

Changes to the Marks and Spencer Worldwide Managed Fund (“the Fund”)

Effective from 7 August 2019

We wanted to let you know that we are making certain changes to the way in which the investment objective, policy and strategy are described in the Fund’s literature, including the Fund’s prospectus (the “Prospectus”) and key investor information document (“KIID”). The changes will take effect from 7 August 2019.

The investment objective, policy and strategy broadly describe what a fund aims to achieve and the way it intends to do this. These descriptions are important because they help investors to consider their investment options and to decide whether a fund is suited to their individual needs.

The Financial Conduct Authority, the regulator of investment funds in the UK, has recently introduced new guidance and is implementing new rules concerning the clarity of a fund’s investment objective, policy and strategy wording. This means using more customer-friendly language and providing further detail about how we are managing the Fund, particularly how the Fund makes use of benchmarks. Please note we are not making changes to the way in which the Fund is managed, its overall investment strategy or its risk profile.

We have reviewed the investment objective, policy and strategy wording in the Prospectus and are making changes to reflect the new guidance and rules associated with fund documentation. A comparison of the current and revised investment objective is shown in full in the Appendix and the reasons for these changes are set out below:

CHANGES TO INVESTMENT OBJECTIVE AND POLICY

Investment objective:

The current investment objective of the Fund is “to achieve long-term capital growth, as well as a reasonable yield. A ‘reasonable yield’ is defined as the quoted average yield of funds in its Investment Association peer group which is the mixed investment (minimum 40% in shares, maximum 85% shares) peer group.”

We are amending the objective to replace “reasonable yield” with “income” and provide clarity on what we mean by “long-term” and to better describe how we will do this.

Investment policy:

We are amending the investment policy of the Fund to define some of the terms which we use. We have also included further details on the use of derivatives and why these are used within the Fund.

Investment strategy:

We are amending the investment strategy of the Fund to define some of the terms which we use.

Definitions:

In addition, and to complement the changes above, we will be updating the Definitions section at the start of the Prospectus to include new terminology and further explanation of existing defined terms. A list of terms used in the Investment Objectives, Investment Policies and Investment Strategies tables are provided in the Definitions section following the Appendix to this letter. A full list of the definitions will also be available on our website from 7 August 2019.

Benchmarks and presentation of past Fund performance:

We generally show the past performance of the Fund in the report and accounts. The new rules require that alongside this we consistently show the past performance against any benchmarks indicated in the Prospectus for each Fund.

We will therefore add the past performance of the Investment Association sector to the report and accounts that we publish after 7 August 2019.

Key investor information document (KIID):

We are amending the Fund’s KIID, where necessary, to reflect the changes detailed above.

WHY ARE WE MAKING THESE CHANGES?

We are making the changes to comply with the most recent regulatory guidelines and to further clarify how the Fund is managed, while providing more detail about the types of assets in which the Fund may invest. We aren’t changing how we manage the Fund and there is no change to the risk profile of the Fund.

HOW MUCH WILL IT COST TO MAKE THESE CHANGES?

There will be no costs to you or the Fund as a result of the changes. The costs to make the required changes to the Fund documentation will be met by Marks and Spencer Unit Trust Management Limited as the Authorised Fund Manager.

WHEN WILL THE NEW DOCUMENTATION BECOME EFFECTIVE?

The changes will take effect from 7 August 2019. The revised Prospectus and KIID will also be available from this date.

DO I NEED TO TAKE ANY ACTION?

No, there is no action required. This update is for information only.

WHAT IS THE VIEW OF THE TRUSTEE?

In accordance with normal market practice, State Street Trustees Limited, as Trustee of the Fund, while expressing no opinion on the merits or otherwise of the changes set out within this letter, has informed us that it has no objection to the changes.

APPENDIX

Current wording	Revised wording
<p>Investment Objective</p> <p>The Fund's objective is to achieve long-term capital growth, as well as a reasonable yield. A 'reasonable yield' is defined as the quoted average yield of funds in its Investment Association peer group which is the mixed investment (minimum 40% in shares, maximum-85% shares) peer group.</p>	<p>Investment Objective</p> <p>The Fund's objective is to achieve capital growth and income, in the long term (five years or more).</p>
<p>Investment Policy</p> <p>The Fund invests in a broad range of securities including equities, fixed income and money market instruments. The portfolio will be diversified globally by investing both in the UK and overseas. Investments will be held directly in securities or indirectly via collective investment schemes, of which a large proportion are likely to track indices as part of their underlying objective. In addition, the Fund may indirectly hold property by investing in collective investment schemes. The collective investment schemes in which the Fund will invest will include schemes which are managed or operated by the Manager or an associate of the Manager.</p> <p>The Fund may use derivative instruments (options, futures and contracts for differences) and forward transactions for the purposes of efficient portfolio management. These instruments can therefore be used to reduce risk, reduce costs, or generate additional capital or income with no, or low levels of, risk.</p> <p>The Manager's investment policy may mean that at times it is appropriate not to fully invest but to hold cash or near cash. This will only occur when the Manager reasonably regards it as necessary to enable Units to be redeemed or for the efficient management of the Fund in accordance with its objectives or purpose that may reasonably be regarded as ancillary to the objectives of the Fund.</p>	<p>Investment Policy</p> <p>To achieve its objective, the Fund will invest in a range of asset classes including shares of companies (equities), bonds, and money market instruments. The portfolio will be diversified globally by investing both in the UK and overseas. Investments may be held directly in securities or indirectly via collective investment schemes, of which some or all are likely to track indices as part of their underlying objective. There is no limit to the percentage which can be invested in collective investment schemes and there is no limit to the percentage of the Fund which can be invested in other collective investment schemes managed by the Manager, the Investment Manager or an associate. It is the intention where possible to invest in collective investment schemes managed by the Investment Manager.</p> <p>The Fund may invest in derivatives instruments for efficient portfolio management which means investment techniques that aim to reduce risks, reduce costs, or generate additional capital or income with a level of risk that is consistent with the risk profile of the Fund.</p> <p>The Manager's investment policy may mean that at times it is appropriate not to fully invest but to also hold cash or near cash. This will only occur when the Manager reasonably regards it as necessary to enable Units to be redeemed or for the efficient management of the Fund in accordance with its objectives or purpose that may reasonably be regarded as ancillary to the objectives of the Fund.</p> <p>The Manager has determined that the Fund will not invest directly in securities issued by companies that are considered, after reasonable enquiries, to be involved in the use, development, manufacturing, stockpiling, transfer or trade of controversial weapons, including but not limited to cluster munitions and/or anti-personnel mines. Please refer to the investment restrictions section of this Prospectus on page 10.</p>

Investment Strategy

The Manager has appointed HSBC Global Asset Management (UK) Limited as investment manager ("Investment Manager") to provide investment management services to the Manager in respect of the Fund. The Fund is structured to deliver the Objective through its broad exposure to UK and global equities and fixed income securities.

The allocation to these asset classes will vary through time to reflect both the longer-term investment return expectations and shorter term more tactical market views of the Investment Manager. The longer term allocations across the various different asset classes are adjusted to meet the Objective and are reviewed at least annually. The short-term tactical asset allocation enables the Investment Manager to invest in asset types, regions and currencies it believes have a more positive outlook or to reduce exposure to those asset classes it considers to have a less favourable outlook.

The desired allocation to each asset class will be achieved by investing indirectly in either collective investment schemes ("CIS") or directly into securities. This will include investment in CIS a large proportion of which are likely to have objectives which aim to track various indices, which are sometimes referred to as being passively managed. There is no limit to the percentage which can be invested in CIS and there is no limit to the percentage of the Fund which can be invested in other CIS managed by the Manager, the Investment Manager or an associate. It is the intention where possible to invest in CIS managed by the Investment Manager.

The investment styles the Investment Manager can utilise may include selecting CIS in which to invest which may track indices as part of their objective and policy, tracking market capitalisation indices, and/or the use of suitable alternative weighting schemes that are not market weighted that the Investment Manager considers appropriate.

The fund manager uses their expertise to pick investments and does not aim to track the performance of a benchmark. The fund manager considers the Investment Association peer group which is the mixed investment (minimum 40% in shares, maximum-85% shares) peer group an appropriate performance comparator and representative of the broad market exposure. It is the intention of the investment manager that approximately

As at the date of this prospectus 23% of the value of the Fund is invested directly in UK equities with the aim to match the return of the FTSE All Share Index*, a further 42% of the value of the Fund is invested in CIS or other instruments which in turn are passively managed and individually track a diverse range of market specific, regional and global indices in order to achieve the Objective of the Fund. It should be noted that this allocation will fluctuate based upon market movement and the Investment Manager's discretion to adjust the asset allocation to enable the Fund to meet its Objective. This is sometimes referred to as Tactical Asset Allocation ("TAA"). Further details of the underlying CIS which the Fund is invested in can be obtained from the Manager, and will be disclosed in the annual and half yearly accounts.

The Investment Manager may use a combination of investment styles and allocation techniques to actively manage the Fund and these will vary from time to time. Investors should be aware that the asset allocation will fluctuate based upon market movements and the Investment Manager has full discretion to adjust the asset allocation to enable the Fund to meet its Objective.

The Manager has determined that the Fund will not invest in securities issued by companies that are considered, after reasonable enquiries, to be involved in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/or anti-personnel mines. Please refer to the investment restrictions section of this Prospectus on page 10.

Investment Strategy

The Manager has appointed HSBC Global Asset Management (UK) Limited as investment manager ("Investment Manager") to provide investment management services to the Manager in respect of the Fund. The Fund invests in a range of asset classes in order to meet its Objective.

The allocation to these asset classes will vary through time to reflect both the longer-term investment return expectations and shorter term more tactical market views of the Investment Manager. The longer term allocations across the various different asset classes are adjusted to meet the Objective and are reviewed at least annually. The short-term tactical asset allocation enables the Investment Manager to invest in asset types, regions and currencies it believes have a more positive outlook or to reduce exposure to those asset classes it considers to have a less favourable outlook.

The desired allocation to each asset class will be achieved by investing indirectly in either **collective investment schemes** or directly into shares of companies (**equities**) and **bonds**. The Fund is **actively managed** and will include investment in **collective investment schemes** a large proportion of which are likely to have objectives which aim to track various indices, which are sometimes referred to as being passively managed. These **collective investment schemes** may track a diverse range of market specific, regional and global indices in order to achieve the Objective of the Fund. The Investment Manager has full discretion to adjust the asset allocation to enable the Fund to meet its Objective.

The investment styles the Investment Manager can utilise may include selecting **collective investment schemes** in which to invest which may track indices as part of their objective and policy, tracking **market capitalisation indices**, and/or the use of suitable alternative weighting schemes that are not market weighted that the Investment Manager considers appropriate.

This is sometimes referred to as Active Asset Allocation ("AAA").

The Investment Manager may use a combination of investment styles and allocation techniques to actively manage the Fund and these will vary from time to time. Investors should be aware that the asset allocation will fluctuate based upon market movements. Further details of the underlying **collective investment schemes** which the Fund is invested in can be obtained from the Manager, and will be disclosed in the annual and half yearly accounts.

Use of benchmarks

The Fund is not managed with reference to a benchmark. To enable investors to assess the performance of the Fund, it is compared against the performance of the Investment Association mixed investment 40% -85% Shares sector. The Investment Association Mixed Investment 40-85% Shares sector has been selected to compare performance against because it consists of similar funds. Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

Use of derivatives

The Fund may invest in **exchange traded** and **over-the-counter derivatives** in accordance with the investment restrictions on page 11. In particular, **equity index futures** may be used to increase or reduce equity exposure and **bond index futures** may be used with the aim of managing the overall bond duration.

Currency forward contracts will be used to gain exposure to currencies or with the aim of **hedging** against movements in the rate of exchange between Sterling and the currency in which the **bonds** and other assets may be denominated.

	<p>Additional information:</p> <p>Where investment is made in collective investment schemes managed by the Manager, Investment Manager or an associate, where possible the Fund will invest in the share class with a 0% annual management charge to ensure there is no element of double charging. This will not be the case where investing in collective investment schemes managed by third parties. In the case of Exchange Traded Funds “ETFs” which only have one share class, the Fund will be subject to the annual management charge of that share class. The Investment Manager shall ensure that the maximum annual management charge paid by the Fund when investing in third party collective investment schemes does not exceed 1%.</p> <p>Further details in relation to the asset allocation are published in the annual and half yearly reports.</p>
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DEFINITIONS

“**Actively Managed**” means where the investment manager uses their expertise to pick investments to achieve the fund’s objectives.

“**Bond**” or “**Bonds**” means a loan, usually to a company or government that pays interest.

“**Bond Index Future**” means a contract stating that the holder agrees to purchase a bond index at a particular price on a specified future date.

“**Collective Investment Scheme**” means a fund that more than one person contributes to with the aim of increasing the value of their investments or receiving income from a pooled investment. A fund manager will invest the pooled money into one or more types of asset, such as stocks, bonds or property.

“**CIS**” means Collective Investment Scheme as defined by section 235(1) of The Financial Services and Markets Act 2000 (“FSMA”).

“**Currency forward contracts**” means a contract in the foreign exchange market that locks in the exchange rate for the purchase or sale of a currency on a future date.

“**Derivative**” or “**Derivatives**” means investments whose value is linked to another investment, or to the performance of a stock exchange or to some other variable factor, such as interest rates.

“**Efficient Portfolio Management (EPM)**” means managing the Fund in a way designed to reduce risk or cost and/or generate income or growth.

“**Equity**” or “**Equities**” means shares issued by a company.

“**Equity index futures**” means a contract stating that the holder agrees to purchase an index at a particular price on a specified future date.

“**Exchange Traded**” means a type of investment that is traded on a stock exchange.

“**ETF**” means Exchange Traded Fund, a UCITS Fund which is traded on a regulated exchange.

“**Growth**” means the increase in the value of investments.

“**Hedge**” or “**Hedging**” means using derivative-type investments as a way to reduce risk.

“**Income**” means money generated by a Fund, such as interest from a bond or a dividend from a share, which can be paid out to its unitholders or paid back into the Fund and reinvested.

“**Market capitalisation index**” means a type of market index whose components, or securities, are weighted according to the total market value of their outstanding shares. Every day an individual stock’s price changes and thereby changes a stock index’s value.

“**Money Market Instruments**” means investments usually issued by banks or governments that are a loan to the issuer by the buyer, held over a short period of time. The buyer receives interest and the return of the original amount at the end of a certain period.

“**Over-the-counter**” means a contract that is traded (and privately negotiated) directly between two parties, without going through an exchange or other intermediary.

“**Share**” or “**Shares**” means a portion in a company representing part ownership of a company.

“**UCITS**” means ‘Undertakings for Collective Investment in Transferable Securities’, a European directive that provides a regulatory framework for funds which are based in the European Union.