

**THIS CIRCULAR IS SENT TO YOU AS A SHAREHOLDER IN EQUATOR ICAV. IT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKER, BANK MANAGER, TAX ADVISOR, SOLICITOR OR ATTORNEY OR OTHER PROFESSIONAL ADVISOR.**

If you have sold or otherwise transferred your holding in Personal Portfolio 5 Fund, please send this document and the accompanying proxy form to the stockbroker, bank manager, or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**EQUATOR ICAV**

**(an open-ended collective asset-management vehicle established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, with segregated liability between sub-funds)**

# CONTENTS PAGE

**Background to and Reasons for the Proposed Arrangement**.....4

**Features of the Fund and the UK Fund** .....6

**Carrying out the Arrangement** .....8

**Costs of the Arrangement**.....8

**Other Considerations** .....9

**Income Allocation** .....9

**Tax** .....9

**Other Consents**.....11

**Dealing in Shares and New Shares** .....11

**Action to be Taken** .....12

**Any Questions**.....12

**Appendix 1 - Description of the key features of the Fund and the UK Fund**.....14

**Appendix 2 - Glossary of Terms used in this document** .....20

KEY DATES FOR THE PROPOSAL	
Date of dispatch of circular	19 September
Last date for receipt of signed Transfer Agreement	24 October
Date of notification of outcome of proposal	26 October (notification will be published at <a href="http://www.coutts.com/ppf">www.coutts.com/ppf</a> ) and letter confirming outcome sent to shareholders in the Fund
Latest time for submission of repurchase and exchange requests before suspension of the Fund (the <b>Cut-off Date</b> )	3 p.m. (UK time) on 18 November 2022 for Dealing Day on 21 November 2022
Effective Date and Time	25 November
Date of issue of New Shares in the UK Fund	28 November
First Dealing Day for dealing in New Shares in the UK Fund	28 November
Date of dispatch of letters confirming shareholding in the UK Fund	within 21 days of the Effective Date

19 September 2022

## Proposal relating to Personal Portfolio 5 Fund

Dear Shareholder

We are writing to you as a Shareholder in Personal Portfolio 5 Fund (the **Fund**), which is a sub-fund of Equator ICAV.

The capitalised words and expressions used in this document are defined in the Glossary in Appendix 2 of this document.

The purpose of this circular is to describe the proposal to transfer the assets of the Fund in exchange for the issue of shares in Personal Portfolio Adventurous Fund (the **UK Fund**), a sub-fund of the RBS Investment Funds ICVC (the **UK ICVC**) by way of a contractual agreement. This circular describes in detail the proposal as this affects you. For the Arrangement to take effect in respect of the Fund, the majority (over 75% by value of the Fund as at 5 p.m. (UK time) on 19 October 2022) of Shareholders in the Fund will need to approve the proposal by way of signing and returning the Transfer Agreement by 24 October 2022. If the Arrangement is approved and you do not wish to participate, you must request the repurchase of your Shares before the Cut-off Date, being 3 p.m. (UK time) on 18 November 2022.

This document contains the information which you need to assist you in making your decision on the proposal and an explanation as to what steps will follow in respect of the proposal.

### Background and Reasons for the Proposed Arrangement

During 2021 we reviewed the shareholder register for the Equator ICAV together with the Distributor and noted that as of 31 December 2020 the vast majority of investors were UK residents. On 31 January 2020, the UK withdrew from the European Union (commonly referred to as Brexit) and the ensuing transition period, during which the UK continued to be treated for most purposes as though it were still a member of the European Union, expired on 31 December 2020. The terms of the UK's future relationship with the European Union are based on a Free Trade and Cooperation Agreement signed on 30 December 2020 and applied from 1 January 2021. Whilst the long-term effects of Brexit will take time to play out, it is likely to lead to increasing divergences between legal, regulatory and tax regimes in the UK and the European Union

The potential impacts of Brexit extend to the Distributor's and its sub-distributors' ability to continue to market the Equator ICAV to their predominantly UK customer base and so maintain

and grow the assets under management. The Distributor has indicated that, going forward, it intends to direct investment from its customers into a UK domiciled range of funds equivalent to the Equator ICAV. The lack of continued growth of the Fund through active distribution, together with projected repurchases from the Fund in line with the suggested time horizon for holding (5 years), would eventually lead to the Fund decreasing in size to a point that it is no longer commercially viable. This would mean that the Fund could not meet its fixed costs at a reasonable OCF amongst a shrinking group of investors. Accordingly, we have considered whether it may be in the best interests of shareholders in the Fund to move their investment to a fund with the same investment strategy as the Fund, but which is UK domiciled. This seeks to reduce the potential impacts of Brexit as well as provide shareholders who become investors in the UK Fund benefits such as reduced costs due to operational efficiencies and economies of scale and the continued viability of their investments in a range domiciled in the UK.

We therefore set out in this circular a proposal for an Arrangement pursuant to which assets attributable to your Shares held in the Fund may be transferred over to the UK Fund, in exchange for New Shares in the UK Fund, so that you become an investor in the UK Fund.

If the Arrangement receives the necessary level of support and you do not request the repurchase of your Shares in advance of the Cut-off Date, you will be deemed to have agreed to the Arrangement and requested the in-specie repurchase of your Shares by the Fund. You will then be deemed to have made an in-specie subscription for New Shares in the UK Fund (and to have directed the Fund to transfer the assets from the Fund to the UK Fund as opposed to selling the assets and using the cash proceeds to pay for the New Shares), as contemplated by the Transfer Agreement.

The proposed Arrangement will only proceed in relation to the Fund if the requisite majority (over 75% by value of the Fund as at 5 p.m. (UK time) on 19 October 2022) of shareholders in the Fund approve the Arrangement by way of signing and returning the Transfer Agreement by 24 October 2022. The outcome will be published at [www.coutts.com/ppf](http://www.coutts.com/ppf) on 26 October 2022 and you will also be notified by letter and reminded of the opportunity to request the repurchase of your Shares before the Cut-off Date if you do not wish to participate in the Arrangement. If the requisite majority is reached, the proposal will be binding on all shareholders in the Fund who have not signed the Transfer Agreement or requested the repurchase of their Shares prior to the Cut-off Date, as those investors will be deemed to have agreed to the terms of the Arrangement as set out in this Circular and the Transfer Agreement as though they had signed and returned the Transfer Agreement, and the transition will take place on the Effective Date. More information on how the proposed Arrangement, if agreed, would proceed is set out below in the section titled "Carrying out the Arrangement".

#### *Investor Protection and Grant of Probate Differences*

As a UK UCITS, the UK Fund benefits from the same protections as an EU UCITS including the segregation of assets between sub-funds and the safekeeping of assets held independently by the depositary. In addition, as a UK UCITS, compensation may be available to investors under the financial services compensation scheme (**FSCS**) if an investment firm (such as the Investment Manager or RBSCIFL) fails. FSCS compensation covers up to £85,000 per eligible person, per firm. For the avoidance of doubt the FSCS protection may be available where an investment firm fails, failure does not extend to market volatility or poor investment performance of a fund.

Investors in UK UCITS also benefit from a more straightforward probate process in respect of investments held by deceased shareholders compared with the Fund. An Irish grant of probate may be required in respect of shares in the Fund as they are treated as Irish situate assets in the event that shares relating to a deceased shareholder need to be sold or transferred within the administration of their estate. This can be a time consuming and costly process.

#### *Efficiencies of Scale*

In the event the proposal proceeds, Shareholders who become shareholders in the UK Fund will benefit from reduced costs in the form of a lower OCF than is applicable in the Fund. The OCF represents the total annual cost of being invested in the UK Fund, excluding any transaction costs, or platform or advice fees which investors may bear outside of the UK Fund. The UK Fund would also benefit from economies of scale from the combined assets under management within the RBS Investment Funds ICVC which represents NatWest Group's investment fund offering for UK domiciled customers and will be its 'go forward' fund range for distribution to these customers.

#### *Similar Investment Objectives and Policies*

The investment objectives and policies of the Fund and the UK Fund are aligned in all material respects; the asset types and markets in which they are invested are the same, as is the benchmark and Tracking Error. Whilst the UK Fund is not an EU UCITS, it is a UK UCITS, is authorised and regulated by the FCA and at present applies the same investment restrictions (for example spread and concentration requirements) as an EU UCITS.

The UK Fund has the same SRRI as that of the Fund. As the asset types and markets in which both the Fund and the UK Fund invest are the same, the risk profile of the UK Fund is also aligned to that of the Fund.

Details of features of, and differences between, the Fund and the UK Fund are set out below and in Appendix 1.

### **Features of the Fund and the UK Fund**

A table of the main features of the Fund and the UK Fund is set out in Appendix 1. **It is important that you consider Appendix 1 in detail.** This is because the table highlights that, although there are many similarities, there are nonetheless some differences between the Fund and the UK Fund as further set out below.

#### **Investment Objectives and Policies**

As detailed above, the investment objectives and policies of the Fund and the UK Fund are aligned in all material respects. There are some differences between how the investment objectives and policies of the Fund and those of the UK Fund are worded as can be seen in Appendix 1. These differences are largely due to the different requirements of the regulators (CBI in respect of the Fund and FCA in respect of the UK Fund).

#### **Risk and investor profiles**

We note that the Distributor considers that the risk profile of the UK Fund is appropriate for Shareholders of the Fund.

The SRRI, which is a measure of a fund's historic volatility, of both the Fund and the UK Fund is 5.

The SRRI is based on the average annual volatility over the previous 5 years (using benchmark data if a fund has not been in existence for the full 5 years). A fund with an SRRI of 5 has a volatility between 10% and 15% per annum. The calculated average annual volatility over the previous 5 years as at 31 July 2022 for each fund is:

Fund 14.0%

UK Fund 14.1%

The volatility for the Fund is based on actual experience over the last 5 years. The volatility for the UK Fund is based on the experience of the benchmark over the last 5 years as the UK Fund is newly established. Although the benchmark of the Fund and the UK Fund is the same now, a different benchmark applied for the Fund previously.

The expected volatility of the Fund and the UK Fund are managed within the same constraints.

The typical investor profiles of the Fund and the UK Fund are the same: the typical investors of the Fund and UK Fund are retail customers with little or no experience of investing in collective investment schemes and basic or no knowledge of the characteristics and risks of investing in equities and bonds (capital markets).

A typical investor in the Fund and the UK Fund has a high tolerance for risk; they accept that the value of their investment may fluctuate and they have a high tolerance to bear losses to their capital. The minimum investment horizon is 5 years.

**Differences in OCFs and AMC**

The levels of the OCFs and AMCs for the Shares in the Fund and for the New Shares in the UK Fund are set out below and in Appendix 1. The OCF and AMC for the UK Fund are lower than for the Fund.

Shares			New Shares		
Share class	AMC	OCF	Share Class	AMC	OCF
Class A	0.40%	0.50%	Class 3	0.30%	0.40%

The reduction in OCF in the UK Fund is due to the AMC for the UK Fund being lower, reflecting the projected efficiencies of scale from the combined assets under management within the UK ICVC described above, as the other costs making up the OCFs are largely aligned for both.

**Dealing Arrangements**

The dealing arrangements for the Fund and the UK Fund are substantially the same in that both funds have the same base currency and dealing frequency. The dealing deadlines for the Fund and the UK Fund are the same, as set out in Appendix 1 and as identified in the respective prospectuses.

**Pricing and Anti-Dilution**

Both the Fund and the UK Fund operate on the basis of single pricing and may (at the discretion of the respective managers) apply an anti-dilution levy.

**Impact on Performance**

As Coutts & Co acts as investment manager for both the Equator ICAV and the UK ICVC Fund and the investment objectives and policies of the Fund and the UK Fund are aligned, the performance of the UK Fund is not expected to be materially different from that which would have been achieved for the Fund. As the OCF for the UK Fund will be lower than that for the Fund this is expected to have a beneficial impact on performance.

**Service Providers**

The service providers to the Fund and the UK Fund are as set out in Appendix 1. Please note that the management company of the UK ICVC is RBS Collective Investment Funds Limited, trading as Coutts Asset Management (**RBSCIFL**). Both RBSAMD (us) and RBSCIFL are wholly owned subsidiaries of Coutts & Co. Coutts & Co acts as investment manager and distributor to both the Equator ICAV and the UK ICVC.

**Key Investor Information Document (KIID)**

A copy of the KIID of each class of New Shares in the UK Fund is enclosed with this circular and up to date versions are made available at [www.coutts.com/ppf](http://www.coutts.com/ppf). Shareholders should read the relevant KIID, which contains information on the essential features of the New Shares of the UK Fund.

## Carrying out the Arrangement

The proposed Arrangement is conditional on the requisite majority of Shareholders of the Fund (over 75% by value of the Fund as at 5 p.m. (UK time) on 19 October 2022) agreeing to the proposed Arrangement by signing and returning the Transfer Agreement. If the requisite majority is met, the proposed Arrangement will be binding on all Shareholders who have not requested the repurchase of their Shares prior to the Cut-off Date, irrespective of whether they signed and returned the Transfer Agreement. **If a Shareholder agrees to the Arrangement, they should sign the Transfer Agreement and return it by 24 October 2022.**

On 26 October 2022, we will publish the outcome at [www.coutts.com/ppf](http://www.coutts.com/ppf) and notify all Shareholders in writing as to whether the requisite majority has been met in order for the Arrangement to proceed. If you do not wish to participate in the Arrangement and have not yet returned a form to request the repurchase of your Shares, you will be reminded to do so. If, following the Cut-off Date, you have still not exercised your right to request the repurchase of your Shares, we will treat you as having agreed to the Arrangement on the terms of the Transfer Agreement as if you had signed and returned it.

**If the requisite majority is met, following the Cut-off Date the Arrangement will be binding on each shareholder in the Fund.**

Under the Arrangement, if it is approved by the requisite majority, pursuant to the Transfer Agreement:

- the shareholders request the Fund to repurchase their Shares for the purpose of the Arrangement;
- the shareholders authorise the Fund to settle the repurchase request by transferring each participating shareholder's pro rata share of Fund assets directly to the UK Fund and, in exchange for the transfer of Fund assets attributable to each shareholder, the UK Fund shall issue New Shares in the UK Fund to each participating shareholder, with a value equal to the value of the Shares held by that shareholder in the Fund immediately prior to the Effective Date;
- the value of the Shares in the Fund shall be calculated in accordance with the Fund's prospectus, which calculation shall include a provision for the Fund to retain an amount estimated by the Equator ICAV (after consultation with the Equator Depositary) as being necessary to meet the actual and contingent liabilities of the Fund and which is to be retained by the Equator Depositary for the purpose of discharging those liabilities (the **Retained Amount**); and
- each shareholder will be provided with a separate statement of account confirming the value of their Shares and the number of New Shares issued to them.

Following completion of the Arrangement:

- any unused Retained Amount and any interest arising thereon; and
- any income or other receivables received by the Fund in respect of the transferred assets after the Effective Date and any interest arising thereon,

shall be paid to the UK Fund.

If the Retained Amount is insufficient to meet all the liabilities of the Fund then RBSAMD shall discharge the shortfall.

**Please see also the "Dealing in Shares and New Shares" section below.**

## Costs of the Arrangement



The costs associated with the proposals set out in this document if implemented, namely the costs of:

- preparing and sending this document and all associated mailings;
- preparing the Transfer Agreement;
- preparing each Shareholder’s statement of account;
- assessing whether the requisite majority has approved the Arrangement;
- facilitating the transfer of assets from the Fund to the UK Fund; and
- the winding-up of the Fund (including the Equator Auditor’s costs),

will be paid by us, RBSAMD.

The Fund will not bear any of the costs of implementing the Arrangement described above.

**Shareholders will not be charged any repurchase fee by the Fund or any initial or subscription fee in respect of the issue of their New Shares in the UK Fund.**

**Other Considerations**

**Income Allocation**

The annual accounting period for Equator ICAV ends on 30 November each year. In addition, the Equator ICAV has a half-yearly interim accounting period each year on 31 May. The annual accounting period for the UK ICVC ends on 28 February each year. In addition, the UK ICVC has a half-yearly interim accounting period each year on 31 August. Please note that the first interim accounting period following the implementation of the Arrangement, if approved, for the UK Fund will end on 28 February 2023 and therefore the income distribution in respect of this period will be paid on or before 30 April 2023.

If the Arrangement is approved, there will be a one-off additional distribution date for the Fund immediately before the Effective Date.

For shareholders holding Distributing Shares at that date, we shall transfer to the distribution account of the Fund such amount of income (if any) as we determine is available for allocation to such shareholders for the period ending immediately before the Effective Date. Any income amount shall be paid to such shareholders in proportion to the number of Distributing Shares in the Fund held by them immediately prior to the Effective Date. The income amount will be declared immediately prior to the Effective Date and will be paid within 10 business days. In the case of shareholders who normally have income reinvested in further Income Shares in the Fund, this will be reinvested in income shares of the relevant class in the UK Fund and reflected in the letter confirming your shareholding in the UK Fund.

These distribution arrangements have been agreed with the Equator Depositary.

**Tax**

Investors should note that there may be tax consequences associated with the Arrangement and the tax treatment of your New Shares may differ from that of your Shares. The tax implications are dependent on your own position, including your country of tax residence, so you are recommended to seek your own tax advice.

The tax treatment of the UK Fund and further information on the tax treatment of investors in the UK Fund can be found in the UK ICVC’s prospectus which can be found at [www.coutts.com/ppf](http://www.coutts.com/ppf).

The below summary, which is based on tax advice received, is only intended as a general guide to some of the main aspects of current Irish and UK tax law and practice applicable to the Arrangement and may not apply to certain categories of investor. It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. If Shareholders are in any doubt about their personal tax position in relation to the Arrangement, they should seek independent advice immediately from their professional adviser.

#### UK Resident Individual Investors

The Arrangement should not be treated as a disposal for UK capital gains tax purposes on the basis that the conditions for reconstruction relief should be met, including a requirement that the Arrangement is effected for bona fide commercial reasons and is not part of a tax avoidance scheme. Clearance has been received from HMRC that they are satisfied that the Arrangement is being effected on that basis.

UK resident investors should consequently be subject to capital gains tax treatment on any gains or losses realised when they dispose of shares in the UK Fund. Gains and losses should be calculated by reference to the original base cost of their holding in the Fund (and incidental expenses).

Reportable income within the UK Fund is subject to income tax treatment, which includes both income distributed and any excess income retained within the UK Fund.

#### UK Stamp Duties

No UK stamp duties are expected to be payable by the Shareholders in respect of the transfer of the property of the Fund to the UK Fund under the Arrangement.

#### Irish taxation position of Irish Resident Investors

If the Arrangement proceeds, the repurchase of the Shares in return for the issue of New Shares should not be an investment undertaking tax chargeable event under Irish tax law on the basis that it should be considered a scheme of amalgamation for Irish tax purposes. Accordingly, no Irish tax liability should arise for Shareholders in the Fund on the repurchase of their Shares and the acquisition of New Shares under the Arrangement.

New Shares acquired by an Irish resident investor will be treated as a material interest in an offshore fund for Irish tax purposes. Such an investor must report such an acquisition to the Irish Revenue Commissioners.

While the effective rate of tax suffered by an Irish resident investor in respect of amounts realised in respect of New Shares should be the same as in respect of the holding of Shares provided the investor reports both the acquisition of the holding of New Shares and any returns received in respect of the New Shares (including deemed returns on the 8 year deemed disposal) to the Irish Revenue Commissioners, the tax is payable under self-assessment rules rather than by way of deduction at source.

In the event that New Shares are subsequently disposed of by Irish resident investors of the Fund, Irish tax legislation should deem such New Shares to have been acquired at the date and at the price that the Shares were originally acquired. Such a disposal would be treated as a disposal of shares in an offshore fund.

If Shareholders of the Fund request the repurchase of their Shares this should constitute a chargeable event for Irish investment undertaking tax purposes and should be subject to the same tax consequences as any disposal of Shares in the Fund.

No stamp, documentary, transfer or registration tax should be payable in Ireland by the shareholders of the Fund on the disposal of their Shares or on the issue of New Shares.

#### Position of Investors Resident in Other Jurisdictions

**Shareholders should be aware that, depending on their individual circumstances, there may be some impact in respect of taxation arising from the Arrangement. Shareholders should carefully consider their position in this regard.**

Investors should note that the Arrangement may result in different tax treatment applying to their investment. Investors who are in any doubt as to the tax consequences of the Arrangement should consult a tax advisor.

**We believe the above information on taxation to be correct at the time of printing this document. However, tax legislation and relevant tax authority practice may change. Please note that the above information does not constitute tax or legal advice. We recommend that you consult an independent professional adviser to obtain specific advice relating to your personal circumstances, especially if you are not, or may not be, UK or Irish resident.**

#### **Other Consents**

The Equator Depositary as the depositary of the Equator ICAV has consented to the references made to it in this document in the form and context in which they appear.

The CBI has been informed of the proposed Arrangement; however, the CBI has no statutory authority to review the Arrangement as it is a contractual matter.

The FCA has also been informed of the proposals contained in this document, however, the FCA's consent to the Arrangement is not required as the Arrangement does not constitute a regulatory merger.

### **Dealing in Shares and New Shares**

If the Arrangement is approved by the requisite majority of Shareholders, there will be no further subscriptions, repurchases or switches into or out of the Fund after the Cut-Off Date (3 p.m. (UK time) on 18 November 2022). On the Effective Date Shareholders' Shares in the Fund will be repurchased by the Equator ICAV and the repurchase proceeds will then be immediately subscribed for New Shares in the UK Fund by way an in-specie transfer of the Fund's assets, made directly from the Fund to the UK Fund pursuant to the Arrangement. **If you do not wish to take part in the Arrangement and subscribe for New Shares in the manner described above, you must place a repurchase request before the Cut-off Date (3 p.m. (UK time) on 18 November 2022). Repurchase requests received after the Cut-off Date will be refused and such Shareholders will be deemed to have agreed to participate in the Arrangement as if they had signed and returned the Transfer Agreement.**

Shareholders who, pursuant to the Arrangement, subscribe for New Shares in the UK Fund will be able to exercise their rights as shareholders in the UK Fund from the first dealing day for dealing in New Shares, in accordance with the prospectus of the UK Fund, being 28 November 2022.

You may deal in the New Shares issued under the Arrangement from 28 November 2022. If the Arrangement proceeds, regular contributions to the Fund will be redirected to the UK Fund following the Effective Date.

#### **Proposal if Arrangement is not approved in respect of the Fund**

If the requisite majority of Shareholders do not approve the Arrangement, dealings in the Shares will continue as usual. We will review the options available at that time in respect of the future management of the Fund although it is likely for the reasons described in the "Background and Reasons for the Proposed Arrangement" section above that RBSAMD would decide to terminate

the Fund as it may no longer be considered commercially viable. Any decisions made in respect of the future management of the Fund will be communicated to shareholders in the Fund in a timely manner, in advance of any such action being taken.

**Action to be Taken**

The Arrangement needs to be approved by the requisite majority (over 75% by value of the Fund as at 5 p.m. (UK time) on 19 October 2022) signing and returning the Transfer Agreement. It is therefore important that you sign and return the Transfer Agreement by 24 October 2022 if you wish to approve the Arrangement.

If the Arrangement is approved and you do not request the repurchase of your Shares before the Cut-off Date, we will treat you as having agreed to the Arrangement in accordance with the terms of the Transfer Agreement and you will be bound by its terms.

You should carefully consider the proposed Arrangement. A detailed description of the features of the Fund and the UK Fund are set out in Appendix 1 and you should read this carefully. Please note that if the requisite majority (over 75% by value of the Fund as at 5 p.m. (UK time) on 19 October 2022) is met, the Arrangement will be binding on each shareholder in the Fund whether or not they agreed to the proposal by way of signing and returning the Transfer Agreement, as if they had signed and returned the Transfer Agreement, unless they have chosen to request the repurchase of their Shares.

It is important that you also read the KIIDs for the New Shares. The KIIDs are intended to enable you to assess whether or not the UK Fund meets your investment needs and, in conjunction with this document, allow you to decide whether or not to approve the Arrangement by signing and returning the Transfer Agreement. You will also find a copy of the relevant KIID(s) at:

[www.coutts.com/ppf](http://www.coutts.com/ppf)

**We believe that the proposed Arrangement is in the best interests of Shareholders of the Fund as a whole and we recommend you sign the Transfer Agreement and return it by 24 October 2022.**

Should the Arrangement be approved by the requisite majority of Shareholders and you do not wish to take part in the Arrangement, you must request the repurchase of your Shares, which shall be free of charge, on any normal Dealing Day with the usual cut-off times until the Cut-off Date (3 p.m. (UK time) on 18 November 2022).

**When considering your options please remember that the value of investments and the income from them may fall as well as rise and you may get back less than you originally invested.**

**Any Questions**

If you have any questions or require further information, please speak with a person authorised to give financial advice. We are happy to answer your general questions on + 353 1 642 8400 or +44 800 085 0808 (Toll Free Number). Our telephone lines are open Monday to Friday, 9 a.m. to 5 p.m. (UK time).

**Please note that while we are happy to answer your general queries we cannot give you financial or tax advice.**

Yours faithfully

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Brian McDermott, Chair, for and behalf of  
RBS Asset Management (Dublin) Limited

## Appendix 1 Description of the key features of the Fund and the UK Fund:

This Appendix sets out a description of the key features of the Fund and the UK Fund. **It should be noted that there is no guarantee that the investment objective of the Fund or the UK Fund will be achieved.**

Feature	Fund	UK Fund
<b>Domicile</b>	Ireland	England & Wales
<b>Authorised corporate director/manager (as appropriate)</b>	RBS Asset Management (Dublin) Limited	RBS Collective Investment Funds Limited, trading as Coutts Asset Management
<b>Investment manager and Distributor</b>	Coutts & Co	
<b>Depository</b>	The Bank of New York Mellon SA/NV, Dublin Branch,	The Bank of New York Mellon (International)
<b>Administrator and Registrar</b>	BNY Mellon Fund Services (Ireland) DAC	SS&C Financial Services Europe Limited
<b>Dealing Days</b>	Any day on which the London Stock Exchange is open for business	Monday to Friday, and other days at RBSCIFL's discretion, except for (unless RBSCIFL otherwise decides) a bank holiday in England and Wales or any other day on which the London Stock Exchange is not open for business for a full day
<b>Pricing Basis</b>	Single pricing	
<b>Valuation Point</b>	11 pm on each Dealing Day	
<b>Base Currency</b>	GBP	
<b>Investment Objective</b>	The Fund aims to increase in value over the medium to longer-term through a diversified portfolio of investments. At least 90% of the Net Asset Value of the Fund will be invested in equities or collective investment schemes ( <b>CIS</b> ) that invest in equities. The majority of	To provide an increase in capital value over the long term (5 years or more).

	<p>the return is expected to be from capital appreciation with some potential for income generation.</p>	
<b>Investment Policy</b>	<p>The Fund will hold a range of investments (e.g. equities and bonds) from a combination of developed and emerging markets, which are best placed to meet the overall objective of the Fund. The Fund will invest either directly or indirectly at least 90% of its Net Asset Value in equities and equity related securities. Other investments may include indirect exposure to property, derivatives, ancillary liquid assets and cash as further described below.</p> <p>The Fund aims to take into account certain Environmental, Social and Governance (ESG) themes and considerations as described below and in greater detail in the section entitled ESG Policy in the Prospectus. At least 50% of the Net Asset Value of the Fund will be investments that are on a Net Zero Trajectory (as defined and described in the ESG Policy).</p> <p>The proportion of UK and Sterling denominated investments will be typically higher than their share of global markets. The reference currency of the Fund will be Sterling.</p> <p>The Investment Manager will manage the Fund's risk by reference to the benchmark identified below (the <b>Benchmark</b>). The risk of the Fund will be managed by limiting differences from the Benchmark within a tracking error, which measures the extent to which the Fund's performance differs from its benchmark, of 2%. It is calculated as the annualised statistical variation of the returns of a Fund compared with its benchmark. Low tracking error means a Fund performs consistently relative to its benchmark. In contrast, high tracking error implies a Fund performs inconsistently relative to its benchmark (i.e. a volatile difference in returns). The low tracking error approach used by this Fund limits the extent to which the Fund</p>	<p>The Fund will invest, directly and indirectly, at least 85% in higher risk assets, such as UK and overseas shares and (indirectly only) in real estate, and no more than 15% in lower risk assets such as UK and overseas bonds. The Fund will do this by investing indirectly via regulated collective investment schemes or exchange-traded products including real estate investment trusts and exchange-traded funds, and directly in bonds and shares with allocations determined by the Investment Manager. The majority of the Fund's portfolio will be invested in collective investment schemes that either track or otherwise closely reflect an index. The Investment Manager will typically invest (indirectly only) in real estate in a cyclical or tactical manner only (to provide better growth or income) and these investments are unlikely to be held on a long-term basis.</p> <p>The Fund's level of exposure to different asset classes will typically be in line with the benchmark weightings set out below (the "Benchmark").</p> <p>The Fund will be managed relative to, and therefore be constrained by, the Benchmark. The Investment Manager will manage the risk profile of the Fund via divergence from the Benchmark within a Tracking Error of 2%. Managing the Fund in this way will constrain the extent to which the Fund's performance differs from that of the Benchmark and therefore limit the potential return - both above and below the Benchmark return.</p> <p>For liquidity management purposes the Fund may also invest in money-market instruments, cash instruments, deposits and cash funds.</p> <p>The Fund may also use Derivatives for Efficient Portfolio Management purposes. Funds in which the Fund invests may also invest in Derivatives</p>

	<p>can out or under perform the Benchmark.</p> <p>The Benchmark below has been created by the Investment Manager to represent the level of risk of the Fund. Accordingly, the indices selected and weights within the Benchmark have been chosen on the basis that they provide an appropriate representation of the Fund's portfolio of investments in terms of risk. The cost of sourcing data from the Benchmark Administrator is also considered when selecting the indices.</p>	<p>for investment purposes, as well as for Efficient Portfolio Management.</p> <p>The Investment Manager will take into account certain ESG themes and considerations when making, and maintaining, direct and indirect investments into bonds, shares and equity-like securities in accordance with the ESG Strategy below.</p>
<p><b>ESG Strategy</b></p>	<p>The Investment Manager believes that strong corporate governance practices and management of environmental and social risks contribute to the creation of long-term investment value. When investing in other CIS the Investment Manager will have a bias for those with an approach to ESG investment which is consistent with that of the Investment Manager. When investing directly, the Investment Manager will have a bias for investments with stronger ESG characteristics.</p> <p>The Fund aims to take into account certain ESG themes and considerations as described in greater detail in the section entitled ESG Policy in the Prospectus. In particular, the Investment Manager integrates externally and internally produced ESG data into decision making and risk monitoring processes to seek to promote environmental and social characteristics through its the investment process. The Investment Manager conducts quantitative and qualitative assessments of the ESG profile of each investment held in the Fund in order to apply: (i) negative screening, seeking to exclude or limit investments that breach the Exclusionary Criteria set by the Investment Manager as described in the Prospectus; and (ii) positive screening, seeking to make investments that are perceived by the Investment Manager to be well positioned to maximise the opportunities arising from and minimise the impact of sustainability risks. For example, in the Investment Manager's opinion, the investment has better and</p>	<p><i>Screening</i></p> <p>The Investment Manager aims to apply exclusion screening to both direct investments and to certain indirect investments in collective investment schemes in order to exclude companies which have a portion of their revenue exposed, or tied, to certain sectors or activities (for example, controversial weapons, coal, tobacco, and gambling). However some indirect investments through collective investment schemes may not apply the same or similar exclusion screening as the Investment Manager's exclusions policy. Further, investments that do not satisfy the exclusion list but are deemed suitable for the Fund by the Investment Manager may still be considered for inclusion in the Fund's portfolio.</p> <p>Due to the types of investments that can be included in the Fund's portfolio as set out in the investment policy, at times less than 20% of the Fund's portfolio will be subject to the Investment Manager's exclusions screening. This is because the Fund may invest in non-company securities (such as sovereign bonds or cash) and collective investment schemes that do not apply the same or similar exclusion screening as the Investment Manager's exclusions policy.</p> <p>An up-to-date list of the exclusions screened for, and how the exclusions are applied to the Fund's investments, can be found in the Investment Manager's exclusions policy, which</p>



	<p>more robust governance (e.g. better board diversification, stronger anti-corruption frameworks), is less impactful on the environment (e.g. lower carbon intensity, involved in low carbon business activities, less impactful on biodiversity) and/or scores better on social measures (e.g. not involved in exploitative business practices, does not breach the UN global compact). Investments deemed not to meet the Investment Manager’s minimum standards may not be held in the Fund.</p> <p>In addition, the Investment Manager uses proactive and reactive engagement with management and boards of issuers of bonds and equities to monitor their ESG practices and encourage best practice. The Investment Manager’s stewardship aims to advance the Net Zero Trajectory (as defined in the section entitled ESG Policy in the Prospectus) of investments through voting and engagement.</p> <p>The Fund aims to take into account certain ESG themes and considerations as described below and in greater detail in the section entitled ESG Policy in the Prospectus. At least 50% of the Net Asset Value of the Fund will be investments that are on a Net Zero Trajectory (as defined and described in the ESG Policy).</p>	<p>forms part of the ESG Policy which comprises the documents listed at <a href="https://www.coutts.com/responsible-investing-policies">https://www.coutts.com/responsible-investing-policies</a>.</p> <p>The constituents of the composite benchmark for equities are represented by various custom indices calculated by MSCI based on screening criteria provided by the Investment Manager.</p> <p><i>Net Zero</i></p> <p>The Investment Manager will invest at least 50% of the Fund’s portfolio in investments in companies that are credibly committed to achieving net zero greenhouse gas emissions by 2050 (a “Net Zero Trajectory”). More information about what the Investment Manager considers to be a credible commitment to a Net Zero Trajectory can be found in the ESG Policy.</p> <p><i>Stewardship</i></p> <p>The Investment Manager will actively monitor and engage with investee companies and management companies of collective investment schemes or exchange-traded products regarding their ESG practices and their progress on the Net Zero Trajectory.</p> <p>Further information about the Investment Manager’s engagement activities and voting records can be found in the ESG Policy.</p>
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Benchmark	Type of Investment	Benchmark	Weight
	GBP Liquid Assets and Cash	SONIA (Sterling Overnight Index Average)	2.00%
	UK Equity shares	MSCI United Kingdom ESG Screened Select Index* NR (GBP)	33.00%
	US Equity shares	MSCI USA ESG Screened Select Index* NR (GBP)	34.00%
	Europe Equity shares	MSCI Europe ex UK ESG Screened Select Index* NR (GBP)	9.00%
	Japan Equity shares	MSCI Japan ESG Screened Select Index* NR (GBP)	5.00%

	Pacific Basin Equity shares	MSCI Pacific Ex Japan ESG Screened Select Index* NR (GBP)	2.00%
	Global Emerging Markets Equity shares	MSCI Emerging Markets ESG Screened Select Index* NR (GBP)	15.00%
<b>Investor profile</b>	<p>The fund is designed for retail customers with little or no experience of investing in collective investment schemes and basic or no knowledge of the characteristics and risks of investing in equities and bonds.</p> <p>A typical investor in the fund has a high tolerance for risk; they accept that the value of their investment may fluctuate and they have a high tolerance to bear losses to their capital. The minimum investment horizon is 5 years.</p>		
<b>SRRI</b>	5		
<b>Initial Charge</b>	0.00%		
<b>Annual Management Charge</b>	Class A – 0.40%	Class 3 – 0.50%	
<b>OCF</b>	Class A – 0.30%	Class 3 – 0.40%	
<b>Exit Charge</b>	0.00%		
<b>Minimum initial subscription</b>	Class A - £250,000	Class 3 – £250,000	
<b>Minimum additional subscription</b>	Class A - £1,000	Class 3 - £50	
<b>Minimum repurchase amount</b>	No minimum repurchase amounts	Class 3 – £50	
<b>Minimum holding</b>	Class A - £125,000	Class 3 – £125,000	

<b>Custody and Transaction Charges</b>	<p>The custodian's remuneration is calculated at an ad valorem rate determined by the territory or country in which assets are held.</p> <p>Currently, the lowest rate is 0.001% and the highest rate is 0.5%. In addition, the custodian makes a transaction charge determined by the territory or country in which the transaction is effected. Currently, these transaction charges range from £2.25 to £80 per transaction where instructions are in an electronic format that enables straight-through processing (STP). Trade instructions that require manual input or repair will incur a surcharge of up to £13.</p> <p>Accruals are made based on the aggregate number of transactions and value of holdings and are paid monthly in arrears.</p>
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## Appendix 2 **Glossary of Terms used in this document**

The following definitions apply throughout this document unless the context otherwise requires.

<b>AMC</b>	the annual management charge payable to RBSAMD in respect of the Fund and RBSCIFL in respect of the UK Fund;
<b>Arrangement</b>	the proposed arrangement in respect of the Fund described in this Circular;
<b>CBI</b>	The Central Bank of Ireland;
<b>CIS</b>	Collective Investment Schemes;
<b>Cut-off Date</b>	3 p.m. (UK time) on 18 November 2022 for Dealing Day on 21 November 2022;
<b>Distributing Shares</b>	means shares in the Fund, in respect of which income is distributed periodically to the holders of the shares;
<b>Distributor</b>	the distributor to the Equator ICAV and the UK ICVC, being Coutts & Co;
<b>Effective Date</b>	the effective date of the Arrangement which is expected to be at 00.01 a.m. (UK time) on 25 November 2022 or such other time or date as may be agreed between RBSAMD, RBSCIFL and the Equator Depositary and notified to Shareholders;
<b>Equator Auditor</b>	the auditors of the Equator ICAV, being KPMG;
<b>Equator Depositary</b>	the depositary of the Equator ICAV, being The Bank of New York Mellon SA/NV, Dublin Branch;
<b>Equator ICAV</b>	Equator ICAV, an Irish domiciled umbrella fund with segregated liability between sub-funds and with variable capital;
<b>EU UCITS</b>	a collective investment scheme established in the EU complying with the requirements of the UCITS Directive;
<b>FCA</b>	The Financial Conduct Authority;
<b>Fund</b>	Personal Portfolio 5 Fund, a sub-fund of the Equator ICAV;
<b>HMRC</b>	Her Majesty's Revenue & Customs;
<b>Income Shares</b>	means shares in the Fund, in respect of which income is reinvested periodically in further Income Shares in the Fund;
<b>Investment Manager</b>	the investment manager to the Equator ICAV and the UK ICVC, being Coutts & Co;

<b>New Shares</b>	in respect of the Arrangement, the Shares in the UK Fund to be subscribed for by shareholders in the Fund;
<b>OCF</b>	the ongoing charges figure, an all-inclusive figure for the annual running costs of the relevant fund as a percentage of the net asset value of that fund based on a standardised methodology for inclusion and exclusion;
<b>RBSAMD, our, we, us</b>	RBS Asset Management (Dublin) Limited, the manager of the Equator ICAV;
<b>RBSCIFL</b>	RBS Collective Investment Funds Limited, trading as Coutts Asset Management which is the authorised corporate director of the UK ICVC;
<b>Retained Amount</b>	an amount estimated by the Equator ICAV (after consultation with the Equator Depositary) as being necessary to meet the actual and contingent liabilities of the Fund, and which is to be retained by the Equator Depositary for the purpose of discharging those liabilities;
<b>Share</b>	a share in the Fund;
<b>Shareholders</b>	in relation to a Share, the person entered on the register as the shareholder of that Share at 5 p.m. (UK time) on 5 September 2022, being the date 14 calendar days before the date of this circular and as detailed in the statement of account provided with this circular, but always excluding any person who is known to RBSAMD not to be a registered shareholder in the Fund at the Effective Date;
<b>SRRI</b>	Synthetic Risk and Reward Indicator, being a standardised measurement of the overall risk and reward profile on a risk scale of 1-7. On the left hand side of the scale is 1, noted “lower risk” and “typically lower rewards”. On the right hand side of the scale is 7, noted “higher risk” and “typically higher rewards”. Typically, the SRRI is derived from the volatility of past returns over a 5-year period;
<b>Tracking Error</b>	this measures the extent to which a fund’s performance differs from its benchmark. It is calculated as the annualised statistical variation of the returns of a fund compared with its benchmark. Low tracking error means a fund performs consistently relative to its benchmark. In contrast, high tracking error implies a fund performs inconsistently relative to its benchmark (i.e. a volatile difference in returns)
<b>Transfer Agreement</b>	the transfer agreement effecting the Arrangement to be entered into between (i) the Equator ICAV; (ii) the UK ICVC; (iii) RBSCIFL; and (iv) executing shareholders and returned by 24 October 2022;

<b>UCITS Directive</b>	Directive 2009/65/EC, as amended, including any relevant implementing measures, on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as may be further amended, supplemented or replaced from time to time;
<b>UK</b>	the United Kingdom;
<b>UK Auditors</b>	the auditors of the UK ICVC, being Ernst & Young LLP;
<b>UK Depository</b>	the depository of the UK ICVC, being The Bank of New York Mellon (International) Limited;
<b>UK Fund</b>	Personal Portfolio Adventurous Fund, a sub-fund of the UK ICVC;
<b>UK ICVC</b>	RBS Investment Funds ICVC, a UK UCITS umbrella domiciled in England & Wales, with a number of sub-funds (including the UK Fund as defined above);
<b>UK UCITS</b>	a collective investment scheme established in the UK complying with the requirements of the UCITS Directive as implemented in the UK;
<b>Valuation Point</b>	the point, whether on a periodic basis or for a particular valuation, at which a valuation of the Fund or the UK Fund property is carried out for the purposes of determining the price at which shares in the Fund or the UK Fund may be issued, cancelled or repurchased; and

In addition, where relevant in the context:

- a) words denoting the singular shall include the plural and vice versa and words denoting one gender shall include all genders;
- b) references to any statute or statutory instrument or other regulation or rule shall be deemed to include a reference to such statute or statutory instrument or other regulation or rule as from time to time amended and to any codification, consolidation, re-enactment or restatement thereof as from time to time in force.