02%	0.02%
HL UK Income Fund	-0.04%	0.54%
HL Income (previously known as HL Multi-Manager Equity & Bond Trust)	-0.02%	0.17%
HL Multi-Manager Strategic Bond Trust	0.00%	0.00%

SECTION 8: TAXATION OF THE FUND

General

The taxation of each Fund and Unitholders is subject to the law and practice of the UK and of the jurisdictions in which Unitholders are resident or subject to tax. This section summarises the tax position of the Funds and UK resident investors, however, it does not constitute legal or tax advice.

This summary is based on the law and tax practice in force as at the date of this Prospectus and is subject to change without notice. The following summary is not a guarantee to any investor of the tax position of investing in the Funds. Investors and potential investors should consult their own professional advisers on the tax implications of making an investment in, holding or disposing of Units in the Fund.

Each Fund

(a) Income

The Fund is generally exempt from tax on dividends from UK and non-UK companies. Dividends and similar income distributions from UK authorised investment funds are exempt from corporation tax to the extent that the underlying income derives from dividends. The Fund will be subject to corporation tax at a rate equal to the basic rate of income tax, currently 20%, on most other types of income, after deduction of allowable management expenses. Where the Fund has suffered foreign tax on taxable income received, this may generally be deducted from any UK tax due on that income (subject to any treaty arrangements).

(b) Chargeable Gains

The Fund is exempt from UK tax on capital gains realised on the disposal of investments, including interest paying securities and derivatives, held within them. The Fund may be subject to UK tax on gains realised on the disposal of investments in overseas collective investment schemes which do not have distributing/ reporting fund status, as applicable. Gains arising on any such disposal are deemed to be offshore income gains rather than capital gains.

The Unitholders

(a) Income

The amounts shown in the Fund's distribution accounts as available for distribution may be designated by the Fund as either dividends or yearly interest dependent on the nature of the income arising to the Fund.

For all Funds excluding the HL Multi-Manager Strategic Bond Trust, it is expected that each Fund will show all such amounts as available for distribution as dividends which are not foreign income dividends, in which case the following paragraph will apply.

Where a Fund makes dividend distributions, subject to the corporate streaming rules for UK corporate Unitholders, such distributions will be treated in the same way as dividends from a UK resident company which are liable to UK Income Tax at the rate applicable for the individual Unitholders. There is a Dividend Allowance for all individual taxpayers who earn dividend income; for the 2022-23 tax year, the first £2,000 of the total dividend income earned by the taxpayer is tax-free regardless of what non-dividend income they have. The Dividend Allowance will not reduce the total income of the taxpayer for tax purposes and dividends within the allowance will still count towards the taxpayer's basic or higher rate tax bands.

For the HL Multi-Manager Strategic Bond Trust, it is the Manager's intention to manage the assets attributable to the Funds such that distributions are regarded as yearly interest distributions. It is therefore expected that the Fund will show all amounts as available for distribution as yearly interest. The Fund can only make distributions as yearly interest where more than 60% of its investments by market value are "qualifying investments" during the whole of the relevant distribution period. "Qualifying investments" broadly means interest-bearing securities, money placed at interest and investments in authorised unit trusts or OEICs which themselves have more than 60% of their investments in qualifying investments.

Where a Fund makes yearly interest distributions, such distributions should be treated in the same way as interest from a UK resident company. The tax-free Personal Savings Allowance (PSA) for the 2021-22 tax year will apply to up to £1,000 of savings income, such as interest, paid to an individual (or £500 for individuals with any higher rate income). The PSA will not be available to individuals with any additional rate income.

For unitholders holding accumulation Units, the UK tax treatment will be the same as if they held income Units, albeit that they do not receive the income represented by the distribution at the time of that distribution and that income is instead re-invested. Such Unitholders will be treated for UK tax purposes as if they had received the re-invested income.

Scottish taxpayers should use the rest of UK tax bands and not the Scottish tax bands when determining their eligibility for the Personal Savings Allowance and the tax rate they pay on dividend income.

(b) Capital Gains

A Unit is treated in the same way as a share in a company, so that chargeable gains on a disposal of a Unit by an individual Unitholder may be charged to capital gains tax based on the individual's marginal rate of income tax. Capital Gains Tax is only paid on overall gains above the individual's annual tax-free allowance. This tax-free allowance (called the annual exempt amount) is £12,300 for the 2022-23 tax year. Scottish taxpayers should use the rest of UK tax bands and not the Scottish tax bands when determining the tax they will pay on any chargeable gains.

Conversions between different Unit classes in the same Fund should not generally give rise to a disposal for UK capital gains tax purposes. Unitholders should seek their own professional tax advice in this regard.

(c) Equalisation

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

The preceding paragraphs, which are intended as a general guide only and do not constitute tax advice, are based on current United Kingdom tax legislation and what is understood to be the current practice of the United Kingdom HMRC as at the date of this prospectus. If a Unitholder is in any doubt as to their taxation position or if a Unitholder is subject to tax in any jurisdiction in addition to or other than the United Kingdom, they should consult an appropriate professional adviser immediately. It should be noted that the levels and bases of, and reliefs from, taxation can change.

Automatic Exchange of Information

The UK is party to a number of international agreements designed to provide tax administrations with details of financial accounts and assets, owned by individuals and entities that are resident for tax purposes in their jurisdiction, but which are held by financial institutions in the other territory.

The UK Government has introduced legislation that imposes obligations on UK financial institutions such as the Manager to review and collect details of accounts held by persons that are tax resident elsewhere and report this to HMRC for onward transmission under the Automatic Exchange of Information in the treaties and conventions mentioned below:

- The United States Foreign Account Tax Compliance Act (FATCA)
- The Common Reporting Standard developed by the OECD (CRS)

Consequently, the Fund may be required to collect and/or report information about the Unitholders or the Manager may elect to do so if it determines this is in the interests of Unitholders generally. This may include information to verify the identity of Unitholders or their tax status. The Manager may pass this information to HMRC.

The United States Foreign Account Tax Compliance Act ("**FATCA**")

The Units of the Fund have not been and will not be registered under the Securities Act 1933 of the United States (as amended) ("**the 1933 Act**"), the United States Investment Company Act of 1940 or the securities laws of any of the states of the United States. The Units of the Fund may not be offered, sold or delivered directly or indirectly in the United States or to the account or benefit of any U.S. Person (as defined below).

"**U.S. Person**" means any resident of the United States of America, its territories and possessions including the State and District of Columbia and all areas subject to its jurisdiction (including the Commonwealth of Puerto Rico), any corporation, trust, partnership or other entity created or organised in or under the laws of the United States of America, any state thereof or any estate or trust the income of which is subject to United States federal income tax, regardless of source. The expression also includes any person falling within the definition of the term "U.S. Person" under Regulation S promulgated under the 1933 Act.

If the Fund becomes liable under FATCA or any legislation or regulation to account for tax in any jurisdiction in the event that a Unitholder or beneficial owner of a Unit were to or do receive a distribution, payment, redemption, in respect of their Units or to dispose (or be deemed to have disposed of their Units in any way (a "**chargeable event**"), the Manager on behalf of the Fund and its delegate shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax, and/or where applicable, to redeem or cancel such number of Units held by the Unitholder or such beneficial owner as are required to meet the amount of tax. Neither the Fund, the Manager, the Trustee nor their respective delegates will be obliged to make any additional payments to the Unitholders, in respect of such withholding or deduction.

The Common Reporting Standard developed by the OECD ("**CRS**")

As at April 2021, over 100 jurisdictions, including the UK, had committed to start exchanging information using the CRS framework, and the number of participating jurisdictions has continued to grow since then (for a list please see the link below). The regulations that require UK financial institutions to identify, maintain and report information for exchange with these jurisdictions, The International Tax Compliance Regulations 2015, came into force on 15 April 2015.

The current list of Participating Jurisdictions for automatic exchange under the CRS can be found at: http://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/crs-by-jurisdiction/#d.en.345489.

SECTION 9: REPORTING, DISTRIBUTION AND ACCOUNTING DATES

Accounting Periods and Income Allocations

The annual accounting period of each Fund shall end on 30 September each year. The interim accounting period shall end on 31 March each year.

The annual and interim income allocation dates for each Fund are set out in Schedule 4.

The Manager may operate a policy of smoothing income distributions over the annual accounting period such that all distributable income due to be allocated will have been allocated by the relevant annual distribution date (as set out in Schedule 4) subject to the provisions on the determination of distributable income referred to below.

Determination and distribution of income

Each holder of income Units is entitled, on the relevant income allocation date, to the net income attributable to the holding. In the case of accumulation Units, income is not distributed but is allocated to the Unit such that it becomes part of the capital property of that Unit and reflected in its value.

The income available for distribution or accumulation in relation to the relevant Fund is determined in accordance with the Fund's Trust Deed and the Rules. Broadly, it comprises all sums deemed by the Manager, after consultation with the Auditor, to be in the nature of income received or receivable for the account of the Fund and attributable to that Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Manager considers appropriate, after consulting the Auditor in accordance with the Rules, in relation to taxation and other matters.

In the case of income Units, income distributions are made by BACs sent to the registered holder of the income Units (or, in the case of joint holders, to the first-named holder on the Register). Payments may, on request, be made by cheque. All distributions unclaimed for a period of six years having become due for payment shall be forfeited and shall revert to the relevant Fund.

Equalisation

Upon the first distribution following the purchase of a Unit in a Fund, the relevant Unitholder will receive as part of that distribution a capital sum representing that part of the purchase price of the Unit which was attributable to income accrued up to the time of purchase and is, accordingly, properly classifiable as a capital expense of the Unitholder at the time of purchase. The amount so paid, known as "income equalisation", will be an amount arrived at by taking the aggregate of the Manager's best estimate of the amounts of income included in the price Units of that class issued or sold in the annual or interim accounting period in question and dividing that aggregate by the number of those Units and applying the resultant average to each of the Units in question.

Reports and Accounts

The Annual Report and Interim Report for each Fund are available (free of charge) on request or from www.hl.co.uk. The Annual Report of the Fund will be available on or before 31 January each year. The Interim Report of the Fund will be available on or before 31 May each year.

SECTION 10: GENERAL INFORMATION

Meetings and Voting Rights

A meeting of Unitholders in a Fund duly convened and held in accordance with the Rules shall be competent and by extraordinary resolution may approve any modification alteration or addition to the provisions of either the Trust Deed or the Prospectus which, the Manager and the Trustee have agreed to be a fundamental change in accordance with the Rules. This would include, without limitation, any proposal for a scheme of arrangement and certain changes to the Fund's investment objective and/or investment policy.

Unitholders will receive at least 14 days' notice of any meeting of Unitholders and are entitled to be counted in the quorum and vote at any such meeting, either in person or by proxy.

At a meeting of Unitholders the quorum for the transaction of business is two Unitholders, present in person or by proxy. On a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll every Unitholder who is present in person or by proxy will have one vote for every income Unit (if any are in issue) they hold and the same number of votes (including fractions of a vote) for every accumulation Unit they hold as the number of undivided shares (including fractions) in the Fund represented by one accumulation Unit. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other holders and for this purpose seniority is determined by the order in which the names stand in the Register. On a poll, votes may be given either personally or by proxy. If the Trustee is of the view that any extraordinary resolution is one in relation to which there is or might be a conflict of interest between the holders of accumulation Units and (if any are in issue) income Units, separate meetings of those Unitholders shall be held.

In the context of voting, "Unitholders" means the persons who are entered in the Register as at time chosen by the Manager and stated in the relevant notice.

Unitholders may request the convening of a general meeting by requisition pursuant to and in accordance with the Rules. Unitholders in general meeting may, amongst other things, pass a resolution to remove the Manager.

Changes to a Fund

Subject to the Rules and (where required) the consent of the FCA and the Trustee, changes to a Fund may be made in accordance with the following methods of classification:

Fundamental changes: being a change or event which: (i) changes the purpose or nature of the scheme; (ii) may materially prejudice a Unitholder; (iii) alters the risk profile of the Fund; or (iv) introduces any new type of payment out of the scheme property of the Fund. The Manager will obtain the prior approval from Unitholders to any fundamental change by way of an extraordinary resolution of Unitholders at a meeting called in accordance with the provisions outlined above.

Significant changes: being a change of event which the Manager and the Trustee have determined is not a fundamental change, but is a change which: (i) affects a Unitholder's ability to exercise his rights in relation to his investment; (ii) would reasonably be expected to cause a Unitholder to reconsider his participation in the Fund; (iii) results in any increased payments out of the Fund scheme property to the Manager or any of its associates; or (iv) materially increases any other types of payments out of the scheme property of the Fund. The Manager will give Unitholders at least 60 calendar days' prior notice of any such change.

Notifiable changes: being a change of event which the Manager and the Trustee have determined is not a fundamental change or a significant change, but is a change which is reasonably likely to affect, or has affected, the operation of the Fund. The Manager will provide Unitholders with such notice as is appropriate in the circumstances, for example by sending an immediate notification, including details of the change in its next annual report or publishing details of the change on the Manager's website.

Winding-up of a Fund

Each Fund may be wound up upon the happening of any of the events relevant to the Fund set out in the Rules which include, without limitation:

(a) the order declaring the Fund to be an authorised unit trust scheme being revoked;

(b) the passing of an extraordinary resolution winding up the fund (provided the FCA's prior consent to the resolution has been obtained by the Manager or Trustee);

(c) in response to a request to the FCA by the Manager or the Trustee for the revocation of the authorisation order, the FCA has agreed, inter alia, that, on the conclusion of the winding up of the Fund, the FCA will agree to that request; and

(d) pursuant to a scheme of arrangement which is to result in the Fund being left with no property.

The procedure for winding up a Fund is as follows:

(a) upon the effective date of any approved scheme of arrangement pursuant to the Rules the Trustee will wind up the Fund in accordance with the approved scheme arrangement;

(b) in any other case, the Trustee will as soon as practicable after the Fund falls to be wound up, realise the property of the Fund and, after paying out of it all liabilities properly so payable and retaining provision for the costs of the winding-up, cancel all Units in issue, distribute the proceeds to the holders and the Manager (upon production by them of evidence as to their entitlement) proportionately to their respective interests in the Fund.

Any unclaimed net proceeds or other cash held by the Trustee after the expiry of twelve months from the date on which the same became payable will be paid by the Trustee into court subject to the Trustee having a right to receive out of it any expenses incurred by him in making and relating to that payment into court.

Where the Trustee and one or more Unitholders agree, the Trustee does not have to realise the property of the Fund proportionate to the entitlement of that or those Unitholders. Instead, the Trustee may distribute that part in the form of property. Before distributing that property, the Trustee will make such adjustments or retain such provision as appears to the Trustee to be appropriate ensuring that, a proportionate share of the liabilities and costs is borne by that or those holders.

When the winding up is complete, the Trustee shall notify the FCA in writing. At the same time the Manager or Trustee shall request that the FCA revokes the order of authorisation under section 256 of the Financial Services and Markets Act 2000 (as appropriate).

Information made available to Unitholders

The Trust Deed for each Fund is kept together with the Annual Reports, the key investor information documents and this Prospectus at One College Square South, Anchor Road, Bristol BS1 5HL and these may be inspected on the premises during normal business hours on any Business Day.

Copies of the Prospectus and key investor information documents may be obtained from the Manager free of charge. Copies of the Trust Deed may be obtained from the Manager at a cost of £10 per document.

Pursuant to the AIFMD Rules, the following information will be made available to Unitholders, as a minimum, as part of each Fund's annual report:

- the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature;
- any new arrangements for managing the liquidity of the Fund; and
- the current risk profile of the Fund and the risk management systems employed by the Manager to manage those risks.

The following information will be made available to Unitholders in a Fund, without undue delay following the occurrence of the following changes:

- any changes to the maximum level of leverage which the Manager may employ in respect of the Fund;
- any change to the rights of re-use (if any) of collateral under the Fund's leveraging arrangements;
- any change to any guarantee (if any) granted under the Fund's leveraging arrangements;
- the total amount of leverage employed by the Fund.

Unitholders will also be notified if the Manager makes material changes to the liquidity management systems and procedures employed in respect of the Fund.

Notices to Unitholders

All notices or documents required to be served on Unitholders shall be served either by post to the address of such Unitholders as evidenced on the relevant Register or electronically. A notice is duly served if it is delivered to the address of the first named Unitholder as appearing in the Register or is delivered by electronic means in accordance with the Rules.

Conflicts of Interest

General
In carrying out their respective functions for each Fund, the Manager and the Trustee must each act honestly, fairly, professionally and independently, and solely in the interests of the Fund and its Unitholders.

The FCA's rules contain provisions on conflicts of interest governing any transaction concerning the Fund which is carried out by or with any "**affected person**", which includes the Manager, an associate of the Manager, the Trustee or an associate of the Trustee. These rules enable an affected person to (in summary): (i) deal in assets for its own account notwithstanding that the same or similar assets may be held on behalf of the Fund; (ii) to purchase assets from, or vest assets in the Trustee for the account of the Fund, or enter into other transactions with the Trustee for the account of the Fund, or to otherwise have an interest in such transactions; (iii) to enter into securities finance services for the Fund; or (iv) to otherwise provide services in respect of the Fund. Any such transactions for the Fund are subject to the rules on best execution, independent valuation and "arm's length" requirements. An affected person carrying out such transactions is not liable to account to the Trustee, the Manager, any other affected person or to Unitholders or any of them for any benefits or profits made or derived.

The Manager

In the course of carrying out its duties in respect of the Fund, conflicts of interest may arise between the Manager, its delegates, its other clients and/or the Fund that could be detrimental to Unitholders if not managed appropriately. For example, the Manager may provide similar services to other clients which could conflict with the services it provides to the Fund. The Manager is required to comply with certain FCA rules on the prevention, identification and management of conflicts of interest. The Manager has a conflicts of interest policy which sets out the Manager's procedures for the identification, management and (if necessary) disclosure of potential material conflicts of interest, together with a summary of its oversight process. Further details of the Manager's conflicts of interest policy are available to Unitholders on request.

Conflicts of interest may also arise between the Manager and (where appointed) a Sub-Adviser in certain circumstances, for example where there is a likelihood that: (i) the Sub-Adviser can make a financial gain (or avoid a loss) at the expense of the relevant Fund; (ii) the Sub-Adviser has an interest in the outcome of a service provided to the Manager in respect of the Fund; (iii) the Sub-Adviser has a financial or other incentive to favour the interest of another client over the interests of the Fund; (iv) the Sub-Adviser receives or may receive from a person other than the Manager an inducement in relation to the services provided to the Manager in respect of the Fund in the form of money, goods or services other than the standard fee for that service. The Manager has in place a policy and procedures to monitor the conflicts of interest that may arise in respect of the Manager's delegation of certain of its functions. To the extent any actual conflicts of interest are determined to have arisen, the Manager will manage such conflicts to minimise any impact on the performance of the Fund, and will also seek to prevent such conflicts from reoccurring.

The Manager will direct transactions on behalf of the Fund to brokers, and will pay directly out of their own resources for "research", as defined by the FCA's rules, that the Manager receives in connection with the investment management of the Fund's assets. The Manager and (where relevant) each Sub-Adviser has in place a "best execution" policy which requires the Manager or Sub-Adviser (as applicable) to act in the Fund's best interests when taking investment decisions and placing dealing instructions with brokers on behalf of the Fund. For these purposes, all sufficient steps must be taken to obtain the best possible results for the Funds, taking into account factors including price, costs, speed, likelihood of execution and settlement, size and nature of the order. Information about the Manager's best execution policy is available to Unitholders on request.

Sub-Advisers

In addition to the potential conflicts of interest outlined above, investors should note that (where appointed in respect of a Fund), a Sub-Adviser may have conflicts of interests where it advises clients other than the Manager. Such other clients may include other collective investment schemes or other separate accounts. In these circumstances, the Sub-Adviser may have the following (non-exhaustive) conflicts of interest:

- The Sub-Adviser may seek to purchase the same securities for its other clients as those it seeks to purchase for a Fund. In the case of scarce investment opportunities, the Sub-Adviser may face a conflict in determining whether to allocate the opportunity to a Fund or one or more of its other clients. There may also be conflicts in priority of order entry. This may result in a Fund being unable to obtain a complete fill of its order, or it may get an inferior price. In some cases, it may not be possible to split securities among client accounts and as a result, a Fund would either be foreclosed from participating in the opportunity or would do so through a participation or similar arrangement.

- Even though the Fund and another client of a Sub-Adviser may have substantially the same investment strategy, there may be material differences in the performance of one compared to the other. Such differences may be caused by differences in investment guidelines and restrictions, differences in size, and differences in the timing of inflows and outflows of capital which, despite periodic rebalancing, will result in differences in the portfolio composition of the Fund compared to such other client of the Sub-Adviser.

- A Sub-Adviser may manage other accounts and/or funds in addition to managing the portion of the Fund's assets allocated to it. They may also make investments in securities for their own account. Activities such as these could detract from the time a Sub-Adviser devotes to the affairs of the Fund. In addition, a Sub-Adviser may engage affiliated entities to furnish brokerage services to the Fund.

Trustee

The Trustee may act as the depositary of other investment funds and as trustee or custodian of other collective investment schemes.

It is possible that the Trustee and/or its delegates and sub-delegates and their respective affiliates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Manager or the Fund and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian.

There may also be conflicts arising between the Trustee and the Trust, the Unitholders or the Manager. In addition, the Trustee also has a regulatory duty when providing services to act solely in the interests of the Unitholders. In order to comply with this requirement, the Trustee may in some instances be required to take actions in the interests of Unitholders where such action may not be in the interests of the Manager.

Affiliates

From time to time conflicts may arise from the appointment by the Trustee of any of its delegates. For example, the Custodian may also perform certain investment operations and functions and derivatives collateral management functions delegated to it by the Manager.

The Trustee, and any other delegate, is required to manage any such conflict having regard to the Rules and its duties under the Depositary Agreements.

The Trustee will ensure that any such delegates or sub-delegates who are its affiliates are appointed on terms which are not materially less favourable to the Trust than if the conflict or potential conflict had not existed. The Custodian and any other delegate are required to manage any such conflict having regard to the Rules and its duties to the Trustee and the Manager.

Conflicting commercial interests

The Trustee (and any of its affiliates) may effect, and make a profit from, transactions in which the Trustee (or its affiliates, or another client of the Trustee or its affiliates) has (directly or indirectly) a material interest or a relationship of any description and which involves or may involve a potential conflict with the Trustee's duty to the Trust.

This includes circumstances in which the Trustee or any of its affiliates or connected persons: acts as market maker in the investments of the Trust; provides broking services to the Trust and/or to other funds or companies; acts as financial adviser, banker, derivatives counterparty or otherwise provides services to the issuer of the investments of the Trust; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Trust; or earns profits from or has a financial or business interest in any of these activities.

In connection with the above activities, the Trustee, its delegates and their respective affiliates:

- are entitled to receive and retain any compensation and profits, in any form, and are not bound to disclose to the Fund and/or the Manager the nature or amount of any such compensation or profits;
- will provide the same or similar services to other clients, including competitors to the Manager and/or the Fund;
- may be granted creditors rights in respect of the Manager and/or the Fund, which it may exercise.

Potential conflicts of interest may arise in respect of the Trustee's use of the Custodian and any sub-custodians, for example:

- sub-custodians have only indirect relationships with the Fund and look to the Custodian / Trustee as the relevant counterparty, which may create an incentive for the Custodian / Trustee to act in its own interests to the potential detriment of the Fund;
- sub-custodian selection may be influenced by factors such as cost (including lower fee rates, rebates or similar incentives) and the overall commercial relationship between the Custodian/Trustee and the sub-custodian, in which the Custodian/Trustee may act on the economic value of the broader relationship, in addition to other objective evaluation criteria;
- sub-custodians will act for other clients and in their own proprietary interest, which may conflict with the Fund's interests.

In carrying out its duties for the Fund (including in respect of its appointment and monitoring of delegates) the Trustee will have regard to its obligations under the Trust Deed, the Depositary Agreements and the Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders collectively so far as practicable, having regard to its obligations to other clients.

The Trustee also has a conflict of interest policy in place to identify, manage and monitor on an on-going basis any actual or potential conflict of interest. The Trustee has functionally and hierarchically separated the performance of its depositary function from its other potentially conflicting activities. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Trustee issues to be properly identified, managed and monitored. In respect of its use of the Custodian (and any other sub-custodians), the Trustee: (i) has imposed contractual restrictions to address some of the potential conflicts of interests; and (ii) maintains oversight of sub-custodians to ensure a high level of service by such delegates.

Data Protection

In respect of the personal data that Unitholders provide to the Manager (or to the Administrator and Registrar acting for and on behalf of the Manager) in connection with their investment, or proposed investment, in Units, the Manager is regarded as a "data controller" under UK data protection laws and is therefore subject to certain legal obligations on how personal data is used, stored, processed and transferred. Unitholders may obtain further information about how the Manager may obtain, use, store and transfer personal data by reviewing the HL Group's privacy policy at www.hl.co.uk/privacy-policy.

For Unitholders investing via a platform or other intermediary service provider, the platform / service provider (and not the Manager) may be the data controller of their personal data. In these circumstances, such Unitholders should review the platform / service provider's data protection policies to determine how they may use their personal data.

If a Unitholder holds Units in a Fund directly, they should be aware that the Administrator and Registrar has implemented an operating model which incorporates a single data record for investors in various investment funds which are administered by the Administrator and / or its affiliates, and which facilitates streamlined anti-money laundering customer due diligence processes for those investors, including direct Unitholders, via an online portal (the "**NT Portal**"). In order to use the NT Portal, a permitted Unitholder must elect to subscribe to and complete an application form on the NT Portal. Direct Unitholders who would like to use the NT Portal should please contact us for further information. Prospective users of the NT Portal should note that by completing the relevant application form(s) they are providing the Administrator with information which may constitute personal data. If they intend to use the NT Portal, please refer to the Administrator and Registrar's data protection notice available at https://www.northerntrust.com/emea-privacy-notice for details on how the information (including personal data) will be used and shared by the Administrator and Registrar and its affiliates.

The HL Group privacy policy and cookie policy will apply to Unitholders for so long as they hold Units. HL Group's privacy policy can be viewed at www.hl.co.uk/privacy-policy and the HL Group's cookie policy at www.hl.co.uk/cookie-policy.

Unitholders that use the HL Group's website (www.hl.co.uk), will accept the relevant terms of use. These terms can be found at www.hl.co.uk/disclaimer

In respect of the Trustee, Northern Trust's EMEA Data Privacy Notice sets out how the Trustee will process Unitholders' personal information as a data controller where these details are provided to it in connection with Unitholders' investment in the Trust.

Northern Trust's EMEA Data Privacy Notice may be updated from time to time and readers should confirm that they hold the latest version which can be accessed at www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice.

Any Unitholder who provides the Manager and its agents with personal information about another individual (such as a joint investor), must show Northern Trust's EMEA Data Privacy Notice to those individuals.

SECTION 11: RISK FACTORS

General

You should be aware of the risks involved in investing in the Fund. These risk warnings must not be taken to be comprehensive, as new risks may arise in the future which could not have been anticipated in advance. If you have any doubts over the suitability of an investment please contact a financial adviser for advice.

- The price of Units (and the income from them) can go down as well as up, and are not guaranteed. Unitholders may not receive back the amount they invest in a Fund.

- An investment in a Fund is not intended to be a complete investment programme. Units should be regarded as a medium-to-long term investment.

- Past performance is not a guide to future performance. Each Fund's investment objective is an intended result but there is no guarantee that such a result will be achieved. There are no express or implied assurances as to the likelihood of achieving the Fund's investment objectives, as this will depend (in part) on evolving market conditions and the available investment opportunities over time.

- A Fund's net asset value can be influenced by factors such as stock market fluctuations, political and economic events, corporate earnings reports and catastrophic events. This means that in any particular period, the Fund may suffer losses and should not be regarded as a short term investment.

- In extreme liquidity conditions, redemptions in the underlying assets, and/or a Fund itself, may need to be deferred or suspended.

- Economic factors such as changes in interest rates, inflation, deflation and supply and demand can affect the price of all investments, and so affect the value of your investment in a Fund. As with any investment, inflation will reduce the real value (i.e. purchasing power) of the capital over time.

- All Funds are potentially exposed to adverse movements in equity, bond, commodity, currency and other market prices, indices or rates (market risk) or changes in the anticipated or calculated volatility of these movements (volatility risk). This could result in a Fund losing value.

- The tax summary set out in Section 8 is believed to be accurate as at the date of this Prospectus. It is subject to change in the future. Investors should consider their own tax position which will depend on their personal circumstances and may therefore not be covered by the general tax summary set out above.

- Certain Funds may deduct charges from capital rather than income. Whilst this policy may allow more income to be distributed to Unitholders, it may also have the effect of reducing capital and potential capital growth, as well as potentially increasing capital losses (see Section 4 above under "Charges to Capital" for more information).

- The Funds conduct transactions with various counterparties and there is a risk that a counterparty will not deliver an investment (for purchases by the Fund) or cash (for sales by the Fund) after the Fund has fulfilled its responsibilities.

Investment in other collective investment schemes

Other than the HL UK Income Fund, each Fund may invest up to 100% of its assets in other collective investment schemes ("**second schemes**") subject to the Rules, including in second schemes managed by the Manager or its associates, and may from time to time be principally invested in such second schemes. Unitholders may therefore incur a duplication of fees, including performance fees, custody fees and other administration costs.

A Fund is (to the extent it is invested in second schemes) valued using the latest available price for each underlying second scheme. These prices may not fully reflect changing market conditions. A Fund can apply a 'fair value price' to all or part of its portfolio to mitigate this risk.

Each second scheme can invest in a wide range of asset classes, including unregulated collective investment schemes, private equity and property (for example). The Manager will have no control over the investment choices of such second schemes. A second scheme may also use derivatives to meet its investment objective. For these schemes, there is no guarantee that the performance of the derivatives will result in a positive effect for those schemes and their investors (including the Funds). The use of derivatives may increase the second scheme's volatility, which may result in higher losses for investors.

Equities

Each Fund may be exposed to equities. Prices of equities fluctuate daily and can be influenced by many factors such as political and economic news, corporate earnings reports, demographic trends and catastrophic events. The value of equities will go up and down, and the value of a Fund investing in equities (or in second schemes which invest in equities) could therefore incur significant losses.

Debt Securities

Each Fund may be exposed to debt securities. Debt securities, such as bonds and other types of floating rate or fixed interest security, are subject to a number of potential risks, including (but not limited to) the following:

- Debt securities are subject to both actual and perceived measures of creditworthiness. The "downgrading" of a rated debt security, adverse publicity and investor perception, or stressed market conditions, could decrease the value and liquidity of the security, making it difficult to dispose of. Where a security held by a second scheme is subsequently downgraded, it may continue to be held in order to avoid a distressed sale. To the extent that a Fund (or a second scheme) does hold such downgraded bonds, there will be an increased risk of default on repayment, which in turn translates into a risk that the capital value of the Fund will be affected.

- A Fund (or a second scheme) may invest in "high yield" debt securities which carry a greater liquidity risk. This could mean that when the Fund (or an underlying second scheme) comes to sell these securities, they have to accept a lower price, which would reduce the value of your investment.

- A debt security is subject to its issuer's ability to service its debt obligations. In the event of the insolvency of an issuer, a Fund may experience losses and incur costs due to the suspension or cessation of interest payments on the relevant security. This would reduce the income received and/or the capital value of the security, which in turn would reduce the value of your investment in the Fund.

- Non-investment grade debt securities may be highly leveraged and carry a greater risk of default. In addition, non-investment grade securities tend to be more volatile than higher rated fixed income securities, so that adverse economic events may have a greater impact on the prices of non-investment grade debt securities than on higher rated fixed income securities.

- Sovereign debt (being a debt security issued or guaranteed by a government of its agencies) involves the potential risk that the issuer may not be able or willing to replay the principal and/or interest when due, due to the financial stability of the relevant country or any other constraints to which a governmental entity may be subject. Holders of sovereign debt may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities in accordance with the terms of the instrument. Sovereign debt holders may also be affected by additional constraints relating to sovereign issuers which may include: (i) the restructuring of such debt (including the reduction of outstanding principal and interest and or rescheduling of repayment terms) without the consent of the impacted investors (e.g. pursuant to legislative actions unilaterally taken by the sovereign issuer and/or decisions made by a qualified majority of the lenders); and (ii) the limited legal recourses available against the sovereign issuer in case of failure of or delay in repayment (for example there may be no bankruptcy proceedings available by which sovereign debt on which a government entity has defaulted may be recovered).

- Where a Fund has power to invest more than 35% in value of the Fund in government and public securities issued by any one issuer, this represents an increased risk should the issuer default in meeting its obligations.

Duration / Interest Rate Risk

This is the risk of losses to a Fund due to changes in interest rates. Those investments (both direct and indirect via second schemes) in floating and fixed-interest securities are directly exposed to interest rate risk depending on their duration, while other assets such as equities may be indirectly affected.

In particular, if a Fund has exposure to a higher concentration of fixed interest or index-linked securities, fluctuations in interest rates are likely to affect the capital value of investments. If long-term interest rates rise, the capital value of your Units is likely to fall and vice versa. In addition, the Fund's cash balances are interest-bearing financial assets, on which interest is calculated at a variable rate by reference to Sterling bank deposit rates. Each Fund is intended to provide return through investments, and returns are not actively sought from cash. However, each Fund will passively receive interest on un-invested cash which will be affected by a change in interest rates.

Unlisted securities

Subject to the Rules in COLL, each Fund may hold up to 20% of scheme property in unlisted securities (in aggregate with unregulated collective investment schemes – see Schedule 1 for further information). Each Fund may also have exposure to unlisted securities through investment in second schemes. Such securities are generally not publicly traded, may be unregistered for securities law purposes and may only be able to be resold in privately negotiated transactions with a limited number of purchasers. The difficulties and delays associated with such transactions could result in a second scheme's inability to realise a favourable price upon disposal of such securities, and at times might make disposition of such securities impossible.

Smaller Companies

A Fund may have exposure to smaller companies, which are more volatile and sometimes more difficult to trade or price than larger companies. While investment in smaller companies' shares may offer the potential for increased returns, investors should understand that investment in such assets is likely to involve greater risk of loss than investment in larger companies.

A Fund may invest in (or invest in second schemes that invest in) initial public offerings, which frequently are smaller companies. Such securities have no trading history, and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

Overseas Markets

A Fund may invest in overseas holdings and so will be exposed to currency movements. Changes in economic conditions, interest rates, and so on in the overseas market selected could affect the value of your investment in a Fund.

Emerging Markets

A Fund may have exposure to emerging and less developed markets, which potentially poses risks different from, and/or greater than, risks of investing in the securities of developed countries. These risks include (but are not limited to): smaller market-capitalisation of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible repatriation of investment income and capital. In addition, foreign investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalisation or the creation of government monopolies.

The emerging market securities in which a Fund (or a second scheme) may invest are may trade in limited volume and may encounter settlement systems that are less well organised than those of developed markets. Supervisory authorities may also be unable to apply standards that are comparable with those in developed markets. There may therefore be risks that settlement may be delayed and that cash or securities belonging to the relevant Fund may be in jeopardy because of failures of or defects in the systems or because of defects in the administrative operations of counterparties. Such counterparties may lack the substance or financial resources of similar counterparties in a developed market. There may also be a danger that competing claims may arise in respect of securities held by or to be transferred to the Fund.

Investments in certain markets may be subject to certain heightened risks with regard to the ownership and custody of securities. In these countries, shareholdings are evidenced by entries in the books of a company or its registrar (which is neither an agent nor responsible to the custodian). No certificates representing shareholdings in companies will be held by the custodian or any of its local correspondents or in an effective central depository system. As a result of this system and the lack of effective state regulation and enforcement, a Fund could lose its registration and ownership of the securities through fraud, negligence or error. Debt securities also have an increased custodial risk associated with them as such securities may, in accordance with market practice in the emerging or less developed countries, be held in custody with institutions in those countries which may not have adequate insurance coverage to cover loss due to theft, destruction or default.

Additional risks of emerging market securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organised and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging and less developed countries.

Currency Risk

Base currency risk exists where a Fund invests in assets denominated in a currency other than its base currency. Changes in exchange rate between a Fund's base currency and the currency in which an asset is denominated will cause the value of that asset (expressed in the base currency) to fall or rise. The Manager may use investment techniques and derivative instruments to attempt to mitigate such base currency risk, however, the Manager is not obliged to do so and (where used) such techniques may not be successful.

A Unitholder may also experience currency risk where the base currency of a Fund varies from the Unitholder's home currency. In these circumstances, a Unitholder may risk potential capital losses resulting from the movements of the exchange rate between the Fund's base currency and the Unitholder's home currency.

Efficient portfolio management risk

The Fund may make use of efficient portfolio management techniques (including hedging transactions) to reduce risk and/or costs in the Fund and to produce additional capital or income in the Fund in a manner which is economically appropriate and with an acceptable level of risk. Techniques used by the Fund may include using derivatives, sale and repurchase agreements, purchase and resale agreements and stock lending (as described below). Further details on efficient portfolio management can be found in Schedule 1. It is not intended that using such efficient portfolio management purposes will increase the volatility of a Fund.

A Fund's use of efficient portfolio management techniques may not work, and the Fund may suffer losses as a result. The Fund's ability to use such techniques may be limited by market conditions, regulatory limits and tax considerations. There is no guarantee that the Fund will achieve the

objective for which it entered into a transaction undertaken for efficient portfolio management purposes.
Efficient Portfolio Management techniques may involve a Fund entering into transactions with a counterparty where there may be a risk that the counterparty may wholly or partially fail to honour their obligations (see "counterparty risk" below).

Derivative Risk

Derivative transactions may be used for the purposes of efficient portfolio management, including hedging. The type of derivative transactions that the Manager may use for a Fund includes, but is not limited to:

- using currency derivatives such as forward currency transactions to buy or sell currency risk;
- entering into swap contracts to hedge against interest rate risk;
- using volatility derivatives to hedge against volatility risk;
- buying or selling options to gain market exposure;
- using credit default swaps to buy or sell credit risk.

The Manager does not anticipate that its use of derivatives will increase the volatility of a Fund or have any detrimental effect on the overall risk profile of that Fund. However, a Fund's use of derivatives may become ineffective in hedging or EPM and a Fund may suffer significant loss as a result.

The use of derivatives may expose Funds to a higher degree of risk. These risks may include (but are not limited to) credit risk with regard to counterparties with whom the Funds trade, the risk of settlement default, lack of liquidity of the derivatives, imperfect tracking between the change in value of the derivative and the change in value of the underlying asset that the relevant Fund is seeking to track, and potentially greater transaction costs than investing in the underlying assets directly. Derivative contracts can be volatile, and a relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase Fund volatility. Whilst a Fund will not borrow money to leverage, the Manager may, for example, take synthetic short positions through derivatives to adjust the Fund's exposure (subject to the investment limits set out in Schedule 1).

Derivatives may be exchange traded or over-the counter ("**OTC**"). The price of OTC instruments may be more volatile than instruments principally traded on securities exchanges. Such instruments may be less liquid than more widely traded securities.

The Manager uses a risk management process which enables it to monitor and measure on a daily basis the risk of a Fund's derivatives and forwards positions and their impact on the overall risk profile and leverage of that Fund. Further information on the Manager's use of derivatives for the Funds is set out in Schedule 1.

Stock lending, repurchase and reverse repurchase agreements

Although the Funds may enter into stock lending transactions and repurchase transactions, such techniques are currently not used in respect of the Funds. However, a Fund may invest in second schemes that engage in stock lending and repurchase transactions which involve certain risks.

In summary, repurchase and reverse repurchase transactions might expose a second scheme to risks similar to those associated with optional or forward derivative financial instruments (as described above). Stock loans may, in the event of an operational difficulty or due to counterparty risk (see below) be recovered late and only in part, which might restrict the second scheme's ability to complete the sale of securities or to meet redemption requests. There is no assurance that a second scheme will achieve the objective for which it entered into a transaction.

Counterparty Risk

The Manager will conduct transactions for the Funds with or through brokers, clearing houses, market counterparties, fund distributors and other agents ("**counterparties**") and will therefore be exposed to the risk that such counterparties fail to perform their obligations. For example, in the case of a counterparty's insolvency, the Fund might recover only a pro rata share of all property available for distribution to such counterparty's creditors/customers, and such an amount may be less that the amounts actually owed to the Fund. Also, the Fund may bear the risk of loss because a counterparty does not have the legal authority to enter into a transaction, or if the relevant transaction becomes unenforceable due to a change of law affecting the counterparty.

To mitigate counterparty risk, the Manager will typically only use preferred counterparties which it believes (following its due diligence procedures) are of good repute and are sufficiently creditworthy. All approved counterparties are monitored and reviewed on an ongoing basis.

Credit Risk

This is the risk that the counterparty to a financial instrument fails to discharge its obligations to the relevant Fund (or second scheme). Credit risk is monitored through the Manager's exposure monitoring work. On a monthly basis, the Manager receives the portfolio breakdowns within each Fund. This allows full monitoring of the Fund's exposures (including on a look-through basis of any second schemes), providing visibility on various risk factors, including credit risk.

Borrowing / Leverage risk

The Fund may be leveraged through use of its overdraft facility and/or its use of derivatives for efficient portfolio management, as described above. While leverage presents opportunities for increasing capital return, it may also have the effect of potentially increasing Fund losses. Any event which adversely affects the underlying investments of the Fund could be magnified to the extent that capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investments could result in a loss to capital which could be greater than if capital were not leveraged.

Liquidity Risk

Liquidity risk exists where the sale of assets or the exit of trading positions is impaired by factors such as decreasing trading volume, price volatility, industry and government regulations and overall position size and complexity. It may be difficult for the Manager to liquidate the Fund's positions rapidly, particularly if: (i) other market participants are also seeking to disinvest; (ii) trading halts, is suspended or is otherwise limited in some way. Investments in, or exposure to, smaller companies, smaller or more specialist stock markets or particular sectors of the economy can be less liquid than other kinds of investments. The less liquid an investment is, the more its value can fluctuate and the harder it is to value.

In accordance with AIFMD Rules and the Rules, the Manager maintains a liquidity management policy to monitor the liquidity risk to the Fund. This includes the use of stress testing under both normal and exceptional circumstances, to allow the Manager to measure the liquidity of the Fund's portfolio against thresholds set by reference to the Fund's redemption policy. The Manager seeks to ensure that the Fund will remain within the liquidity limits set for the Fund so that, in normal circumstances, redemption requests will be processed as set out in Section 6. In exceptional circumstances, the Manager may use other arrangements in response to redemption requests, including use of its deferral and suspension powers as set out in Section 6.

<u>Cash Flow Risk</u>

This is the risk that a Fund will have insufficient cash to cover all transactions (related to liquidity risk). Cash flow risk is monitored and mitigated by understanding various transactions – such as trades that are currently being placed or due to be placed, subscriptions to and redemptions from, income that is due to, and expenses that are due – from the Fund, thereby recognising all cash flows.

The Manager reflects these transactions the following business morning within 'live' portfolios, even though those transactions may not yet have settled, so that its portfolio management function has the clearest possible picture of the cash movements within each Fund. Cash flow risk is further mitigated through the maintenance of an overdraft facility with the Custodian.

<u>Valuation Risk</u>

This is the risk that the valuation of investments may not be accurate, therefore adversely affecting the Unit price. This risk will increase with the complexity of the transactions entered into. Also, financial instruments that are illiquid and/or not publically traded may not have readily available prices and may therefore be difficult to value. Determinations as to their fair value may not represent the actual amount that will be realised on the eventual disposal of such assets.

Although the Manager retains overall responsibility for the valuation, it has delegated fund accounting (including valuation of the Funds) to the Administrator and Registrar, a specialist fund accounting service provider. However, investors should be aware that there is a possible conflict of interest in the involvement of the Manager and the Administrator and Registrar in the valuation process, in that their fees are affected by the net asset value of the Funds (i.e. the higher the valuation of the Funds, the higher the fees payable to the Manager and the Administrator and Registrar).

To monitor and mitigate valuation risk, there are several stages of review, conducted by separate functions, to ensure a proper, accurate and impartial valuation that is performed in accordance with the Trust Deed, the Rules and with all due skill, care and diligence.

<u>Legal Risk</u>

Legal, tax and regulatory changes could occur during the term of the Fund, potentially affecting the Fund's ability to pursue its investment objective.

<u>Custody risk</u>

The cash and assets of each Fund are held in safekeeping by the Trustee, as outlined in Section 2. The assets of a Fund will normally be identified in the Trustee's books as belonging to that Fund and segregated from other assets of the Trustee, which mitigates but does not exclude the risk of non-restitution in the case of the Trustee's insolvency. However, no such segregation applies to cash which increases the risk of non-restitution in the case of the Trustee's insolvency.

The Trustee does not hold all the assets of each Fund itself but uses a network of custodians and sub-custodians. Such custodians and sub-custodians are not all part of the same group of companies as the Trustee. Unitholders may therefore be exposed to the risk of insolvency of the sub-custodians in the same manner as they are to the risk of insolvency of the Trustee. A Fund may invest in assets which invest in markets where custodial and/or settlement systems are not fully developed. The Trustee may have no liability where the assets of the Funds are traded in such markets.

Manager Risk

The performance of a Fund will depend significantly upon the ability of the Manager to select profitable investments and, to the extent a Fund is invested in second schemes, the ability of investment managers of such schemes to do likewise.

Use of Sub-Adviser

If a Fund uses one or more Sub-Advisers, that Fund may be subject to the following potential risks:

- while each Sub-Adviser may have a performance record reflecting its prior experience, this performance cannot be used to predict future performance;

- each Sub-Adviser may be subject to capacity limitations on the amount of money it can manage. Any such limitations could prevent the Manager from allocating Fund assets to certain Sub-Advisers with which the Manager would otherwise like to invest;

- the success of a particular Sub-Adviser may be dependent on the expertise of certain key individuals. The loss of one or more such key individuals from a Sub-Adviser could have a materially adverse effect on the performance of the relevant Fund's assets that are managed by such Sub-Adviser which, in turn, could adversely affect the performance of the Fund as a whole;

- the Manager will be provided with information by the Sub-Adviser and there may be limited ability for the Manager to confirm or verify such information;

- if the Manager has appointed more than one Sub-Adviser in respect of a Fund, there are no assurances that their collective performance will result in profitable returns or avoid losses for the Fund as a whole. Positive performance achieved by one Sub-Adviser may be neutralised by negative performance attributed to other Sub-Advisers.

HL Income Fund – volatility

The volatility of the Fund is assessed using forecasted volatility figures at least monthly. The Fund's volatility may not remain within the risk range stated in the Investment Objective of the Fund and, accordingly, there may be periods, for example in extreme market conditions, when the Fund's volatility either exceeds or falls below this range.

Tax considerations

Each Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund is incorporated, established or resident for tax purposes. Each Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund or the counterparty to a transaction involving that Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. That Fund may not be able to recover such tax and so any change could have an adverse effect on the net asset value of the Units.

Where a Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by that Fund (whether in accordance with current or future accounting standards), this would have an adverse effect on the net asset value of the Units. This could cause benefits or detriments to certain Unitholders, depending on the timing of their entry to and exit from that Fund.

Schedule 1

Investment and Borrowing Powers

The Funds may exercise the full authority and powers permitted by the Rules applicable to Non-UCITS Retail Schemes. However, this is subject to the investment objective and policy of each Fund, the applicable investment limits and restrictions as set out in the relevant Trust Deed and as stated in this Prospectus.

In accordance with the relevant Fund's investment policy, the Fund shall primarily invest in units and shares of other collective investment schemes. The capital property attributable to the Fund is required to consist of such investments although investment in other asset classes is permitted as set out in the Rules as such rules apply to Non-UCITS Retail Schemes and as summarised below. Therefore, the capital property may at any time consist of all units or shares of collective investment schemes or a mixture of such assets as well as investments of other asset classes as set out below.

The Manager shall ensure that, taking into account the investment objective and investment policy of each Fund, the scheme property of the Fund will be invested with the aim of providing a prudent spread of risk.

The Manager uses a risk management process, as reviewed by the Trustee, enabling it to monitor and measure as frequently as appropriate the risk of the relevant Fund's portfolio and contribution of the underlying investments to the overall risk profile of that Fund. The details of the risk management process have been notified by the Manager to the FCA, and includes the following information:

- the types of investments to be used within the Fund together with their underlying risks and any relevant quantitative limits;
- the methods for estimating risks in the portfolio to ensure these are adequately captured; and
- the risks relating to the Fund's other investments.

The Manager must notify the FCA in advance of any material alteration to its risk management policy.

General

Subject to the investment objective and policy of the relevant Fund, the scheme property of the Fund may consist of one or more of the following assets or investments:

- transferable securities
- money market instruments
- units / shares in permitted collective investment schemes
- permitted derivatives and forward transactions
- permitted deposits
- cash and near cash.

It is not intended that a Fund will have a direct interest in any: (i) immovable or tangible moveable property; or (ii) gold.

Unless expressly stated, the following investment restrictions under the relevant Trust Deed and the Rules currently apply to each Fund.

Collective investment schemes

All Funds other than the HL UK Income Fund may invest up to 100% of their scheme property in units and/or shares in other collective investment schemes ("second scheme"). The HL UK Income Fund may invest up to 15% of its scheme property in units or shares of second schemes.

Subject to the limits set out in the preceding paragraph, investment in second schemes is permitted provided that the second scheme satisfies all of the requirements referred to in (a) to (d) below:

(a) the second scheme:

  (i) is a UK UCITS (as defined in the Rules) or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or

  (ii) is a Non-UCITS Retail Scheme; or

  (iii) is a recognised scheme for the purposes of the Financial Services and Markets Act 2000 (as amended); or

  (iv) 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

  (v) is a second scheme which does not fall within any of the above categories and in respect of which no more than 20% in value of the property of the scheme (including any transferable securities which are not approved securities) is invested.

(b) the second scheme must operate on the principle of the prudent spread of risk;

(c) the second scheme must have terms which prohibit more than 15% in value of the scheme property consisting of units and/or shares in other collective investment schemes;

(d) the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:

  (i) to the net value of the property to which the units relate; and

  (ii) which are determined in accordance with the scheme.

Where the second scheme is an umbrella scheme, the above provisions apply to each sub-fund of the umbrella scheme as if it were a second scheme.

The Fund may invest in shares or units of second schemes which are managed or operated by (or, in the case of companies incorporated under the OEIC Regulations, have as their authorised corporate director) the Manager or an associate of the Manager. However, if the Fund invests in units or shares in second schemes managed or operated by the Manager or by an associate of the Manager, the Manager must pay into the property of the Fund before the close of the business on the third business day after the agreement to invest or dispose of units for HL Income and HL Multi-Manager Strategic Bond Trust, and the second business day for , HL UK Income Fund, HL Multi-Manager Balanced Managed Trust and HL Multi-Manager Special Situations Trust:

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

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

Not more than 35% in value of the property of the Fund may consist of units or shares in any one collective investment scheme.

Transferable Securities

The scheme property may consist of transferable securities (as defined in the Rules) which are admitted to or dealt in on an eligible market (as set out in Schedule 2). Not more than 20% in value of the scheme property may consist of transferable securities which are not admitted to or dealt in an eligible market (aggregated with the value of scheme property which can be invested in unregulated collective investment schemes) and/or money market instruments which do not fall within the criteria set out under the section entitled "Money Market Instruments" below.

Not more than 10% in value of the scheme property may consist of transferable securities or money market instrument (referred to below) issued by any single body. However this rule: (a) does not apply in respect of government and public securities (as is explained below); and (b) is raised to 25% in respect of covered bonds. A covered bond is a bond issued by a credit institution which has its registered office in the UK or an EEA State and is subject by law to special public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest, and which may be collateralised.

Not more than 5% in value of the scheme property may consist of warrants. Warrants may only be held if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene the Rules. Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at any time when the payment is required without contravening the Rules.

In respect of nil and partly paid securities a transferable security or approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the rules in COLL 5.

Money Market Instruments

The scheme property may consist of money market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time, provided such money market instrument is:

(a) issued or guaranteed by: (i) a central authority of the UK or an EEA State or, if the EEA State is a federal state, one of the members making up the federation; (ii) a regional or local authority of the UK or an EEA State; (iii) the Bank of England, the central bank of an EEA state, the European Central Bank, the European Union or the European Investment Bank; (iv) a non-EEA state or, in the case of a federal state, by one of the members making up the federation; or (v) a public international body to which the UK or one or more EEA states belongs; or

(b) issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by UK or EEA Law or an establishment which is subject to and complies with prudential rules governed by the FCA to be at least as stringent as those laid down by UK or EEA Law; or

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

Derivatives

The scheme property may consist of derivatives or forward transactions for the purposes of 'efficient portfolio management' (including "hedging"). This is set out in more detail in the next sub-section.

Derivatives transactions must either be in an approved derivative (being a derivative which is dealt in on an eligible derivatives market as set out in Schedule 2) or an over the counter derivative with an approved counterparty as defined in the glossary to the FCA Handbook.

A counterparty to a transaction in derivatives is approved only if the counterparty is an eligible institution or an approved bank, or whose home state authorisation, permits it to enter into such transactions as principal off exchange.

Any over the counter transactions in derivatives must also be on approved terms, i.e. the Manager:

(a) carries out a reliable and verifiable valuation in respect of that transaction at least daily; and

(b) can enter into a further transaction to close out that transaction at any time, at a fair value, arrived at under the pricing model or other reliable basis agreed.

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

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

(a) transferable security;

(b) money market instruments;

(c) deposits;

(d) derivatives;

(e) collective investment schemes;

(f) financial indices;

(g) interest rates;

(h) foreign exchange rates; and

(i) currencies.

Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to spread, except for index based derivatives. A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units or shares in collective investment schemes or derivatives.

Where a Fund invests in an index based derivative, provided the relevant index falls within COLL 5.6.23 R, the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.6.7 R and COLL 5.6.8 R.

Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of complying with the Rules.

The Manager will ensure that any transaction in derivatives and forward transactions is covered in accordance with the COLL Sourcebook. This includes ensuring that at all times, the Fund has enough assets to sufficiently cover its derivative positions. In determining the adequacy of the cover for such positions, the Manager will take into account the value of the underlying assets, counterparty risk, the time taken to liquidate any derivative position, and any reasonably foreseeable market movement.

The Manager uses a risk management process which enables it to monitor and measure on a daily basis the risk of the Fund's derivatives and forwards positions and their impact on the overall risk profile and leverage of the Fund. The global exposure relating to derivative instruments will be calculated using the commitment approach. The commitment approach (in summary) aggregates the market (or notional) values of derivative instruments, after netting and hedging, to determine the degree of global exposure of a Fund to derivative instruments. The global exposure of a Fund under the commitment approach must not exceed the net asset value of that Fund.

Meaning of 'Efficient Portfolio Management (including "hedging")'

The Fund may enter into derivative and forward transactions for efficient portfolio management (including hedging) purposes provided the following requirements are satisfied:

- the transaction is economically appropriate,
- the exposure on the transaction is fully covered, and,
- the transaction is entered into for either of the following specific aims:

(i) the reduction of risk; or
(ii) the reduction of costs; or
(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 risk diversification rules laid down in the Rules.

A transaction which is regarded as speculative will not be permitted. A list of the current eligible derivatives markets is set out in Schedule 2. Further derivatives markets may be added to the list following consultation with the Trustee in accordance with the Rules.

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

The Manager does not anticipate the intended use of derivatives and forwards transactions as set out above to have any detrimental effect on the overall risk profile of the Fund.

Cash and near cash

The scheme property may consist of cash or near cash to enable:

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

(b) the redemption of shares; or

(c) the efficient management of the Fund in accordance with its objectives or any other purposes which may reasonably be regarded as ancillary to the objectives of the Fund.

The Manager does not anticipate the Fund consisting of more than 20% of cash or near cash at any one time. Liquidity may be at the upper end of, or even exceed this range under certain circumstances such as where large market movements and/or an exceptional number of redemptions are anticipated or the Fund is in receipt of large cash sums upon the issue of units or realisation of investments.

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

Deposits

The scheme property may consist of deposits (as defined in the Rules) but only if it:

- is with an approved bank;
- is repayable on demand or has the right to be withdrawn; and
- matures in no more than 12 months.

Spread – general

In applying any of the restrictions referred to above:

- Not more than 10% in value of the Fund property is to consist of transferable securities or money market instruments issued by any single body (subject to the Rules in COLL 5.6.23R). In applying any limit to transferable securities or money market instruments, any certificates representing certain securities are to be treated as equivalent to the underlying security.

- The exposure to any one counterparty in an over the counter derivative transaction must not exceed 10% in value of the scheme property.

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

The rules relating to the spread of investments will not apply during any period in which it is not reasonably practical to comply, provided that at all times the scheme property of the Fund aims to provide a prudent spread of risk.

The above restrictions do not apply to in respect of government and public securities.

Spread - Government and public securities

Up to 100% of the scheme property of a Fund may consist of transferable securities or approved money market instruments ("such securities") that are issued or guaranteed by the UK or an EEA State, a local authority of the UK or an EEA State, a non-EEA State or a public international body to which the UK or one or more EEA States belong.

Where no more than 35% in value of the scheme property of a Fund is invested in such securities issued by any one body, there is no limit on the amount which can be invested in such securities or in any one issue. A Fund may invest more than 35% in value of the scheme property in such securities issued by any one body provided such securities satisfy the following conditions:

a) the Manager has before any such investment is made consulted with the Trustee, and as a result considers that the issue of such securities is one which is appropriate in accordance with the investment objective of a Fund;

b) no more than 30% in value of the scheme property consists of such securities of any one issue;

c) the scheme property of the Fund includes such securities issued by that or another issuer, of at least six different issues.

The issuer or guarantor for the purposes of the above limits are as follows:

(d) the Government of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly and the National Assembly of Wales); and

(e) the Government of any EEA State (which as at the date of this Prospectus includes Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden); and

(f) the Governments of Australia, Canada, Hong Kong, Japan, New Zealand, The United States of America.

Borrowing

Subject to the Trust Deed and the Rules (such as relate to Non-UCITS Retail Schemes), the Fund may borrow money for the purposes of achieving its objectives on terms that such borrowings are to be repaid out of the scheme property. The Manager does not anticipate significant use of this borrowing power. Such borrowing may only be made from an eligible institution or approved bank (as defined in the Rules). The borrowing of the Fund must not, on any Business Day, exceed 10% of the value of the scheme property of the Fund.

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

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

The scheme property of the Fund must not be lent, except for the purposes of stock lending (as described below). Further the Fund may not grant credit facilities nor act as a guarantor on behalf of third parties, provided that for the purpose of this restriction: (i) the acquisition of transferable securities, approved money market instruments or other permitted financial instruments; and (ii) the permitted lending of portfolio securities, shall be deemed not to constitute the making of a loan.

Stock lending

Stock lending and repo contracts may be entered into by the Trustee on behalf of the Fund when it reasonably appears to the Manager to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk.

The Trustee, at the request of the Manager, may enter into a stock lending arrangement or repo contract of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by Section 263C of that Act) but only if:

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

(b) the counterparty meets the criteria set out in COLL 5.4.4 R; and

(c) collateral is obtained to secure the obligation of the counterparty under the terms referred to in (a) above. Collateral must be acceptable to the Trustee, adequate and sufficiently immediate (in each case, in accordance with the Rules).

Although the Funds may enter repurchase transactions and stock lending transactions, the Funds do not currently use such techniques. Should any Fund use such techniques and instruments in the future, the Manager will comply with the applicable regulations and in particular the UK version of Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse (the "SFTR"). In these circumstances, the Prospectus will be updated prior to the use of any such techniques and instruments in order to contain all of the information required by the SFTR.

General power to accept or underwrite placings

Any power in the Rules to invest in transferable securities may be used for the purpose of entering into any agreement or understanding which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Fund.

This authority does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or to acquire a transferable security, or to convert one transferable security into another.

The exposure of the Fund to agreements and understandings set out above, on any Business Day, must be covered and be such that, if all possible obligations arising under the arrangements had to be immediately met in full, there would be no breach of any of the investment limits set out in this Schedule.

Eligible Markets

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

(a) a "regulated market" as defined in the Rules;

(b) a securities market established in the UK and any EEA State (which as at the date of this Prospectus includes the UK, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden) which is regulated, operates regularly and is open to the public; or

(c) the principal or only market established under the rules of any of the following investment exchanges:

Country	Market
Australia	Australian Securities Exchange
Canada	Toronto Stock Exchange
Hong Kong	Hong Kong Stock Exchange
Japan	Tokyo Stock Exchange
New Zealand	New Zealand Stock Exchange
Singapore	Singapore Exchange
Switzerland	SIX Swiss Exchange
Turkey	Istanbul Stock Exchange
The United States of America	New York Stock Exchange (NYSE) The NASDAQ Stock Market

The alternative investment market (AIM) of the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited is also an eligible securities market for the purposes of the Fund.

Eligible Derivatives Markets

Set out below are the derivatives markets through which the Fund may deal (subject to the Trust Deed, this Prospectus and the Rules as applicable to non-UCITS retail schemes):

Country	Market
Japan	Tokyo Stock Exchange
New Zealand	New Zealand Futures and Options Exchange
UK	London International Financial Futures and Options Exchange
The United States of America	Chicago Mercantile Exchange
Europe	European Options Exchange EURONEXT

Schedule 3

Valuation of the property of each Fund

The net asset value of the scheme property of a Fund shall be the value of its assets less the value of its liabilities, and shall be determined in accordance with the following provisions:

1 All the scheme property of the Fund (including receivables) as at the Valuation Point is to be included in the valuation, subject to the following provisions.

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

2.1 Units/shares in a collective investment scheme:

(a) if a single price for buying and selling units/shares is quoted, that price;
(b) if separate buying and selling prices are quoted, at the average of the two prices provided that the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit charges attributable thereto; or

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

2.2 exchange-traded derivative contracts:

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

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

2.3 over-the-counter derivative contracts shall be valued in accordance with the method of valuation agreed between the Manager and the Trustee;

2.4 any other transferable security:

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

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

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

2.5 property other than that described in paragraphs 2.1 to 2.4 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 and deposit accounts (and in other time-related deposits) shall be valued at their nominal values.

4 Property which is a contingent liability transaction shall be treated on the following basis:

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

4.2 if an off exchange future, the net value of closing-out (in accordance with a valuation method agreed by the Manager and the Trustee) shall be included;

4.3 if any other form of contingent liability transaction, the net value of margin on closing-out (in accordance with a valuation method agreed by the Manager and the Trustee) shall be included.

5 In determining the value of the scheme property of the Fund, all instructions given to issue or cancel units shall be assumed to have been taken, regardless of whether or not this is the case.

6 Subject to paragraphs (7) and (8) below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted will be treated as having been completed and all necessary consequential actions having been taken. Such unconditional agreements need not be taken into account if they are 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.

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

8 All agreements are to be included under paragraph (6) which are, or ought reasonably to have been known, to the person valuing the property.

9 An estimated amount will be deducted for anticipated tax liabilities at the point in time including (as applicable and without limitation): capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty and stamp duty reserve tax.

10 The following will also be deducted:

(a) an estimated amount for any liabilities payable out of the property attributable to the Fund and any tax on it (treating any periodic items as accruing from day to day);

(b) the principal amount of any outstanding borrowings whenever payable;

(c) any accrued but unpaid interest on borrowings.

11 An estimated amount will be added for accrued claims for repayment of taxation levied:

(a) on capital (including capital gains); or

(b) on income.

12 The following will also be added:

(a) any other credit due to be paid into the scheme property of the Fund;

(b) any SDRT provision anticipated to be received.

13 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.

Proportion Accounts

If more than one class of Unit are in issue in a Fund, the proportionate interests of each class in the assets and income of the Fund shall be ascertained as set out in the Trust Deed, the relevant provisions being set out as follows:

A notional account will be maintained for each Unit class. Each account will be referred to as a "**Proportion Account**". The word "proportion" in the following paragraphs means the proportion which the balance on a Proportion Account at the relevant time bears to the balance on all the Proportion Accounts of a Fund at that time. The proportionate interest of a class of Unit in the assets and income of a Fund is its "**proportion**".

These will be credited to a Proportion Account:

- the subscription money (excluding any initial charges) for the issue of Units of the relevant class;
- that class's proportion of the amount by which the net asset value of the Fund exceeds the total subscription money for all Units in the Fund;
- that class's proportion of the Fund's income received and receivable; and
- any notional tax benefit.

These will be debited to a Proportion Account:

- the redemption payment for the cancellation of Units of the relevant class;
- the Unit class's proportion of the amount by which the net asset value of the Fund falls short of the total subscription money for all Units in the Fund;
- all distributions of income (including equalisation, if any) made to Unitholders of that class;
- all costs, charges and expenses incurred solely in respect of that class;
- that Unit class's share of the costs, charges and expenses incurred in respect of that class and one or more other classes in the Fund, but not in respect of the Fund as a whole;
- that class's share of the costs, charges and expenses incurred in respect of or attributable to the Fund as a whole; and
- any notional tax liability.

Any tax liability in respect of the relevant Fund, and any tax benefit received or receivable in respect of that Fund, will be allocated between classes in order to achieve, so far as possible, the same result as not materially to prejudice any class. The allocation will be carried out by the Manager after consultation with the Auditors.

The Proportion Accounts are notional accounts maintained for the purpose of calculating proportions. They do not represent debts from the Fund to Unitholders or the other way round. Each credit and debit to a Proportion Account shall be allocated to that account on the basis of that Unit class's proportion immediately before the allocation. All such adjustments shall be made as are necessary to ensure that on no occasion on which the proportions are ascertained is any amount counted more than once. When Units are issued thereafter each such Unit shall represent the same proportionate interest in the property of the Fund as each other Unit of the same category and class then in issue in respect of that Fund.

Each Fund shall allocate the amount available for income allocation (calculated in accordance with the COLL Sourcebook) between the Units in issue relating to the Fund according to the respective proportionate interests in the property of the Fund represented by the Units in issue at the Valuation Point in question.

The Funds

HL MULTI-MANAGER BALANCED MANAGED TRUST

Investment objective

The investment objective of the Fund is to provide long term capital growth.

Investment policy

The Fund will seek to invest, either directly or indirectly via other collective investment schemes and exchange traded funds, in a broad spectrum of equities and/or floating and fixed interest securities. In the equity segment of the portfolio, the Fund has the flexibility to invest in smaller companies and overseas markets in addition to larger companies and UK markets. In the floating and fixed interest segment of the portfolio, the Fund will pursue investments in UK and overseas government, corporate or high yield bonds. However, the Fund is not limited to these asset types and will select equities and/or floating and fixed interest securities for their long term potential. There are no overall constraints in terms of duration and credit ratings.

The Fund may from time to time be invested principally in other (regulated and unregulated) collective investment schemes, subject to the Rules for Non-UCITS Retail Schemes. The underlying funds in which the Fund will invest will generally be established in Europe (including the UK, Jersey and Guernsey).

In addition, the Fund may, directly or indirectly, invest in other transferable securities (including closed ended funds), money market instruments, deposits and warrants to the extent permitted for Non-UCITS Retail Schemes under the Rules. **The Fund may also use derivative instruments and forwards transactions for the limited purposes of efficient portfolio management, including hedging.**

It is intended that the assets of the Fund will be managed so that it is eligible for quotation within The Investment Association's "Mixed Investment 40-85% Shares" Sector. This means that the Fund shall target investment in a range of assets with the minimum equity exposure set at 40% and maximum equity exposure restricted to 85%. The assets should be at least 50% invested in established market currencies (US Dollar, Sterling, Euro) of which 25% must be Sterling-denominated investments. Further details may be found on The Investment Association's website – see below.

In order to achieve the investment objective of the Fund, the Manager may allocate all or a portion of the Fund's assets to one or more Sub-Advisers. Each Sub-Adviser will use its own methodology for managing its allocated portion of the Fund's portfolio, subject at all times to the Manager's oversight and the Fund's investment objective and policy as outlined above. The Manager may, at its discretion, choose to retain the investment management of some or all of the Fund's portfolio.

Benchmarks – measuring the Fund's performance

The Fund does not target the performance of, and is not constrained by, a benchmark. The Fund does not use a benchmark for the purposes of the Benchmark Regulation. However, the Manager believes it is appropriate to compare the Fund's performance to the **Investment Association (IA) Mixed Investment 40-85% Shares** average (as a "**comparator benchmark**").

Funds in the "**Mixed Investment 40-85% Shares**" sector are required to have a range of different investments. Funds in this sector must have:

- a minimum of 40% equity exposure, and a maximum of 85% equity exposure; and
- a minimum of 50% invested in established market currencies (US dollar, Sterling and Euro), of which 25% must be Sterling (including assets hedged back to Sterling).

The Investment Association (the UK's trade body for the funds industry) has created IA sectors to help investors compare funds with broadly similar characteristics. These sectors divide funds into groups, with each sector having a different investment focus. This allows investors to make like-for-like comparisons between competitor funds, on factors such as fund charges and performance. In order to be included within an IA sector, a Fund must fulfil certain criteria.

Information on comparative performance of funds in this IA sector is available from various independent data providers including Morningstar and FE Trustnet.

You can find further information on the current Investment Association sectors at the following website: https://www.theia.org/industry-data/fund-sectors.

Borrowing

The Fund has an overdraft facility which it may use for short term liquidity purposes (up to 10% of its net asset value) as set out in Schedule 1. The Fund may use this borrowing power to the extent permitted by the Rules for Non-UCITS Retail Schemes.

Leverage

For the purposes of this Prospectus, "**leverage**" is any method by which the Fund's exposure is increased beyond its holding of assets and cash. The Fund may incur leverage (whether through borrowing of cash or through its use of derivatives for efficient portfolio management purposes) in the circumstances, and subject to the restrictions, set out in Schedule 1. There are no collateral, asset re-use or guarantee arrangements involved in the Manager's current approach to leverage.

Pursuant to the Rules, the Manager is required to set maximum leverage levels and seek to operate the Fund within these levels at all times. The AIFMD sets out two methodologies for calculating the overall exposure of a fund: the 'gross' method and the 'commitment' method. These methodologies are summarised below but are set out in full in the AIFMD Rules. The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The 'gross' method shall exclude the value of any cash and cash equivalents from the sum of the absolute value of all positions.

The maximum gross leverage limit in the Fund is 220%. The maximum commitment leverage limit is 110%. It is expected that the Manager will operate the Fund well within these limits. The Manager will report on its use of leverage within the Fund, and any change to use of leverage and leverage limits, in the Fund's Annual Report.

Stock lending

The Manager is allowed to enter into stocklending arrangements as set out in Schedule 1. Property of the Fund used for stocklending purposes will be delivered to a third party and transferred back to the Fund at a later date. There is no limit on the value of the Fund's property which may be subject to stocklending arrangements.

Cash

The Fund may hold cash and near cash. The Manager does not anticipate that the Fund will typically hold more than 20% of cash or near cash at any one time. However, liquidity may be at the upper end of, or even exceed this range, under certain circumstances such as where large market movements and/or an exceptional number of redemptions are anticipated or the Fund is in receipt of large cash sums upon the creation of units or realisation of investments.

A summary of the Fund's investment and borrowing powers is set out in Schedule 1 to this Prospectus.

Unit Class Information

Unit Class	Initial Charge	Annual Management Charge (AMC)	Sub-Adviser Charge (aggregate) **	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding
Class A Accumulation Unit	5%	Up to 0.72% *	Up to 0.6%	£150,000	£150,000	£10,000

* The Manager's AMC is charged on a Tiered Pricing basis and the figure shown reflects the Starting AMC rate (or maximum rate) that may be charged. Please refer to Section 5 of the Prospectus (Charges and Expenses) for further detail.

** The Sub-Adviser charge may vary dependent on the value of the segmented portfolio allocated to the individual Sub-Advisers from time to time, but will not exceed 0.6% in aggregate.

Reports and Accounts

Annual accounting reference date	30 September
Interim accounting date	31 March
Income allocation dates	30 November, 31 May
Date of publication of annual reports and accounts	31 January

Historical Performance Data

	% Growth 30/09/2018 To 30/09/2019	% Growth 30/09/2019 To 30/09/2020	% Growth 30/09/2020 To 30/09/2021	% Growth 30/09/2021 To 30/09/2022	% Growth 30/09/2022 To 30/09/2023
HL Multi-Manager Balanced Managed Trust (A Acc)	-0.3	-4.0	18.9	-11.33	7.71

Source: Lipper. **Past performance is not an indication of future performance.**

Fund related notes

Performance is shown net of charges (excluding preliminary (initial) charge) and net of tax. Class A Accumulation Units have been used as the representative Unit class. The data reflects that net income has been reinvested. Prior to 22 October 2018, the Fund operated a dual-pricing policy and therefore performance data before this date is presented on a bid-to-bid basis. All performance data following 22 October 2018 reflects that the Fund is now single priced.

On 22 October 2018, the Investment Policy of the Fund was amended to that now stated following the approval of a resolution of Unitholders who held Units in the Fund at the time.

HL MULTI-MANAGER SPECIAL SITUATIONS TRUST

Investment objective

The investment objective of the Fund is to provide long term capital growth.

Investment policy

The Fund has an unconstrained equity focus and will seek to invest, either directly or indirectly via other collective investment schemes and exchange traded funds, at least 80% in equities. The Fund is not restricted to investment in any particular geographic or market sector and therefore has the flexibility to invest in both the UK and overseas, including emerging markets. The Fund may also have exposure to floating and fixed interest securities.

The Fund may from time to time be invested principally in other (regulated and unregulated) collective investment schemes, subject to the Rules for Non-UCITS Retail Schemes. The underlying funds in which the Fund will invest will generally be established in Europe (including the UK, Jersey and Guernsey).

In addition, the Fund may, directly or indirectly, invest in other transferable securities (including closed ended funds), money market instruments, deposits and warrants to the extent permitted for Non-UCITS Retail Schemes under the Rules. The Fund may also use derivative instruments and forwards transactions for the limited purposes of efficient portfolio management, including hedging.

In order to achieve the investment objective of the Fund, the Manager may allocate all or a portion of the Fund's assets to one or more Sub-Advisers. Each Sub-Adviser will use its own methodology for managing its allocated portion of the Fund's portfolio, subject at all times to the Manager's oversight and the Fund's investment objective and policy as outlined above. The Manager may, at its discretion, choose to retain the investment management of some or all of the Fund's portfolio.

Benchmarks – measuring the Fund's performance

The Fund does not target the performance of, and is not constrained by, a benchmark. The Fund does not use a benchmark for the purposes of the Benchmark Regulation. However, the Manager believes it is appropriate to compare the Fund's performance to the Investment Association (IA) Global sector average (as a "comparator benchmark").

The IA Global sector includes funds which invest at least 80% of their assets globally in equities. Funds must be diversified by geographic region.

The Investment Association (the UK's trade body for the funds industry) has created IA sectors to help investors compare funds with broadly similar characteristics. These sectors divide funds into groups, with each sector having a different investment focus. This allows investors to make like-for-like comparisons between competitor funds, on factors such as fund charges and performance. In order to be included within an IA sector, a Fund must fulfil certain criteria.

Information on comparative performance of funds in this IA sector is available from various independent data providers including Morningstar and FE Trustnet.

You can find further information on the current Investment Association sectors at the following website: https://www.theia.org/industry-data/fund-sectors.

Borrowing

The Fund has an overdraft facility which it may use for short term liquidity purposes (up to 10% of its net asset value) as set out in Schedule 1. The Fund may use this borrowing power to the extent permitted by the Rules for Non-UCITS Retail Schemes.

Leverage

For the purposes of this Prospectus, "**leverage**" is any method by which the Fund's exposure is increased beyond its holding of assets and cash. The Fund may incur leverage (whether through borrowing of cash or through its use of derivatives for efficient portfolio management purposes) in the circumstances, and subject to the restrictions, set out in Schedule 1. There are no collateral, asset re-use or guarantee arrangements involved in the Manager's current approach to leverage.

Pursuant to the Rules, the Manager is required to set maximum leverage levels and seek to operate the Fund within these levels at all times. The AIFMD sets out two methodologies for calculating the overall exposure of a fund: the 'gross' method and the 'commitment' method. These methodologies are summarised below but are set out in full in the AIFMD.

The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The 'gross' method shall exclude the value of any cash and cash equivalents from the sum of the absolute value of all positions.

The maximum gross leverage limit in the Fund is 220%. The maximum commitment leverage limit is 110%. It is expected that the Manager will operate the Fund well within these limits. The Manager will report on its use of leverage within the Fund, and any change to use of leverage and leverage limits, in the Fund's Annual Report.

Stock lending

The Manager is allowed to enter into stocklending arrangements as set out in Schedule 1. Property of the Fund used for stocklending purposes will be delivered to a third party and transferred back to the Fund at a later date. There is no limit on the value of the Fund's property which may be subject to stocklending arrangements. **A summary of the Fund's investment and borrowing powers is set out in Schedule 1 to this Prospectus.**

Unit Class Information

Unit Class	Initial Charge	Annual Management Charge (AMC)	Sub-Adviser Charge (aggregate) **	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding

Class A Accumulation Unit	5%	Up to 0.75% *	Up to 0.6%	£150,000	£150,000	£10,000

* The Manager's AMC is charged on a Tiered Pricing basis and the figure shown reflects the Starting AMC rate (or maximum rate) that may be charged. Please refer to Section 5 of the Prospectus (Charges and Expenses) for further detail.

** The Sub-Adviser charge may vary dependent on the value of the segmented portfolio allocated to the individual Sub-Advisers from time to time, but will not exceed 0.6% in aggregate.

Reports and Accounts

Annual accounting reference date	30 September
Interim accounting date	31 March
Income allocation dates	30 November, 31 May
Date of publication of annual reports and accounts	31 January

Historical Performance Data

	% Growth 30/09/2018 To 30/09/2019	% Growth 30/09/2019 To 30/09/2020	% Growth 30/09/2020 To 30/09/2021	% Growth 30/09/2021 To 30/09/2022	% Growth 30/09/2022 To 30/09/2023
HL Multi-Manager Special Situations Trust (A Acc)	-0.6	-1.2	24.3	-12.9	7.7

Source: Lipper. **Past performance is not an indication of future performance.**

Fund related notes

Performance is shown net of charges (excluding preliminary (initial) charge) and net of tax. Class A Accumulation Units have been used as the representative Unit class. The data reflects that net income has been reinvested. Prior to 22 October 2018, the Fund operated a dual-pricing policy and therefore performance data before this date is presented on a bid-to-bid basis. All performance data following 22 October 2018 reflects that the Fund is now single priced.

On 22 October 2018, the Investment Policy of the Fund was amended to that now stated following the approval of a resolution of Unitholders who held Units in the Fund at the time.

HL UK INCOME FUND

Investment objective

The Fund aims to provide an annual income higher than that provided by the FTSE® All-Share Total Return Index, and a total return in excess of the performance of the FTSE® All- Share Total Return Index over rolling 5 year periods. The Fund's total return aim is measured after the deduction of Fund charges.

Investment policy

The Fund will invest its assets either directly, or indirectly via other collective investment schemes and exchange traded funds. At least 80% of the Fund will be invested in shares of UK companies (companies domiciled or incorporated in the UK).

The Fund may also invest up to 20% in shares of non-UK companies, bonds (for example, loans to either a company or government that pay interest), in other transferable securities (including closed ended funds), money market instruments (for example, short term loans that pay interest), deposits, warrants and cash.

In order to achieve the investment objective of the Fund, the Manager will allocate all or a portion of the Fund's assets to one or more Sub-Advisers. Each Sub-Adviser will use its own methodology for managing its allocated portion of the Fund's portfolio, subject at all times to the Manager's oversight and the Fund's investment objective and policy. The Manager may, at its discretion, choose to retain the investment management of some or all of the Fund's portfolio.

The Fund may invest up to 15% of its assets via other collective investment schemes.

The Fund may make limited use of foreign exchange forward transactions for the purposes of efficient portfolio management, including hedging (these are methods of managing the Fund in a way that is designed to reduce risk or cost).

The Fund is actively managed, which means the manager or delegated Sub-Adviser decides which investments to buy and sell and when. Investments are selected based on individual company research. The Fund invests in companies which the manager or Sub-Adviser believes:

- exhibit above average income generation potential, and / or
- offer the potential for share price and / or dividend growth.

These companies may be selected from any industry or economic sector, and there is no restriction on size.

Benchmarks – measuring the Fund's performance

Target Benchmark: The Fund's income return and overall performance targets are measured against the FTSE® All-Share Total Return Index (the "Index") annualised. The Index represents the performance of all eligible companies listed on the London Stock Exchange and is regarded as an appropriate performance measure of the UK stock market, with over 600 companies currently included. The income yield of the Index (calculated using dividends declared by its constituent companies) provides a suitable benchmark against which the Fund's performance may be measured.

The Fund will not hold the shares of every company in the Index and may also hold the shares of companies that do not form part of it.

Borrowing

The Fund has an overdraft facility which it may use for short term liquidity purposes (up to 10% of its net asset value) as set out in Schedule 1. The Fund may use this borrowing power to the extent permitted by the Rules for Non-UCITS Retail Schemes.

Leverage

For the purposes of this Prospectus, "**leverage**" is any method by which the Fund's exposure is increased beyond its holding of assets and cash. The Fund may incur leverage (whether through borrowing of cash or through its use of derivatives for efficient portfolio management purposes) in the circumstances, and subject to the restrictions, set out in Schedule 1. There are no collateral, asset re-use or guarantee arrangements involved in the Manager's current approach to leverage.

Pursuant to the Rules, the Manager is required to set maximum leverage levels and seek to operate the Fund within these levels at all times. The AIFMD sets out two methodologies for calculating the overall exposure of a fund: the 'gross' method and the 'commitment' method. These methodologies are summarised below but are set out in full in the AIFMD.

The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The 'gross' method shall exclude the value of any cash and cash equivalents from the sum of the absolute value of all positions. The maximum gross leverage limit in the Fund is 132%. The maximum commitment leverage limit is 110%. It is expected that the Manager will operate the Fund well within these limits. The Manager will report on its use of leverage within the Fund, and any change to use of leverage and leverage limits, in the Fund's Annual Report.

Stock lending

The Manager is allowed to enter into stocklending arrangements as set out in Schedule 1. Property of the Fund used for stocklending purposes will be delivered to a third party and transferred back to the Fund at a later date. There is no limit on the value of the Fund's property which may be subject to stocklending arrangements.

Cash

The Fund may hold cash and near cash. The Manager does not anticipate that the Fund will typically hold more than 20% of cash or near cash at any one time. However, liquidity may be at the upper end of, or even exceed this range, under certain circumstances such as where large market movements and/or an exceptional number of redemptions are anticipated or the Fund is in receipt of large cash sums upon the creation of units or realisation of investments.

A summary of the Fund's investment and borrowing powers is set out in Schedule 1 to this Prospectus.

Unit Class Information

Unit Class	Initial Charge	Annual Management Charge (AMC)	Sub-Adviser Charge (aggregate) ***	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding
Class A Accumulation Unit	5%	Up to 0.65% **	Up to 0.6%	£ 150,000	£ 150,000	£10,000
Class A Income Unit	5%	Up to 0.65% **	Up to 0.6%	£ 150,000	£ 150,000	£10,000
Class Z Accumulation Shares*	0%	0%	Up to 0.6%	£10,000,000	£1,000,000	£10,000,000
Class Z Income Shares*	0%	0%	Up to 0.6%	£10,000,000	£1,000,000	£10,000,000

* Class Z are available only to a company which is associated company or to other collective investment schemes managed by the Manager or a company which the Manager deems to be an associated company.

** The Manager's AMC is charged on a Tiered Pricing basis and the figure shown reflects the Starting AMC rate (or maximum rate) that may be charged. Please refer to Section 5 of the Prospectus (Charges and Expenses) for further detail.

*** The Sub-Adviser charge may vary dependent on the value of the segmented portfolio allocated to the individual Sub-Advisers from time to time, but will not exceed 0.6% in aggregate.

Reports and Accounts

Annual accounting reference date	30 September
Interim accounting date	31 March
Income allocation dates	31 October (annual)

	Interim income allocations may be made on or before the last Business Day of each calendar month.
Date of publication of annual reports and accounts	31 January

Historical Performance Data

	% Growth 30/09/2018 To 30/09/2019	% Growth 30/09/2019 To 30/09/2020	% Growth 30/09/2020 To 30/09/2021	% Growth 30/09/2021 To 30/09/2022	% Growth 30/09/2022 To 30/09/2023
HL UK Income Fund (A Acc)	-5.4	-18.9	30.4	-10.0	13.84
FTSE® All-Share Total Return Index	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*

Source: Lipper. **Past performance is not an indication of future performance.**

Fund related notes

Performance is shown net of charges (excluding preliminary (initial) charge) and net of tax. Class A Accumulation Units have been used as the representative Unit class. The data reflects that net income has been reinvested. Prior to 22 October 2018, the Fund operated a dual-pricing policy and therefore performance data before this date is presented on a bid-to-bid basis. All performance data following 22 October 2018 reflects that the Fund is now single priced.

From 14 November 2022 the Fund has a Target Benchmark of the FTSE® All-Share Total Return Index. Performance information for the FTSE® All-Share Total Return Index will be included in the table above from the full year 30/09/2022 to 30/09/2023 onwards.

On 22 October 2018, the Investment Policy of the Fund was amended following the approval of a resolution of Unitholders who held Units in the Fund at the time.

On 14 November 2022 the name of the Fund, and the Investment Objective and Policy of the Fund was amended to that now stated following 60 days prior notice being provided to Unitholders.

HL INCOME (Previously known as HL MULTI-MANAGER EQUITY & BOND TRUST)

Investment objective

The Fund aims to provide a monthly income and capital returns consistent with a specified level of risk, over rolling 5-year periods.

The level of risk ranges between 50% and 70% of the forecasted long-term volatility of global equities as represented by the MSCI All Countries World Index (GBP Total Return, Net) over rolling 5-year periods.

The Fund's volatility is assessed using forecasted volatility figures at least monthly. The Fund's volatility may not remain within the risk range and, accordingly, there may be periods, for example in extreme market conditions, when the Fund's volatility either exceeds or falls below this range.

Investment policy

The Fund will invest in a variety of asset classes globally. At least 80% of the Fund will be invested in assets through other collective investment schemes; it may also invest in assets directly. Such asset classes are: equity securities (such as shares), fixed income securities (such as corporate bonds and government bonds), money market instruments, cash and near cash. The Fund may be exposed to both investment grade and non-investment grade fixed income securities.

Due to the risk profile, the expectation is that the Fund will typically have an exposure to shares between 45% and 65%, however this is not guaranteed. To enable the Fund to meet its investment objective, the exposure to shares may be lower or higher than the stated range in extraordinary market conditions (where there is not a steady and constant flow of investment activity and where there is high volatility and a lack of regular pricing information available).

The Fund is actively managed and uses a mixture of asset allocation techniques to blend asset classes for diversification, aiming to provide returns consistent with the Fund's "Balanced" risk profile and return aim. Due to the income objective, the expectation is that at least 80% of the Fund will be invested in assets that pay a dividend or coupon.

As part of the investment process, the Manager will use strategic asset allocation to determine the Fund's longer-term allocation to different asset classes.

The Manager will look to adjust the strategic asset allocation periodically, to take into account revised assumptions around the expected return and risk of different asset classes, as well as changing market conditions.

In seeking to improve the Fund's performance, or reduce risk, the Manager may also engage in tactical asset allocation decisions. This involves adjusting the Fund's allocations to take advantage of shorter-term market trends, market forecasts, or economic conditions.

The collective investment schemes in which the Fund invests will include those managed or operated by Hargreaves Lansdown Fund Managers Ltd., as well as those provided by third parties. The collective investment schemes will be established in Europe, UK, Jersey and Guernsey.

Subject to the requirements above, the Fund aims to meet its objective by diversifying across different asset classes, geographies, sectors and industries.

The Fund may use exchange traded derivative instruments and foreign exchange forward transactions for the purposes of efficient portfolio management, including hedging (these are methods of managing the Fund in a way that is designed to reduce risk or cost). On giving 60 days' notice to Unitholders, the Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes.

Where the Fund invests in assets through collective investment schemes, those schemes may use derivative instruments for efficient portfolio management or investment purposes.

Benchmarks – measuring the Fund's performance

The Fund does not target the performance of, and is not constrained by, a benchmark. The Fund does not use a benchmark for the purposes of the Benchmark Regulation.

The Fund will be classified within the IA Volatility Managed sector. However, as that sector contains funds that target various levels of volatility, and therefore can give a broad range of risk and return outcomes, it is not considered appropriate to invite clients to compare the Fund's performance against this sector. The Manager believes it is appropriate to compare the Fund's performance to the Investment Association (IA) Mixed Investment 20-60% Shares sector average (as a "comparator benchmark").

The IA Mixed Investment 20 – 60% Shares sector includes funds which invest in a range of different investments. Amongst other requirements, funds in this sector must have an exposure to equities (shares) falling between 20% - 60%. Note that the Fund is managed to aim to remain within the risk range set out in the Investment Objective rather than a specified level of exposure to shares. Consequently, the range of exposure to shares set out in the Investment Policy is provided only to give some indication of the level of exposure the Fund may have to this asset class, except in extraordinary market conditions.

Although the indicative range of exposure to shares in the Investment Policy is higher than the IA Mixed Investment 20 – 60% Shares sector, we consider that the sector is still an appropriate comparator for the Fund's performance.

If the Fund's exposure to shares goes above the range stated in the investment policy and is expected to remain above the range for an extended period, then the Manager will take action to consider an alternative comparator benchmark.

The Investment Association (the UK's trade body for the funds industry) has created IA sectors to help investors compare funds with broadly similar characteristics. These sectors divide funds into groups, with each sector having a different investment focus. This allows investors to make like-for-like comparisons between competitor funds, on factors such as fund charges and performance. In order to be included within an IA sector, a Fund must fulfil certain criteria.

Information on comparative performance of funds in this IA sector is available from various independent data providers including Morningstar and FE Trustnet.

You can find further information on the current Investment Association sectors at the following website: https://www.theia.org/industry-data/fund-sectors.

Borrowing

The Fund has an overdraft facility which it may use for short term liquidity purposes (up to 10% of its net asset value) as set out in Schedule 1. The Fund may use this borrowing power to the extent permitted by the Rules for Non-UCITS Retail Schemes.

Leverage

For the purposes of this Prospectus, "leverage" is any method by which the Fund's exposure is increased beyond its holding of assets and cash. The Fund may incur leverage (whether through borrowing of cash or through its use of derivatives for efficient portfolio management purposes) in the circumstances, and subject to the restrictions, set out in Schedule 1. There are no collateral, asset re-use or guarantee arrangements involved in the Manager's current approach to leverage.

Pursuant to the Rules, the Manager is required to set maximum leverage levels and seek to operate the Fund within these levels at all times. The AIFMD sets out two methodologies for calculating the overall exposure of a fund: the 'gross' method and the 'commitment' method. These methodologies are summarised below but are set out in full in the AIFMD.

The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The 'gross' method shall exclude the value of any cash and cash equivalents from the sum of the absolute value of all positions.

The maximum gross leverage limit in the Fund is 220%. The maximum commitment leverage limit is 110%. It is expected that the Manager will operate the Fund well within these limits. The Manager will report on its use of leverage within the Fund, and any change to use of leverage and leverage limits, in the Fund's Annual Report.

Derivatives – permitted instruments

Permitted instruments
Deliverable Forward Foreign Exchange
Exchange traded Interest Rate Futures
Exchange traded Equity Futures

The permitted derivative instruments must be traded on an exchange included within the Eligible Derivatives Markets list (see Schedule 2)

Stock lending

The Manager is allowed to enter into stocklending arrangements as set out in Schedule 1. Property of the Fund used for stocklending purposes will be delivered to a third party and transferred back to the fund at a later date. There is no limit on the value of the fund's property which may be subject to stocklending arrangements.

A summary of the Fund's investment and borrowing powers is set out in Schedule 1 to this Prospectus.

Unit Class Information

Unit Class	Initial Charge*	Annual Management Charge (AMC)	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding
Class A Accumulation Unit	3%	0.55%	£ 150,000	£ 150,000	£ 10,000
Class A Income Unit	3%	0.55%	£ 150,000	£ 150,000	£ 10,000

* Initial Charge waived for investors accessing the Fund via the Hargreaves Lansdown Platform.

Reports and Accounts

Annual accounting reference date	30 September
Interim accounting date	31 March
Income allocation dates	31 October (annual) Monthly interim income allocations will be made on or before the last Business Day of each calendar month. The income allocations will be subject to the income smoothing policy as set out in Section 9 of this Prospectus.
Date of publication of annual reports and accounts	31 January

Historical Performance Data

	% Growth	% Growth	% Growth	% Growth	% Growth

	30/09/2018 To 30/09/2019	30/09/2019 To 30/09/2020	30/09/2020 To 30/09/2021	30/09/2021 To 30/09/2022	30/09/2022 To 30/09/2023
HL Income (previously known as HL Multi-Manager Equity & Bond Trust) (A Acc)	-1.5	-7.9	16.6	-8.2	5.06

Source: Lipper. Past performance is not an indication of future performance.

Fund related notes

Performance is shown net of charges (excluding preliminary (initial) charge) and net of tax. Class A Accumulation Units have been used as the representative Unit class. The data reflects that net income has been reinvested. Prior to 22 October 2018, the Fund operated a dual-pricing policy and therefore performance data before this date is presented on a bid-to-bid basis. All performance data following 22 October 2018 reflects that the Fund is now single priced.

On 22 January 2024, the Investment Objective and the Investment Policy of the Fund was amended to that now stated following the approval of a resolution of Unitholders who held Units in the Fund at the time.

HL MULTI-MANAGER STRATEGIC BOND TRUST

Investment objective

The investment objective of the Fund is to maximise total returns principally in the form of income.

Investment policy

The Fund will seek to invest, either directly or indirectly via other collective investment schemes and exchange traded funds, in a broad spectrum of floating and fixed interest securities, including UK corporate bonds, UK high yield bonds, non-UK sovereign bonds, non-UK corporate bonds, convertible bonds, preference shares, gilts and index-linked gilts along with individual gilts, individual index-linked gilts and cash. There are no overall constraints on the Fund in terms of duration and credit ratings.

The Fund may from time to time be invested principally in other (regulated and unregulated) collective investment schemes, subject to the Rules for Non-UCITS Retail Schemes. The underlying funds in which the fund will invest will generally be established in Europe (including the UK, Jersey and Guernsey).

In addition, the Fund may directly or indirectly, invest in other transferable securities (including closed ended funds), money market instruments, deposits and warrants to the extent permitted for Non-UCITS Retail Schemes under the Rules. The Fund may also use derivative instruments and forwards transactions for the limited purposes of efficient portfolio management including hedging.

The Fund's investment strategy means the Fund is eligible for inclusion within The Investment Association's "Sterling Strategic Bond Sector", as the Fund's stated intention is to invest at least 80% of the Fund's assets in sterling denominated (or hedged back to sterling) fixed interest securities. This excludes convertibles, preference shares and Permanent Interest Bearing Shares. Further details may be found on The Investment Association's website – see below.

In order to achieve the investment objective of the Fund, the Manager may allocate all or a portion of the Fund's assets to one or more Sub-Advisers. Each Sub-Adviser will use its own methodology for managing its allocated portion of the Fund's portfolio, subject at all times to the Manager's oversight and the Fund's investment objective and policy as outlined above. The Manager may, at its discretion, choose to retain the investment management of some or all of the Fund's portfolio.

Benchmarks – measuring the Fund's performance

The Fund does not target the performance of, and is not constrained by, a benchmark. The Fund does not use a benchmark for the purposes of the Benchmark Regulation. However, the Manager believes it is appropriate to compare the Fund's performance to the Investment Association (IA) Sterling Strategic Bond sector average (as a "comparator benchmark").

The IA Sterling Strategic Bond sector includes funds which invest at least 80% of their assets in Sterling denominated (or hedged back to Sterling) fixed interest securities. This excludes convertibles, preference shares and permanent interest bearing shares (PIBs).

The Investment Association (the UK's trade body for the funds industry) has created IA sectors to help investors compare funds with broadly similar characteristics. These sectors divide funds into groups, with each sector having a different investment focus. This allows investors to make like-for-like comparisons between competitor funds, on factors such as fund charges and performance. In order to be included within an IA sector, a Fund must fulfil certain criteria.

Information on comparative performance of funds in this IA sector is available from various independent data providers including Morningstar and FE Trustnet.

You can find further information on the current Investment Association sectors at the following website: https://www.theia.org/industry-data/fund-sectors.

Borrowing

The Fund has an overdraft facility which it may use for short term liquidity purposes (up to 10% of its net asset value) as set out in Schedule 1. The Fund may use this borrowing power to the extent permitted by the Rules for Non-UCITS Retail Schemes.

Leverage

For the purposes of this Prospectus, "**leverage**" is any method by which the Fund's exposure is increased beyond its holding of assets and cash. The Fund may incur leverage (whether through borrowing of cash or through its use of derivatives for efficient portfolio management purposes) in the circumstances, and subject to the restrictions, set out in Schedule 1. There are no collateral, asset re-use or guarantee arrangements involved in the Manager's current approach to leverage.

Pursuant to the Rules, the Manager is required to set maximum leverage levels and seek to operate the Fund within these levels at all times. The AIFMD sets out two methodologies for calculating the overall exposure of a fund: the 'gross' method and the 'commitment' method. These methodologies are summarised below but are set out in full in the AIFMD.

The 'commitment' method is the sum of the absolute value of all positions and each derivative position (excluding forward currency positions) will be converted into the equivalent position in the underlying assets. The 'gross' method shall exclude the value of any cash and cash equivalents from the sum of the absolute value of all positions. The maximum gross leverage limit in the Fund is 220%. The maximum commitment leverage limit is 110%. It is expected that the Manager will operate the Fund well within these limits. The Manager will report on its use of leverage within the Fund, and any change to use of leverage and leverage limits, in the Fund's Annual Report.

Stock lending

The Manager is allowed to enter into stocklending arrangements as set out in Schedule 1. Property of the Fund used for stocklending purposes will be delivered to a third party and transferred back to the fund at a later date. There is no limit on the value of the fund's property which may be subject to stocklending arrangements.

A summary of the Fund's investment and borrowing powers is set out in Schedule 1 to this Prospectus.

Unit Class Information

Unit Class	Initial Charge	Annual Management Charge (AMC)	Sub-Adviser Charge (aggregate) **	Minimum Initial Investment	Minimum Subsequent Investment	Minimum Holding
Class A Accumulation Unit	3%	Up to 0.60% *	Up to 0.6%	£150,000	£150,000	£10,000
Class A Income Unit	3%	Up to 0.60% *	Up to 0.6%	£150,000	£150,000	£10,000

* The Manager's AMC is charged on a Tiered Pricing basis and the figure shown reflects the Starting AMC rate (or maximum rate) that may be charged. Please refer to Section 5 of the Prospectus (Charges and Expenses) for further detail.

** The Sub-Adviser charge may vary dependent on the value of the segmented portfolio allocated to the individual Sub-Advisers from time to time, but will not exceed 0.6% in aggregate.

Reports and Accounts

Annual accounting reference date	30 September
Interim accounting date	31 March
Income allocation dates	31 October (annual) Interim income allocations may be made on or before the last Business Day of each calendar month.
Date of publication of annual reports and accounts	31 January

Historical Performance Data

	% Growth 30/09/2018 To 30/09/2019	% Growth 30/09/2019 To 30/09/2020	% Growth 30/09/2020 To 30/09/2021	% Growth 30/09/2021 To 30/09/2022	% Growth 30/09/2022 To 30/09/2023
HL Multi-Manager Strategic	5.9	3.6	3.6	-16.1	4.54

Bond Trust (A Acc)					

Source: Lipper. **Past performance is not an indication of future performance.**

Fund related notes

Performance is shown net of charges (excluding preliminary (initial) charge) and net of tax. Class A Accumulation Units have been used as the representative Unit class. The data reflects that net income has been reinvested. Prior to 22 October 2018, the Fund operated a dual-pricing policy and therefore performance data before this date is presented on a bid to bid basis. All performance data following 22 October 2018 reflects that the Fund is now single priced.

On 22 October 2018, the Investment Policy of the Fund was amended to that now stated following the approval of a resolution of Unitholders who held Units in the Fund at the time.

Schedule 5

Other Schemes Managed by the Manager

In addition to the Funds, the Manager is also the authorised fund manager of the authorised collective investment schemes set out below. Prospectuses and Key Investor Information Documents are available for these schemes.

- HL Multi-Manager Umbrella Trust
- HL Select Umbrella Trust
- HL ICVC 1

Sub-funds managed under the HL Multi-Manager Umbrella Trust:
- HL Multi-Manager UK Growth
- HL Multi-Manager European
- HL Multi-Manager Asia & Emerging Markets
- HL Cautious Managed
- HL Multi-Manager High Income.

Sub-funds managed under the HL Select Umbrella Trust:
- HL Select UK Growth Shares
- HL Select UK Income Shares
- HL Select Global Growth Shares.

Sub-funds managed under HL ICVC 1:
- HL Growth Fund
- HL US Fund
- HL Balanced Managed
- HL Moderately Adventurous Managed
- HL Adventurous Managed
- HL Global Corporate Bond Fund
- HL Multi-Index Cautious
- HL Multi-Index Moderately Adventurous
- HL Multi-Index Balanced
- HL Multi-Index Adventurous

Sub-Advisers

The Manager has delegated investment management to the Sub-Advisers set out below in relation to the Funds set out below:

Sub-Adviser	Funds
<u>Jupiter Asset Management Limited</u> Jupiter Asset Management Limited is a company incorporated in England and Wales, whose registered office and principal place	HL UK Income Fund;

of business in the UK is at Zig Zag Building, 70 Victoria Street, London SW1 6SQ. The Sub-Adviser is authorised and regulated by the FCA (FCA registered number: 141274). The principal business activity of the Sub-Adviser is the provision of financial services, including the provision of discretionary management services.	HL Multi-Manager Balanced Managed Trust.
<u>Artemis Investment Management LLP</u> Artemis Investment Management LLP is a limited liability partnership incorporated in England and Wales, whose registered office in the UK is at Cassini House 57, St James's Street, London SW1A 1LD. The Sub-Adviser is authorised and regulated by the FCA (FCA registered number: 523180). The principal business activity of the Sub-Adviser is the provision of financial services, including the provision of discretionary management services.	HL UK Income Fund; HL Multi-Manager Balanced Managed Trust.
<u>J O Hambro Capital Management Limited</u> J O Hambro Capital Management Limited is a company incorporated in England and Wales, whose registered office and principal place of business in the UK is at Level 3, 1 St James's Market, London SW1Y 4AH. The Sub-Adviser is authorised and regulated by the FCA. The principal business activity of the Sub-Adviser is the provision of financial services, including the provision of discretionary management services.	HL UK Income Fund.
<u>Troy Asset Management Limited</u> Troy Asset Management Limited is a company incorporated in England and Wales, whose principal place of business in the UK is at 33 Davies Street, London W1K 4BP (FCA registered number: 195764). The Sub-Adviser is authorised and regulated by the FCA. The principal business activity of the Sub-Adviser is the provision of financial services, including the provision of discretionary management services.	HL UK Income Fund;
<u>Franklin Templeton Fund Management Limited</u> Franklin Templeton Fund Management Limited is a company incorporated in England and Wales, whose registered office in the UK is at Cannon Place, 78 Cannon Street, London EC4N 6HL. The Sub-Adviser is authorised and regulated by the FCA (FCA registered number: 122222).	HL Multi-Manager Special Situations Trust.

The principal business activity of the Sub-Adviser is the provision of financial services, including the provision of discretionary management services.	
<u>Baring Asset Management Limited</u> Baring Asset Management Limited is a company incorporated in England and Wales, whose registered office in the UK is at 20 Old Bailey, London EC4M 7BF. The Sub-Adviser is authorised and regulated by the FCA (FCA registered number: 170601). The principal business activity of the Sub-Adviser is the provision of financial services, including the provision of discretionary management services.	HL Multi-Manager Special Situations Trust.
<u>Liontrust Investment Partners LLP</u> Liontrust Investment Partners LLP is a limited liability partnership incorporated in England and Wales with partnership number OC351668 whose registered office is at 2 Savoy Court, London WC2R 0EZ. The Sub-Adviser is authorised and regulated by the FCA (FCA registered number: 518552). The principal business activity of the Sub-Adviser is the provision of financial services, including the provision of discretionary management services.	HL Multi-Manager Balanced Managed Trust.