



Modification

To: Close Fund Management Limited ("the firm")
The Close Escalator Funds ("the funds")

REF: 105722

Of: 12 Appold Street
London EC2A 2AW

Date: 19 DECEMBER 2002

HANDBOOK VER NO: RELEASE NO 007 – OCTOBER 2002

Power

1. This modification is given by the *FSA* under section 250 of the Financial Services and Markets Act 2000.

Duration

This waiver takes effect from 19 December 2002.

Rule waived – CIS Rules 3.4.2(2)(a)R & CIS 11.4.3R(1)

3. The *FSA* directs that the above rules apply to the firm with the modification shown. Striking through indicates deletion.

Table 1

Rule	Modification
CIS 3.4.2(2)(a)	(1) Any change to, or introduction of, any of the provisions of the <i>prospectus</i> listed in (2) (other than a reduction in (c) to (e)) requires the prior approval of a resolution of the holders or, (for an ICVC) in the case of a change that affects only the holders of the units of a particular class or (classes), resolution (or resolutions) of a class meetings (or meetings) of those holders, <u>must not be made unless:</u> <u>(a) the firm has written to all unitholders of the funds notifying them that:</u> <u>(i) the firm proposes to remove from the <i>prospectus</i> the ability of the funds to invest in gold to enable the funds to be re-designated</u>

Rule	Modification
	<u>as UCITS scheme types within CIS 2.1.4 R (1); and</u> <u>(ii) each <i>unitholder</i> is being given the opportunity to object in writing to the proposed changes by 31 January 2003; and</u> <u>(b) by 31 January 2003 a majority of the <i>unitholders</i> to whom the notification at (a) was sent have not objected in writing.</u>

Table 2

Rule	Modification
<i>CIS</i> 11.4.3	<u>(1) Subject to (4), an Am amendment must not be made to the <i>trust deed</i> except by a deed, expressed to be supplemental to the <i>trust deed</i>, entered into by the <i>manager</i> and the <i>trustee</i> following:</u> —(a) the calling of a meeting of <i>unitholders</i> by notice (if required under (2)); and (b) the approval of a meeting of <i>unitholders</i> (if required under (3)) (2) & (3) remain unchanged. <u>(4) The requirement in (1) for:</u> <u>(a) the calling of a meeting of <i>unitholders</i> by notice (if required under (2)); and</u> <u>(b) the approval of a meeting of <i>unitholders</i> (if required under (3)); shall not apply if:</u> <u>(c) the <i>firm</i> has written to all <i>unitholders</i> notifying them that:</u> <u>(i) the <i>firm</i> proposes to remove from the <i>prospectus</i> the ability of the funds to invest in gold to enable the funds to be re-designated as UCITS scheme types within CIS 2.1.4 R (1); and</u> <u>(ii) each <i>unitholder</i> is being given the opportunity to object in writing to the proposed changes by 31 January 2003; and</u> <u>(d) by 31 January 2003 a majority of the <i>unitholders</i> to whom the notification at (a) was sent have not objected in writing.</u>

Interpretation

4 Interpretative provisions (including definitions) of the *Handbook* apply to this *waiver* in the same way they apply to the *Handbook*.

Signed for and on behalf of The Financial Services Authority

Sam Tymms
Chairman of IFDCase Committee