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PROSPECTUS

of

**TM Brickwood Funds**

Consisting of the following Funds:

TM Brickwood UK Value Fund  
TM Brickwood Global Value Fund

An umbrella UK UCITS  
Investment Company with Variable Capital

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Valid as at and dated 20 March 2025

This document constitutes the Prospectus for TM Brickwood Funds (the **Company**) which has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook (**COLL**) published by the FCA as part of the FCA Handbook made under the Financial Services and Markets Act 2000 (the **Act**).

Thesis Unit Trust Management Limited

Authorised and regulated by the Financial Conduct Authority.

FCA firm reference number: 186882

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The Company is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Company will be marketed outside the UK.

Thesis Unit Trust Management Limited, the ACD of the Company, is responsible for the information contained in this Prospectus. To the best of the ACD's knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus does not contain any untrue or misleading statement or omit any matters required by COLL to be included in it. Thesis Unit Trust Management Limited accepts responsibility accordingly.

The Depositary is not responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the COLL Sourcebook or otherwise.

No person has been authorised by the Company to give any information or to make any representations in connection with the offering of Shares 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 Company. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company 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 Shares have not been and will not be registered under the 1933 Act or the securities laws of the United States. The Shares may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law. The Company has not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful. The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Company is, accordingly, not open for investment by any US Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the ACD. A prospective investor may be required at the time of acquiring Shares to represent that such investor is a qualified holder and not a US Person or acquiring Shares for the account or benefit, directly or indirectly, of a US Person or with the assets of an ERISA Plan. The granting of prior consent by the ACD to an investment does not confer on the investor a right to acquire Shares in respect of any future or subsequent application.

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

The provisions of the Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them).

This Prospectus is based on information, law and practice at the date hereof. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with the ACD that this is the most recently published Prospectus.

Unless the context requires otherwise, references to Fund or Funds in this Prospectus shall be to Funds whose Shares are in issue.

**POTENTIAL INVESTORS' ATTENTION IS DRAWN TO THE GENERAL RISK FACTORS RESPECT OF THE COMPANY AND TO THE SPECIFIC RISKS APPLYING TO SPECIFIC FUNDS ELSEWHERE IN THIS PROSPECTUS.**

## 1. Definitions

1.1 In this Prospectus the following words and expressions shall have the following meanings:

**Accumulation Shares** means Shares (of whatever Class) as may be in issue from time to time in respect of which income allocated to the Share is credited periodically to capital pursuant to the FCA Rules.

**ACD** means Thesis Unit Trust Management Limited, the authorised corporate director of the Company.

**Act** means the Financial Services and Markets Act 2000.

**Approved Bank** means in relation to a bank account opened for the Company:

- (a) if the account is opened at a branch in the United Kingdom:
  - (i) the Bank of England; or
  - (ii) the central bank of a member state of the OECD; or
  - (iii) a bank; or
  - (iv) a building society; or
  - (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
- (b) if the account is opened elsewhere:
  - (i) a bank in (a); or
  - (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or
- (c) a bank supervised by the South African Reserve Bank,
- (d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator.

as such definition may be updated in the FCA Glossary from time to time.

**Associate** as defined in the FCA Glossary.

**Auditor** means Deloitte LLP, or such other entity as is appointed to act as auditor of the Company from time to time.

**Business Day** means a weekday being Monday to Friday (excluding any public or bank holiday in England).

**CASS** means the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook, as amended or replaced from time to time.

**CCP** as defined in the FCA Glossary.

**Class** or **Classes** means in relation to Shares, means (according to the context) all of the Shares or a particular class or classes of Share.

**COLL** refers to the appropriate chapter or rule in The Collective Investment Schemes Sourcebook.

**COLL Sourcebook** means The Collective Investment Schemes Sourcebook issued by the FCA as amended or re-enacted from time to time.

**Company** means TM Brickwood Funds.

**conversion** means the exchange of Shares of one Class for Shares of a different Class within the same Fund.

**Custodian** means the person who provides custodian services to the Company, being The Northern Trust Company, and its successor or successors as custodian.

**Data Protection Laws** means all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances:

- (a) the UK GDPR;
- (b) the Data Protection Act 2018;
- (c) any laws which implement any such laws;
- (d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); and
- (e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws.

**Dealing Day** means Monday to Friday (except for (unless the ACD otherwise decides) Christmas and bank holidays in England and Wales) and any such other day as the ACD may decide from time to time and agree with the Depositary.

**Depositary** means Northern Trust Investor Services Limited, the depositary of the Company.

**Depositary Agreement** means the agreement between the Company, the ACD and the Depositary regarding the appointment of the Depositary.

**Directors** means the directors of the Company for the time being (including the ACD), as the case may be, directors assembled as a board (including any committee of such board).

**Distributor** means Brickwood Asset Management LLP.

**EEA State** means a member state of the European Union and any other state which is within the European Economic Area.

**efficient portfolio management** or **EPM** means techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost-effective way; and
- (b) they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost; and/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 the risk diversification rules laid down in the FCA Rules.

**Eligible Institution** as defined in the FCA Glossary

**EMIR** as defined in the FCA Glossary.

**ERISA Plan** means:

- (a) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (**ERISA**);
- (b) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or
- (c) an entity whose assets include plan assets by reason of a plan's investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans).

**FCA Glossary** means the glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time.

**FCA** means the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN or such successor regulatory authority from time to time.

**FCA Handbook** means the FCA's Handbook of rules and guidance, as amended from time to time.

**FCA Rules** means the rules contained in COLL but, for the avoidance of doubt, not including guidance or evidential requirements contained in COLL.

**Financial Instruments** as defined in the FCA Glossary.

**Fund** or **Funds** means a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) and to which specific assets and liabilities of the Company may be allocated and which are invested in accordance with the investment objective applicable to such sub-fund and 'Funds' shall be interpreted accordingly.

**Fund Accountant** means the person who provides fund accounting services, being Northern Trust Global Services SE, UK Branch and its successor or successors as fund accountant.

**Home State** as defined in the FCA Glossary.

**In Specie** means a purchase or sale of Shares that is satisfied not by cash but by the transfer of securities or assets.

**Income Shares** means Shares (of whatever class) as may be in issue from time to time in respect of which income allocated to the Share is distributed periodically to the Shareholder pursuant to the FCA Rules.

**Initial Offer Period** means a period described under paragraph 6.2.

**Instrument of Incorporation** means the instrument of incorporation constituting the Company as amended from time to time.

**International Tax Compliance Regulations** means The International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time.

**Investment Manager** means Brickwood Asset Management LLP.

**Net Asset Value** means the value of the Scheme Property of the Company (or of any Fund as the context requires) less the liabilities of the Company (or of the Fund as the context requires) as calculated in accordance with the Company's Instrument of Incorporation.

**Non-UCITS retail scheme** means an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund.

**OECD** means the Organisation for Economic Co-operation and Development.

**OEIC Regulations** means The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) as amended or re-enacted from time to time.

**OTC derivative** means over-the-counter derivative.

**Prospectus** means this prospectus of the Company as amended or updated from time to time.

**Register** means the register of Shareholders in the Company.

**Registrar** means Northern Trust Global Services SE, UK Branch, the registrar of the Company.

**SDRT** means stamp duty reserve tax

**Scheme Property** means the property of the Company or a Fund (as appropriate) to be held by the Depositary for safe-keeping, as required by the FCA Rules.

**Securities Financing Transaction** or **SFT** as defined in the FCA Glossary.

**Securities Financing Transactions Regulation** as defined in the FCA Glossary.

**SYSC** means the Senior Management Arrangement Systems and Controls sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time.

**Share** or **Shares** means a share or shares in the Company (including larger denomination Shares and fractions).

**Shareholder** means a holder of registered or bearer Shares in the Company.

**Sterling** means Pounds Sterling of the United Kingdom.

**switch** means the exchange of Shares of one Class or Fund for Shares of another Class or Fund.

**Total Return Swaps or TRSs** means total return swaps as defined by the Securities Financing Transactions Regulation.

**UCITS Directive** means the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC), as amended.

**UK GDPR** means Regulation 2016/679 as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as modified by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019.

**UK UCITS** as defined in the FCA Glossary.

**UK UCITS Regulations** means the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK's withdrawal from the European Union.

**United Kingdom or UK** means the United Kingdom of Great Britain and Northern Ireland.

**United States or US** means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

**US Person** means a person who is in either of the following two categories:

- (a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act; or
- (b) a person excluded from the definition of a "Non-United States person" as used in Commodity Futures Trading Commission (**CFTC**) Rule 4.7.

For the avoidance of doubt, a person is excluded from this definition of US Person only if they are outside both the definition of "U.S. person" in Rule 902 and the definition of "Non-United States person" under CFTC Rule 4.7.

**Valuation Point** means the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the purpose of determining the price at which Shares may be issued, cancelled or redeemed. The current Valuation Point is normally at 12.00 noon London time on a Dealing Day. Special valuations may take place if at any time the ACD considers it desirable to do so.

**VAT** means value added tax.

**1933 Act** means the United States Securities Act of 1933 (as may be amended or re-enacted).

**1940 Act** means the United States Investment Company Act of 1940 (as may be amended or re-enacted).

- 1.2 Headings used in this Prospectus are for convenience only and shall not affect their meaning or legal effect.
- 1.3 References in the main body of this Prospectus to **paragraphs** mean paragraphs in the main body of this Prospectus unless otherwise stated. Similarly, references in an Appendix to **paragraphs** mean paragraphs in the relevant Appendix unless otherwise stated.
- 1.4 References to the plural shall include the singular and vice versa.
- 1.5 Unless otherwise defined in paragraph 1.1 above or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the OEIC Regulations, the Act or the FCA Handbook shall bear the same meanings in this Prospectus.
- 1.6 References to statutes, statutory provisions or regulations (including any provision of the FCA Handbook) shall include those statutes, provisions, regulations, or provision of the FCA Handbook as amended, extended, consolidated, substituted or re-enacted from time to time and, in particular, references to Regulations and/or Directives of the European Union shall, where appropriate, include all domestic law and regulation enacted (or re-enacted) for the purpose of bringing such European Union law and regulation into domestic law and regulation.

## **2. Details of the Company**

- 2.1 TM Brickwood Funds is an open-ended investment company with variable capital incorporated in England and Wales. The Company is authorised by the FCA.
- 2.2 Authorised with effect from: 18 February 2025
- 2.3 Company registration number: IC281051
- 2.4 Company FCA product reference number: 1028566
- 2.5 Company head office address (**Head Office**) and registered office is:
- Exchange Building  
St John's Street  
Chichester  
West Sussex  
PO19 1UP
- 2.6 The Company has an unlimited duration.
- 2.7 Shareholders are not liable for the debts of the Company.
- 2.8 The Company is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Company will be marketed outside the UK.
- 2.9 The Head Office is the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.
- 2.10 The base currency of the Company and each Fund is Pounds Sterling.
- 2.11 Share Capital:
- Maximum £100,000,000,000
  - Minimum £100

- 2.12 Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Funds.
- 2.13 The circumstances, and procedure for winding up the Company (or terminating a Fund), is set out under paragraph 'Winding up the Company or termination of a Fund' below.

### **3. Structure of the Company**

- 3.1 The Company is structured as an umbrella company in that different Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund or Class, a revised prospectus will be prepared setting out the relevant details of each Fund or Class.
- 3.2 The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund.
- 3.3 Details of the Funds, including their investment objectives and policies, the Investment Manager's charges and the ACD Periodic Charge are set out in Appendix 1. Each Fund is structured as a UK UCITS.
- 3.4 Any limitations on the investment policies (under Appendix 1) are set out in the investment borrowing powers under Appendix 2.
- 3.5 It is intended that all Funds will qualify for ISAs and ISA investors will be accepted in the Fund provided the investor has their own ISA manager. For avoidance of doubt, the ACD and Investment Manager do not act as ISA manager.
- 3.6 Each Fund has a specific portfolio to which that Fund's assets and liabilities are attributable. So far as the Shareholders are concerned, each Fund is treated as a separate entity and each Fund has a specific segregated portfolio of assets to which any liabilities attributable or allocated to a particular Fund shall be met out of the Scheme Property attributable to that Fund. Further details are set out under the paragraph headed 'Liabilities of the Company' below.
- 3.7 Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and within the Fund charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes.

### **4. Shares**

- 4.1 Different Classes of Shares may be issued in respect of each Fund. The Classes of Share are distinguished by their criteria for subscription and fee structure. The Company may issue Accumulation Shares and/or Income Shares.
- 4.2 The Class F Shares may only be issued to investors introduced by the Investment Manager, or to such other persons as may be determined by the ACD in its sole discretion. In relation to the TM Brickwood UK Value Fund and the TM Brickwood Global Value Fund, Class F Shares will no longer be available for investment to new or existing investors once the total assets under management, in respect of the Class F Share class of the relevant Fund reaches £100 million for the first time. After that threshold is reached in respect of the relevant Fund, the Class F Share class for that Fund will be closed for new or additional investment
- 4.3 The Class S Shares may be issued to institutional investors who meet the minimum investment requirement of £100 million.

- 4.4 The Class I Shares may be issued to investors who do not meet the criteria of Class F or Class S shares, but who are not retail investors.
- 4.5 Further details of the Shares presently available for each Fund, including details of their criteria for subscription and fee structure, are set out in Appendix 1.
- 4.6 Holders of Income Shares are entitled to be paid the income attributed to such Shares on the relevant allocation dates set out in Appendix 1 in respect of each Fund. Holders of Accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Fund at the end of the relevant distribution period and is reflected in the price of an Accumulation Share.
- 4.7 Where a Fund has different Classes, each Class may attract different charges and so monies may be deducted from Classes in unequal proportions. In these circumstances the proportionate interests of the Classes within a Fund will be adjusted accordingly.
- 4.8 Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in a Class or a Fund for Shares in another Class within the same Fund or for Shares of the same or another Class within a different Fund of the Company. Details of this switching facility and the restrictions are set in paragraph 6.5 below.
- 4.9 The Company may introduce a regular savings facility at a later date.
- 4.10 Shares in the Company are not listed or dealt on any investment exchange.
- 4.11 Where any changes are proposed to be made to the Company or a Fund the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, Shareholder approval will be required. If the change is regarded as significant, not less than 60 days' prior written notice will be given to Shareholders. If the change is regarded as notifiable, Shareholders will receive suitable notice of the change.

## **5. Investment Objectives, Policies and other details of the Funds**

- 5.1 Investment of the assets of each of the Funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Fund. Details of these investment objectives and policies are set out in Appendix 1.
- 5.2 The eligible markets on which the Funds may invest are set out in Appendix 4. A detailed statement of the general investment and borrowing restrictions and the extent to which the Company may employ EPM techniques is set out in Appendix 2.
- 5.3 Once available, historical performance data for each Fund will be set out in Appendix 5.
- 5.4 The Investor Profile of each of the Funds is set out in Appendix 1.
- 5.5 The Investment Manager to each Fund is Brickwood Asset Management LLP, whose address is set out in Appendix 8.

## **6. Buying, redeeming, switching and conversion of Shares**

### **6.1 Introduction**

- 6.1.1 The dealing office of the ACD is open from 9.00 am until 5.00 p.m. on each Dealing Day to receive requests for the purchase, redemption,

switching and conversion of Shares. Investment of the assets of each of the Funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Funds. Details of these investment objectives and policies are set out in Appendix 1.

- 6.1.2 The eligible markets on which the Funds may invest are set out in Appendix 4. A detailed statement of the general investment and borrowing restrictions and the extent to which the Company may employ EPM techniques is set out in Appendix 2.
- 6.1.3 Once available, historical performance data for each Fund will be set out in Appendix 5.
- 6.1.4 Subject to and in accordance with the COLL Sourcebook the issue or cancellation of Shares may take place through the Company directly.
- 6.1.5 It is the ACD's policy generally not to hold Shares or seek to make a profit from holding Shares.

## 6.2 **Initial Offer Period**

- 6.2.1 The ACD may arrange for there to be an Initial Offer Period in respect of a Fund, commencing on the date of launch of the relevant Fund and ending as specified by the ACD. During that period, the price at which Shares in that Fund can be bought will be as fixed by the ACD and notified to the Depositary at or before the start of that period.
- 6.2.2 During any Initial Offer Period the initial price of Shares will be £1.00.

## 6.3 **Buying Shares**

### **Procedure**

- 6.3.1 Shares may be bought directly from the ACD or through your professional adviser or other intermediary.
- 6.3.2 Shares in all Funds can be bought by sending an application form to the ACD, the Registrar or by obtaining an application form by telephoning the ACD's Customer Enquiry Line on 0333 300 0375. Alternatively, Shares may be purchased through the means of electronic communications (as set out in the paragraph headed 'Electronic Communications' below). Application forms may be obtained from the Distributor, the ACD or the Registrar.
- 6.3.3 In addition, the ACD may from time to time make arrangements to allow Shares to be bought on-line or through other communication media. The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.
- 6.3.4 A subscription request must be received by the ACD before the Valuation Point on a Dealing Day in the relevant Fund or Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day. Subscription requests received after a Valuation Point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds.

- 6.3.5 Any subscription monies remaining after a whole number of Shares have been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one ten thousandth of a larger denomination Share.
- 6.3.6 Remittances should be in Sterling.
- 6.3.7 Investors buy and redeem Shares through the ACD who nets them to reduce the number of Shares issued/cancelled by the relevant Fund. When carrying out deals in Shares, the ACD acts as principal but does not profit from this activity.

#### **Electronic Communications**

- 6.3.8 The ACD will accept instructions to transfer or renunciation of title to Shares on the basis of an authority communicated by electronic means and sent by the Shareholder, or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:
- (a) Prior agreement between the ACD and the person making the communication as to:
    - (i) the electronic media by which such communications may be delivered; and
    - (ii) how such communications will be identified as conveying the necessary authority; and
  - (b) Assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the Shareholder.

#### **Documents the buyer will receive**

- 6.3.9 A contract note giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the later of receipt of the application to buy Shares and the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.
- 6.3.10 Settlement is due within three Business Days of the relevant Dealing Day. If settlement is not made within a reasonable period, then the ACD has the right to cancel any Shares issued in respect of the application.
- 6.3.11 Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Statements in respect of periodic distributions on Shares will show the number of Shares held by the recipient. Individual statements of a Shareholder's (or, when Shares are jointly held, the first-named holder's) Shares will also be issued at any time on request by the registered holder.
- 6.3.12 The Company will not issue bearer shares.

#### **Minimum Subscriptions and Holdings**

- 6.3.13 The minimum initial subscription for each Class of Shares in a Fund is set out in Appendix 1. The minimum holding amount in respect of each Fund

is set out in Appendix 1. The ACD may at its discretion accept subscriptions and holdings lower than the minimum amount.

- 6.3.14 If, following a redemption, a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has a discretion to require redemption of that Shareholder's entire holding in that Class of Share.

## 6.4 Redeeming Shares

### **Procedure**

- 6.4.1 Every Shareholder has the right to require that the Company redeem their Shares on any Dealing Day unless the value of Shares which a Shareholder wishes to redeem will mean that the Shareholder will hold Shares with a value less than the required minimum holding in the relevant Class, in which case the Shareholder may be required to redeem their entire holding in that Class of Share in the relevant Fund.
- 6.4.2 Shares in all Funds can be redeemed by making a request to redeem to the Registrar, by telephoning 0333 300 0375 and through financial intermediaries. In addition, the ACD may from time to time make arrangements to allow Shares to be redeemed on-line or through other communication media.
- 6.4.3 A request to redeem must be received by the ACD before the Valuation Point on a Dealing Day in the relevant Fund or Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day. Redemption requests received after a Valuation Point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds.

### **Documents a redeeming Shareholder will receive**

- 6.4.4 A contract note giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first-named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the Valuation Point by reference to which the price is determined. Payment in satisfaction of the redemption monies will be sent by BACS within three Business Days of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other appropriate evidence of title, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

### **Minimum Redemption**

- 6.4.5 Part of a Shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares of any Fund to be redeemed is less than the value outlined in Appendix 1.

### **Deferred Redemptions**

- 6.4.6 If requested redemptions at a Valuation Point exceed 10% of a Fund's value, in order to protect the interests of continuing Shareholders the

redemptions may be deferred to the next Valuation Point in accordance with procedures that ensure the consistent treatment of Shareholders who have sought to redeem at that Valuation Point. The procedures are that to the extent redemption requests are deferred, deferral will be pro-rata based on the value of Shares being redeemed (provided that the ACD may determine in its discretion a value threshold below which all redemptions will be effected, and above which the foregoing pro-rata deferral shall apply) and that all deals relating to an earlier Valuation Point are completed before those relating to a later Valuation Point.

## 6.5 Switching

- 6.5.1 A Shareholder in a Fund may at any time switch all or some of their Shares of one Class or Fund (**Original Shares**) for Shares of another Class or Fund (**New Shares**), subject to the restrictions defined in this Prospectus. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.
- 6.5.2 A request to switch may be made in writing to the Registrar, by telephoning 0333 300 0375 and through financial intermediaries. The Shareholder will be required to provide written instructions to the Registrar or their client adviser, as appropriate (which, in the case of joint Shareholders must be signed by all the joint Shareholders) before switching is effected.
- 6.5.3 If the switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and made a charge on switching) or refuse to effect any switch of the Original Shares. No switch will be allowed during any period when the right of Shareholders to require the redemption of their Shares is suspended. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a switch. A request to switch must be received by the ACD before the Valuation Point on a Dealing Day in the relevant Fund or Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day. Switching requests received after a Valuation Point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds.
- 6.5.4 The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on switching together with any other charges, or dilution adjustments in respect of the application for the New Shares or redemption or cancellation of the Original Shares as may be permitted pursuant to the COLL Sourcebook.
- 6.5.5 **Please note that a switch of Shares in one Fund for Shares in any other Fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation. However, a switch between Classes of Shares in any one Fund is generally not treated as a redemption and sale and, as such, should not give rise to a liability to capital gains tax.**

- 6.5.6 **A Shareholder who switches Shares in one Fund for Shares in any other Fund (or who switches between Classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.**

## 6.6 Share Class Conversions

- 6.6.1 If applicable, a holder of Shares in a Class (**Old Class Shares**) of a Fund may exchange all or some of their Shares for Shares of a different Class within the same Fund (**New Class Shares**). An exchange of Old Class Shares for New Class Shares will be processed as a conversion (**Share Class Conversion**). Unlike a switch, a conversion of Old Class Shares into New Class Shares will not involve a redemption and issue of shares. For the purposes of income equalisation the New Class Shares will receive the same treatment as the Old Class Shares.
- 6.6.2 The number of New Class Shares issued will be determined by a conversion factor calculated by reference to the respective prices of New Class Shares and Old Class Shares at the Valuation Point applicable at the time the Old Class Shares are converted to New Class Shares.
- 6.6.3 Conversions may be effected by making a request to convert in writing to the Registrar, by telephoning 0333 300 0375 and through financial intermediaries. The Shareholder will be required to provide written instructions to the Registrar or its client adviser, as appropriate (which, in the case of joint Shareholders must be signed by all the joint Shareholders) before a conversion is effected.
- 6.6.4 A conversion request must be received by the ACD before the Valuation Point on a Dealing Day in the relevant Fund or Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day. Conversion requests received after a Valuation Point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds.
- 6.6.5 A contract note giving details of the conversion will be sent on or before the Business Day next following the relevant Dealing Day.
- 6.6.6 A converting Shareholder must be eligible to hold the Shares into which the conversion is to be made.
- 6.6.7 If the conversion would result in the Shareholder holding a number of Old Class Shares or New Class Shares of a value which is less than the minimum holding in the Share Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Old Class Shares to New Class Shares or refuse to effect any conversion of the Old Class Shares. No conversion will be made during any period when the right of Shareholders to require the conversion of their Shares is suspended.
- 6.6.8 Save as otherwise specifically set out, the general provisions on procedures relating to redemptions will apply equally to a conversion.
- 6.6.9 Please note that, under current tax law, a conversion of Shares between different Share Classes in the same Fund will not be deemed to be a realisation for the purposes of capital gains taxation.
- 6.6.10 A Shareholder who converts their Shares in one Share Class to Shares in a different Share class in the same Fund will not be given a right by law to withdraw from or cancel the transaction.

## 6.7 **Dealing charges**

- 6.7.1 The price per Share at which Shares are bought or redeemed is the Net Asset Value per Share and any dilution adjustment that may be applied. Any preliminary charge or redemption charge is payable in addition to the price.

### **Preliminary Charge**

- 6.7.2 The ACD may impose a charge on the price of Shares in each Class. Details of the preliminary charges, if any, levied on any class of Shares is set out in Appendix 1.

### **Redemption Charge**

- 6.7.3 The ACD may make a charge on the redemption of Shares in each Class. At present no redemption charge is levied on any Class of Shares.
- 6.7.4 The ACD may introduce a redemption charge on any Class of Shares or vary the rate or method of calculation of any redemption charge only in accordance with the FCA Rules and after the ACD has made available a revised version of this Prospectus showing the rate of charge and its commencement. Any redemption charge introduced will apply only to Shares sold since its introduction but not to Shares previously in issue.

### **Charges on Switching**

- 6.7.5 On the switching of Shares between Funds or Classes in the Company the Instrument of Incorporation authorises the Company to impose a charge on switching. The charge will not exceed an amount equal to the then prevailing preliminary charge for the New Shares. If a redemption charge is payable in respect of the Original Shares, this may become payable instead of, or as well as, the then prevailing preliminary charge for the New Shares. The ACD does not currently charge a switching fee.

### **New Charges and Increase in Charges**

- 6.7.6 The ACD may, at any time, introduce a new charge or expense or increase the rate of a current charge or expense only in accordance with the COLL Sourcebook and after the ACD has made available a revised Prospectus showing the new charge or expense or the proposed increase and its commencement date.

## 6.8 **Dilution adjustment**

- 6.8.1 In order to mitigate the effect of dilution, the ACD may at its discretion adjust the sale and purchase price of Shares to take into account the possible effects of dilution to arrive at the price of the Shares. This practise is known as making a "dilution adjustment" or operating "single swinging pricing". The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the relevant Fund. If the price of the Shares does contain a dilution adjustment, such dilution adjustment will be paid into the relevant Fund and will become part of the property of the relevant Fund, thus mitigating the effects of dilution that would otherwise constrain the future growth of the relevant Fund.
- 6.8.2 The ACD reserves the right to make a dilution adjustment every Dealing Day. The dilution adjustment is calculated using the estimated dealing

costs of the relevant Fund's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes.

- 6.8.3 The ACD may in its discretion make a dilution adjustment if, in its opinion, the existing Shareholders, in the case of subscriptions, or remaining Shareholders, in the case of redemptions, might otherwise be adversely affected, and making a dilution adjustment is, so far as practicable, fair to all Shareholders and potential Shareholders. In particular, without limitation, the dilution adjustment may be made in the following circumstances:
- (a) where the relevant Fund is experiencing a large net subscription position or a large net redemption position relative to its size on any Dealing Day measured based on the deals on that Dealing Day. For these purposes a large net subscription or redemption position will typically be at 5% of the size of the Fund;
  - (b) in any other case where the ACD is of the opinion that the interests of Shareholders or potential Shareholders of the Fund requires the imposition of a dilution adjustment.
- 6.8.4 The dilution adjustment will normally be the full adjustment to Net Asset Value referred to above. The adjustment will be reviewed by the ACD on a quarterly basis, in line with the actual costs incurred during the preceding quarter and will be at the discretion of the ACD.
- 6.8.5 The price of Shares of each Class will be calculated separately but any dilution adjustment will in percentage terms affect the price of Shares of each Class identically. The ACD's decision on whether or not to make this adjustment, and at what level this adjustment might be made in a particular case or generally, will not prevent it from making a different decision on future similar transactions.
- 6.8.6 In the event that a dilution adjustment is made it will be applied to all transactions on the relevant Dealing Day and all transactions on that day will be dealt at a price inclusive of the dilution adjustment.
- 6.8.7 On the occasions when a dilution adjustment is not applied, if the relevant Fund is in a net subscription position or a net redemption position, there may be an adverse impact on the assets of the relevant Fund attributable to each underlying Share, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a Share over the medium to long term.
- 6.8.8 As dilution is directly related to the inflows and outflows of monies from a Fund it is not possible to predict accurately whether dilution is likely to occur at any future point in time or how frequently the ACD will need to make such a dilution adjustment. The actual dilution adjustment applied will depend on market conditions at or around the time at which a subscription or redemption application is accepted by the ACD. Based on future projections, it is anticipated that a dilution adjustment would be applied at a rate of up to 0.5% of the relevant price on subscription of Shares and up to 0.1% of the relevant price on redemption of Shares and will be applied to approximately five transactions per annum in each Fund.

## 6.9 **Market timing**

6.9.1 The ACD may refuse to accept a new subscription in a Fund or a switch from another Fund if, in the opinion of the ACD, it has reasonable grounds for refusing to accept a subscription or a switch from them. In particular, the ACD may exercise this discretion if it believes the Shareholder has been or intends to engage in market timing.

6.9.2 For these purposes, market timing activities include investment techniques which involve short term trading in and out of Shares generally to take advantage of variation in the price of Shares between the daily Valuation Point in the Funds. Short term trading of this nature may often be detrimental to long term Shareholders, in particular, the frequency of dealing may lead to additional dealing costs which can affect long term performance.

## 6.10 **Money laundering**

6.10.1 As a result of legislation in force in the United Kingdom to prevent money laundering, the ACD is responsible for compliance with money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of the redemption of Shares, or pay income on Shares to the investor.

6.10.2 Please refer to 'Electronic verification' under 'General Information' for more detail.

6.10.3 In the UK, a 'relevant body' may commit an offence where it fails to prevent a person acting on its behalf from facilitating tax evasion (whether by an individual or legal entity). The 'relevant body' will not be guilty of a criminal offence if it can be demonstrated that reasonable prevention procedures were in place which were designed to prevent such facilitation occurring. The ACD reserves the right to adopt such practices and procedures as it deems at any point necessary to avoid committing an offence under this or any other anti-money laundering law or regulation.

## 6.11 **Transfers**

6.11.1 Shareholders are entitled to transfer their Shares to another person or body who is eligible to hold Shares. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. The ACD may refuse to register a transfer unless an amount equivalent to the applicable SDRT has been paid.

## 6.12 **Restrictions and compulsory transfer and redemption**

6.12.1 The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD

may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

- 6.12.2 If it comes to the notice of the ACD that any Shares (affected Shares):
- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
  - (b) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
  - (c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case;
- 6.12.3 the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing is given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer their affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that they or the beneficial owner is qualified and entitled to own the affected Shares, they shall be deemed upon the expiry of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares.
- 6.12.4 A Shareholder who becomes aware that they are holding or owns affected Shares shall immediately, unless they have already received a notice as set out above, either transfer all their affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all their affected Shares.
- 6.12.5 Where a request in writing is given or deemed to be given for the redemption of affected Shares, such redemption will be effected in the same manner as provided for under the COLL Sourcebook.
- 6.12.6 The ACD may also, in its sole discretion, convert or switch some or all of the Shares held by any Shareholder from one Class to another Class in the same Fund, provided that the terms of the original Shares are substantially similar to the new Shares and, in any event, the conversion or switch does not materially prejudice any such Shareholder. The ACD will provide the Shareholder with 60 days' prior written notice of any such conversion or switch. Please note that, under current tax law, a conversion or switch of Shares between different Classes in the same Fund will not be deemed to be a realisation for the purposes of capital gains taxation.

### 6.13 **Issue of Shares in exchange for In Specie assets**

- 6.13.1 The ACD may arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken

reasonable care to determine, in accordance with the COLL Sourcebook, that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders.

6.13.2 The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

6.13.3 The ACD will not issue Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Fund.

#### 6.14 **In Specie redemptions**

6.14.1 If a Shareholder requests the redemption of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned or in some way advantageous or detrimental to the Fund, arrange, having given prior notice in writing to the Shareholder that in place of payment for the Shares in cash, the Company transfers property or, if required by the Shareholder, the net proceeds of sale of the relevant property, to the Shareholder.

6.14.2 The ACD will select the property to be transferred in consultation with the Depositary. The Depositary must take reasonable care to ensure that the property transferred would not be likely to result in any material prejudice to the interests of Shareholders.

#### 6.15 **Suspension of dealings in the Company**

6.15.1 The ACD may, with the prior agreement of the Depositary, or must if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares (including any purchase and redemption on switching) in any or all of the Funds where due to exceptional circumstances it is in the interests of Shareholders in the affected Funds (for example, but without limitation, on the closure or suspension of dealing on a relevant stock exchange, or the inability of the ACD to ascertain properly the value of any or all of the assets or realise any or all of the assets of a Fund). The ACD or the Depositary must immediately inform the FCA of the suspension.

6.15.2 Notice of the suspension will be provided to Shareholders in the affected Funds as soon as practicable after commencement of the suspension. The notification will draw Shareholders' attention to the exceptional circumstances which resulted in the suspension, and inform Shareholders how to obtain the information described in the following sentence. The ACD will publish (on its website or by other means) sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration. During the suspension, the ACD shall not be obliged to deal in the Shares, but must comply with as many of its obligations regarding valuation and pricing as are practicable in the light of the suspension. The ACD and Depositary must review any such suspension at least every 28 days and inform the FCA of the results of their review. Any such suspension may only continue so long as it is justified having regard to the interest of Shareholders.

6.15.3 The ACD may agree, during the suspension, to deal in Shares in which case all deals accepted during, and outstanding prior to, the suspension

will be undertaken at a price calculated at the first Valuation Point after restart of dealing in Shares.

- 6.15.4 Recalculation of the Share price for the purposes of purchases and redemptions will commence on the next relevant Valuation Point following the ending of the suspension.

## 6.16 **Governing law**

- 6.16.1 All deals in Shares are governed by English law.

- 6.16.2 The Company, the Instrument of Incorporation and this Prospectus are governed by the laws of England and Wales. The Company, the ACD and shareholders will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with a shareholder's investment or any related matter. The laws of England and Wales provide a number of legal mechanisms for the recognition and enforcement of judgments.

## 6.17 **Client Money Rules**

- 6.17.1 The FCA Handbook contains provisions (known as the "Client Money Rules") designed to safeguard client money in the hands of authorised persons. However, the CASS rules also provide that money need not be treated as client money in respect of a delivery versus payment transaction, for the purpose of settling a transaction in relation to units in a regulated collective investment scheme such as the Company, provided that:

- (a) The ACD receives the money from a client in relation to the ACD's obligation to issue Shares in the fund in accordance with COLL; or
- (b) The money is held in the course of redeeming Shares, where the proceeds are paid to the client within the timeframe specified in COLL.

- 6.17.2 Where money is received in either of the circumstances set out in paragraph 6.17.1(a) or paragraph 6.17.1(b) above, the ACD must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Depository or the client or, if direct issues and cancellations of Shares by the Company are permitted, to the Company, as applicable.

- 6.17.3 In order to facilitate management of the Company, the ACD makes use of the delivery versus payment exemption on the issue of Shares in respect of money received other than in the form of cheques. Money received in other payment forms for the issue of Shares is, therefore, not protected under the Client Money Rules until the delivery versus payment exemption period has expired. Money received by the ACD in the form of redemptions, cheques or other remittances is paid directly into a client money account maintained by the ACD with an Approved Bank, and protected in line with the Client Money Rules. No interest is payable by the ACD on monies credited to this account.

- 6.17.4 Money deposited into an account with a third party may have a security interest, lien or right of set-off in relation to the money, to the extent permitted by the Client Money Rules.

6.17.5 In certain circumstances, if the ACD has lost touch with an investor, the ACD will be permitted to pay the investor's client money balance to a registered charity after six years. The ACD will not do so until reasonable efforts have been made to contact the investor. The investor will still be entitled to recover this money from the ACD at a later date irrespective of whether the ACD has paid the money to charity. This is subject to the rules in COLL, which require the ACD to transfer any distribution payment which remains unclaimed after a period of six years from the date of payment to the Fund's capital property.

## **7. Valuation of the Company**

7.1 The price of a Share is calculated by reference to the Net Asset Value of the Fund to which it relates. There shall only be a single price for a Share in any Fund. The Net Asset Value per Share is currently calculated at 12 noon on each Dealing Day.

7.2 The ACD may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so.

7.3 Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a valuation point for the purposes of dealings. Where permitted and subject to the Regulations, the ACD may in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

7.4 The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares, of each Class of each Fund and the amount of any dilution adjustment applicable in respect of any purchase or redemption of Shares, except where calculated purely for performance purposes.

## **8. Net Asset Value**

### **8.1 Calculation of the Net Asset Value**

The value of the property of the Company or Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

8.1.1 All the property (including receivables) is to be included, subject to the following provisions.

8.1.2 Property which is not cash (or other assets dealt with in paragraph 8.1.3 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

(a) units or shares in a collective investment scheme:

(i) if a single price for buying and redeeming units or shares is quoted, at that price; or

(ii) if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any preliminary charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or

- (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or, if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;
- (b) any other transferable security:
  - (i) if a single price for buying and redeeming the security is quoted, at that price; or
  - (ii) if separate buying and redemption prices are quoted, at the average of the two prices; or
  - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, or, if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which in the opinion of the ACD, is fair and reasonable;
- 8.1.3 Property other than that described in paragraphs 8.1.2(a) and 8.1.2(b) above at a value which, in the opinion of the ACD, is fair and reasonable.
- 8.1.4 Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.
- 8.1.5 Property which is a contingent liability transaction shall be treated as follows:
  - (a) if it is a written option (and the premium for writing the option has become part of the property), deduct the amount of the net valuation of premium receivable. If the property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;
  - (b) if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
  - (c) if it is any other form of contingent liability transaction, include it at the mark to market value (whether as a positive or negative value). If the property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.
- 8.1.6 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case and all consequential action required by the FCA Rules, the OEIC Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.
- 8.1.7 Subject to paragraphs 8.1.8 and 8.1.9 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the

valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

- 8.1.8 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 8.1.7.
- 8.1.9 All agreements are to be included under paragraph 8.1.7 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
- 8.1.10 Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Company or Fund (as applicable): on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty, stamp duty reserve tax and any foreign taxes or duties.
- 8.1.11 Deduct an estimated amount for any liabilities payable out of the property and any tax thereon treating periodic items as accruing from day to day.
- 8.1.12 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 8.1.13 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 8.1.14 Add any other credits or amounts due to be paid into the Scheme Property.
- 8.1.15 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 8.1.16 Currencies or values in currencies other than Sterling 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 Shareholders or potential shareholders.
- 8.1.17 Deduct the total amount of any performance fee that has accrued as at that time (if any) based on the calculation summarised in this Prospectus.

## 8.2 **Price per Share in each Fund and each Class**

The price per Share at which Shares are bought or redeemed is the Net Asset Value per Share and any dilution adjustment that may be applied. Any preliminary charge or redemption charge is payable in addition to the price.

## 8.3 **Pricing Basis**

The ACD deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

## 8.4 **Publication of Prices**

- 8.4.1 The most recent prices will appear daily on the Trustnet website at [www.trustnet.com](http://www.trustnet.com) and can also be obtained by telephone on 01483 783 900.
- 8.4.2 For reasons beyond the control of the ACD, these may not necessarily be the current prices.
- 8.4.3 The cancellation price last notified to the Depositary is available from the ACD upon request.
- 8.4.4 The ACD does not accept responsibility for the accuracy of the prices published or for the non-publication of prices for reasons beyond the control of the ACD.

## 9. **Risk Factors**

**Potential investors should consider the following risk factors before investing in the Company (or, in the case of specific risks applying to specific Funds, in those Funds).**

### 9.1 **General**

- 9.1.1 The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. Consequently, the value of shares in all Funds and the income derived from them can go down as well as up and as a result an investor may not get back the amount originally invested. This can be as a result of market movements and also variations on the exchange rates between currencies.
- 9.1.2 There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in the Company. There is no assurance that the investment objective of any Fund will actually be achieved. Past performance is not necessarily a guide to future performance.

### 9.2 **Effect of Preliminary Charge and Redemption Charge**

- 9.2.1 The ACD's preliminary charge is deducted from an investment at the outset. Where a preliminary charge is applied, an equivalent rise in the value of shares is required before the original investment can be recovered.
- 9.2.2 Where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased, the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares.
- 9.2.3 Consequently an investor who realises their shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested. Therefore, the Shares should be viewed as a mid to long term investment.

### 9.3 **Suspension of Dealings in Shares**

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see paragraph 6.15).

### 9.4 **Charges to Capital**

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 ACD's fee (and any other charges) may be charged against capital instead of income. This may erode or constrain capital growth.

### 9.5 **Dilution adjustment**

Investors should note that in certain circumstances a dilution adjustment may be applied on their purchase or redemption of Shares (see paragraph 6.8). Where a dilution adjustment is not applied, the Fund in question may incur dilution, which may constrain capital growth.

### 9.6 **Liabilities of the Company**

9.6.1 Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and the Fund's charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes.

9.6.2 As the Company is an umbrella company, each Fund has a specific segregated portfolio of assets. Any liabilities attributable or allocated to a particular Fund shall be met first out of the property attributable or allocated to that particular Fund. Accordingly, the assets of each Fund belong exclusively to that Fund and shall not be used to discharge directly, or indirectly, the liabilities of, or claims against, any other person or body, including the Company, or any other Fund, and shall not be available for any such purpose.

9.6.3 Any liabilities, expenses, costs or charges which are not attributable to one Fund only and allocated in accordance with the FCA Rules, may be reallocated by the Directors, provided that such reallocation shall be done in a manner which is fair to the Shareholders of the Company generally.

9.6.4 The ACD would normally expect any such reallocation to be effected on a pro rata basis having regard to the Net Asset Value of each Fund. If there is any such reallocation, the ACD will advise Shareholders of it in the next succeeding annual or half-yearly report to Shareholders.

9.6.5 While provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts, or under foreign law contracts, it is not known how those foreign courts will react to Regulation 11A and 11B of the OEIC Regulations,

9.6.6 Shareholders are not, however, liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after they have paid the purchase price of the Shares.

## 9.7 **Derivatives**

- 9.7.1 Derivative transactions may be used in each Fund solely for the purposes of hedging and efficient portfolio management and are not intended to increase the risk profile of any Fund.
- 9.7.2 A Fund may be invested in derivatives or a forward transaction but only for the purposes of hedging with the aim of reducing the risk profile of a Fund, or reducing costs. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions nor prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio position should increase. Additionally, it may not be possible for a Fund to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated if it is not able to enter into a hedging transaction at a price sufficient to protect a Fund from the decline in value of the portfolio position anticipated as a result of such a fluctuation.
- 9.7.3 Where derivative instruments are utilised for hedging purposes, the risk of loss to the Fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated. Such imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to risk of loss. While a Fund may enter into such transactions to seek to reduce exchange rate and interest rate risks, unanticipated changes in currency, interest rates and equity markets may result in a poorer overall performance of the relevant Fund. Movements in currencies may render hedging ineffective. For a variety of reasons, the ACD may not seek to establish (or may not otherwise obtain) a perfect correlation between such hedging instruments and the portfolio holdings being hedged.

## 9.8 **Counterparty risk in over-the-counter markets**

A Fund may enter into transactions in over-the-counter markets which will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Fund may enter into agreements or use other derivative techniques, each of which exposes a Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and significant losses, includes declines in the value of its investment during the period in which a Fund seeks to enforces its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances investors may be unable to recover any losses incurred.

## 9.9 **Legal and Regulatory Risks**

Legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as the Company is subject to change. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of shareholders.

## 9.10 **Conflicts Policy**

Transactions may be effected in which the ACD or the Investment Manager has, either directly or indirectly, an interest that may potentially involve a conflict of their respective obligations to the Company. Where a conflict cannot be avoided, the ACD or the Investment Manager (as applicable) will have regard to its fiduciary responsibility to act in the best interests of the Company and its investors. The ACD or the Investment Manager (as applicable) will ensure that investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.

## 9.11 **Custody Risk**

The Depositary may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint custody agents. The Depositary or Custodian or custody agents may hold Financial Instruments in fungible accounts (meaning the assets are interchangeable) or omnibus accounts (resulting in accounts being combined). The use of omnibus accounts gives rise to a potential risk that there could be a shortfall in the Financial Instruments held in such an account should the total of the Financial Instruments be less than the aggregate entitlement of the Company. It is expected that such risks will be mitigated by the Custodian's trade matching and reconciliation processes, however in the event of an irreconcilable shortfall, the affected clients would bear the risk of any shortfall on a pro-rata basis and the Company may not recover all of its Financial Instruments.

## 9.12 **Currency**

The underlying instruments held by a Fund may be denominated in currencies other than the currency of the relevant Class or Fund and the Investment Manager may decide not to hedge that currency risk. Hedging currency risk remains exclusively an investment management decision and it may have an impact on the performance of a Fund or of a Class. Accordingly, the value of an investment may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding any efforts made to hedge such fluctuations. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency of investment should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the currency of investment and such other currency.

## 9.13 **Geographical / Sector**

Significant exposure to a particular industrial sector or geographical region puts a Fund at risk of a localised event making a significant impact to the value of the Fund.

## 9.14 **Concentrated Portfolio**

If a Fund has a concentrated portfolio (holds a limited number of investments) and if one or more of these investments declines or is otherwise affected, it may have a pronounced effect on the Fund's value.

## 9.15 **Credit and Fixed Interest Securities**

9.15.1 Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

9.15.2 The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of yield, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent. BBB is described as having adequate capacity to meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the bond issuer to meet its financial commitments.

## 9.16 **Loss of Liquidity**

The Investment Manager will seek to ensure that there is sufficient liquidity within each Fund's portfolio of investments. However, certain investment positions may be less liquid. Such liquidity problems could prohibit a Fund from promptly liquidating a position and subject the Fund to substantial losses. In addition, a Fund may have to execute trades at less favourable prices if little trading in the relevant investment position involved is taking place. It is also possible that an exchange may suspend trading in a particular investment position, order immediate liquidation and settlement of a particular investment position, or order that trading in a particular investment position be conducted for liquidation only.

## 9.17 **Warrants**

The value of warrants is likely to be subject to higher fluctuations than the prices of the underlying securities because of the greater volatility of warrant prices.

## 9.18 **Leverage and Securities Lending**

9.18.1 A proportion of the capital may be leveraged. While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well. Any event which adversely affects the underlying vehicles would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investment vehicles could result in a substantial loss to capital that would be greater than if capital were not leveraged.

9.18.2 Where securities lending is permitted, investors should be aware that: (i) if the borrower of securities lent by a Fund fails to return those securities there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; (ii) in case of reinvestment of cash collateral such reinvestment may (a) create leverage with corresponding risks and risk of losses and volatility, (b) introduce market exposures inconsistent with the objectives of the Fund, or (c) yield a sum less than the amount of collateral to be returned; and (iii) delays in the return of securities on loans may restrict the ability of a Fund to meet delivery obligations under security sales.

## 9.19 **Emerging markets**

9.19.1 Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many

emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

- 9.19.2 The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.
- 9.19.3 A Fund may invest in such markets. The following is a brief summary of some of the more common risks associated with emerging markets investment:
- (a) *Fraudulent Securities* – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.
  - (b) *Currency Fluctuations* – Significant changes in the currencies of the countries in which investments are made may occur. These changes may impact the total return of a Fund to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.
  - (c) *Settlement and Custody Risks* – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result, there may be risks that settlement may be delayed and that cash or securities could be disadvantaged.
  - (d) *Investment and Remittance Restrictions* – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Fund because the maximum permitted number of or investment by foreign investors has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval. A Fund will only invest in markets in which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.
  - (e) *Accounting* – Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

## 9.20 **Infectious diseases**

Infectious diseases that pose significant threats to human health may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious diseases could significantly impact the value of the Scheme Property and the value of distributions paid to Shareholders.

## **10. The ACD**

### **10.1 General information**

- 10.1.1 The ACD is Thesis Unit Trust Management Limited, a private company limited by shares, incorporated in England and Wales under the Companies Act 1985 on 6 February 1998 with company number 3508646.
- 10.1.2 The Directors of the ACD and their main business activities are:
- |     |              |                                    |
|-----|--------------|------------------------------------|
| (a) | S R Mugford  | Finance Director                   |
| (b) | D W Tyerman  | Chief Executive Officer            |
| (c) | S E Noone    | Client Service Director            |
| (d) | D K Mytnik   | Non-Executive Director             |
| (e) | V R Smith    | Non-Executive Director             |
| (f) | C A E Lawson | Independent Non-Executive Director |
| (g) | C J Willson  | Independent Non-Executive Director |
| (h) | N C Palios   | Non-Executive Chair                |
- 10.1.3 Registered Office and Head Office: Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP
- 10.1.4 Share Capital: Issued and paid up: £5,673,167
- 10.1.5 All Directors are also directors of ConBrio Fund Partners Limited and members of the governing body of TUTMAN LLP, both authorised fund managers within the same group as the ACD. D W Tyerman, S R Mugford and S E Noone perform senior management functions within those entities. D W Tyerman and S R Mugford also hold directorships of other companies within the Thesis group and perform senior management functions within Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the ACD.
- 10.1.6 D K Mytnik, V R Smith and N C Palios also hold non-executive directorships of other companies within the Thesis group. They and C J Willson and C A E Lawson are not engaged in other business activities that are of significance to the Company.
- 10.1.7 The ACD is authorised by the FCA and acts as authorised fund manager of other regulated collective investment schemes. Details of these schemes are set out at Appendix 6.
- 10.1.8 The ACD may deal as principal in Shares and hold them for that purpose. Where it does so, the ACD will be under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue of Shares or cancellation of Shares which it has redeemed, where this is permitted by the FCA Rules. The fees to which the ACD is entitled are set out in paragraph 15.4.

10.1.9 The ACD is the sole director of the Company and is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook.

## 10.2 **Best execution**

10.2.1 In accordance with the FCA Rules and applicable law and regulation, the ACD must act in the best interests of the Company when executing decisions to deal on behalf of the Company and must establish and implement an order execution policy to allow it to obtain the best possible result.

10.2.2 The ACD has delegated the investment management of the Company to the Investment Manager, who in turn executes decisions to deal on behalf of the Company. The Investment Manager has established and implemented an order execution policy to allow it to obtain the best possible results for the Company. A copy of the Investment Manager's execution policy is available on its website, listed in Appendix 8.

## 10.3 **Terms of appointment**

10.3.1 The ACD is the sole director of the Company and its duties and obligations are governed by the terms of an agreement between the Company and the ACD (the **ACD Agreement**). The ACD Agreement provides that the ACD must manage and administer the Company in accordance with the Act and the OEIC Regulations, the Instrument of Incorporation and the contents of this Prospectus.

10.3.2 The ACD Agreement may be terminated by either party on not less than six months' written notice. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD other than the matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations.

## 10.4 **Delegation**

10.4.1 Subject to the FCA Rules, the ACD may delegate certain of its functions. Accordingly the ACD has delegated:

- (a) the registration function to Northern Trust Global Services SE, UK Branch;
- (b) the administration function to Northern Trust Global Services SE, UK Branch;
- (c) certain fund accounting functions to Northern Trust Global Services SE, UK Branch; and
- (d) the investment management function to Brickwood Asset Management LLP.

## 10.5 **Remuneration policy**

- 10.5.1 The ACD has established and applies a remuneration policy, procedure and practice (together, the **Remuneration Policy**) which is consistent with, and promotes, sound and effective risk management, and does not encourage risk-taking that is inconsistent with the risk profile or the Instrument of Incorporation.
- 10.5.2 The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the ACD or the Company. The Remuneration Policy does not impair compliance with the ACD's duty to act in the best interests of the Company.
- 10.5.3 Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available at [www.tutman.co.uk](http://www.tutman.co.uk) and a paper copy of such information can be obtained, free of charge, upon request at the offices of the ACD.

## 11. **The Depositary**

### 11.1 **General information**

- 11.1.1 The Depositary of the Company is Northern Trust Investor Services Limited, a private limited company, incorporated on 29 April 2020 with company number 12578024. Its registered office and principal place of business is at 50 Bank Street, Canary Wharf, London E14 5NT.
- 11.1.2 The Depositary is authorised and regulated by the Financial Conduct Authority with FRN: 927658.
- 11.1.3 The Depositary'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.

### 11.2 **Duties of the Depositary**

The Depositary is responsible for the safekeeping of all the Scheme Property of the Company and must ensure that the Company is managed in accordance with the Instrument of Incorporation and the provisions of COLL relating to the pricing of, and dealing in, Shares and relating to the income and the investment and borrowing powers of the Funds. The Depositary is also responsible for monitoring the cash flows of the Funds and must ensure that certain processes carried out by the ACD are performed in accordance with the FCA Handbook, this Prospectus and the Instrument of Incorporation.

### 11.3 **Terms of appointment**

- 11.3.1 The appointment of the Depositary has been made under the terms of the Depositary Agreement between the ACD, the Company and the Depositary.
- 11.3.2 The Depositary Agreement is terminable on receipt of three months' written notice given by either party. The Depositary may not retire voluntarily except on the appointment of a new depositary.

- 11.3.3 Subject to the OEIC Regulations and FCA Rules, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) any part of its duties as Depositary. As a general rule, where the Depositary delegates any of its custody functions to a delegate, the Depositary 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 Depositary. The use of clearing or settlement systems or order routing systems, does not constitute a delegation by the Depositary of its functions. As at the date of this Prospectus, the Depositary has delegated custody services to The Northern Trust Company, London Branch (the **Custodian**). The Custodian's contact details are set out in Appendix 8.
- 11.3.4 The Custodian has sub-delegated custody services to sub-custodians in certain markets in which the Company may invest. A list of sub-custodians is given in Appendix 7. Investors should note that the list of sub-custodians in the Prospectus is updated only at each Prospectus review. An updated list of sub-custodians is maintained by the ACD and is available upon request.
- 11.3.5 The Depositary Agreement contains provisions indemnifying the Depositary and limiting the liability of the Depositary in certain circumstances.
- 11.3.6 Other than to exercise the rights of lien/set off over the Scheme Property in relation to unpaid fees and expenses in relation to the proper performance of services under the Depositary Agreement or sub-custody agreement, unless otherwise agreed by the ACD on behalf of the Company, the Depositary shall not be entitled to, and no sub-custodian shall be authorised by the Depositary to re-use for its own purpose and benefit any of the Scheme Property it has been entrusted with.

The Depositary and the Custodian are entitled to receive remuneration out of the Scheme Property of the Company as explained in paragraph 15.5 below.

#### 11.4 **GDPR**

- 11.4.1 Northern Trust's EMEA Data Privacy Notice sets out how the Depositary will process Shareholders' personal information as a data controller where these details are provided to it in connection with Shareholders' investment in the Company.
- 11.4.2 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](http://www.northerntrust.com/united-kingdom/privacy/emea-privacy-notice).
- 11.4.3 Any Shareholder Any Shareholder who provides the ACD 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.

#### 11.5 **Depositary: conflicts of interest**

##### 11.5.1 General

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

It is possible that the Depositary and/or its delegates and sub-delegates 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 Company or a particular Fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian.

There may also be conflicts arising between the Depositary and the Company, the Shareholders or the ACD. In addition, the Depositary also has a regulatory duty when providing the Services to act solely in the interests of Shareholders and the Company (including its Funds). In order to comply with this requirement, the Depositary may in some instances be required to take actions in the interests of Shareholders and the Company (including its Funds) where such action may not be in the interests of the ACD.

#### 11.5.2 Affiliates

From time to time conflicts may arise from the appointment by the Depositary 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 Investment Manager, if applicable.

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

The Depositary 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 Company 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 FCA Handbook and its duties to the Depositary and the ACD.

#### 11.5.3 Conflicting commercial interests

The Depositary (and any of its affiliates) may effect, and make a profit from, transactions in which the Depositary (or its affiliates, or another client of the Depositary 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 Depositary's duty to the Company.

This includes circumstances in which the Depositary or any of its affiliates or connected persons: acts as market maker in the investments of the Company; provides broking services to the Company 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 Company; acts in the same transaction as agent for more than one client; has a material interest in the issue of the investments of the Company; or earns profits from or has a financial or business interest in any of these activities.

#### 11.5.4 Management of Conflicts

The Depositary 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 Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depositary issues to be properly identified, managed and monitored.

## 11.6 Updated Information

11.6.1 Up to date information regarding (i) the Depositary's name, (ii) the description of its duties and any conflicts of interest that may arise between the Company, the Shareholders or the ACD and the Depositary, and (iii) the description of any safekeeping functions delegated by the Depositary, the description of any conflicts of interest that may arise from such delegation, and the list showing the identity of each delegate and sub-delegate, will be made available to Shareholders on request at the head office of the ACD at Eastgate Court, High Street, Guildford, Surrey, GU1 3DE.

## 12. The Investment Manager

### 12.1 General Information

12.1.1 The ACD has entered into an agreement with Brickwood Asset Management LLP (**the Investment Advisory Agreement**) to provide investment management and advisory services to the ACD in respect of all Funds.

12.1.2 The address of the Investment Manager is set out in Appendix 8.

### 12.2 Terms of Appointment

12.2.1 The Investment Advisory Agreement between the ACD and the Investment Manager may be terminated on written notice by the Investment Manager or the ACD upon three months' notice. The Investment Advisory Agreement may be terminated immediately by the ACD if it is in the interests of investors.

12.2.2 Under the Investment Advisory Agreement, the ACD provides indemnities to the Investment Manager (except in the case of any matter arising as a direct result of its fraud, negligence, default or bad faith). The ACD may be entitled under the indemnities in the ACD Agreement to recover from the Company amounts paid by the ACD under the indemnities in the Investment Advisory Agreement.

12.2.3 The Investment Manager will be liable for certain losses suffered by the ACD, or the Company subject, in the absence of fraud, to certain limitations on the Investment Manager's liability.

12.2.4 The principal activity of Brickwood Asset Management LLP is acting as an investment manager and adviser. The execution of purchases and sales of underlying investments will be undertaken by the Investment Manager in accordance with the provisions in the FCA Handbook on best execution. The Investment Manager is required to comply with its own execution policy. A copy of the Investment Manager's execution policy is available on request.

12.2.5 The Investment Manager is authorised by the FCA.

- 12.2.6 The Investment Manager's duties under the Investment Advisory Agreement include making recommendations and advising the ACD on matters of policy (including advice on borrowing); searching out and evaluating investment opportunities; analysing the performance of companies in which assets have been invested; considering and effecting the purchase or sale of particular assets and payments into and withdrawals from accounts maintained by the Depositary; and ensuring that assets are managed in compliance with all applicable laws and regulations.
- 12.2.7 The ACD has delegated to the Investment Manager all rights and powers as are necessary for the discharge by the Investment Manager of its duties under the Investment Advisory Agreement, and the Investment Manager is authorised to make decisions on behalf of the ACD in relation to the management, purchase, sale, retention, exchange or other dealings with assets, and has full discretion to make such investments on such markets as such times as the Investment Manager thinks fit and otherwise to act as it shall deem appropriate.
- 12.2.8 Under the Investment Advisory Agreement, the Investment Manager may delegate to any person the performance of its duties and services required to be performed by it under that Agreement.

### **13. Auditors, Registrar, Administrator and Fund Accountant**

- 13.1 The Auditor of the Company is Deloitte LLP whose address is set out in Appendix 8.
- 13.2 The ACD is responsible for maintaining the register but has delegated its registrar function, as well as the function of administrator and fund accountant, to Northern Trust Global Services SE, UK branch whose registered office is set out in Appendix 8.
- 13.3 These delegated duties include:
- 13.3.1 maintaining the Register;
  - 13.3.2 receiving and processing requests for subscriptions for, or redemptions of, Shares;
  - 13.3.3 administering the payment of distributions to Shareholders;
  - 13.3.4 dealing with certain regulatory reporting requirements on behalf of the Company and the ACD;
  - 13.3.5 maintaining the accounting records of the Company; and
  - 13.3.6 assisting in calculating the Net Asset Value, as well as providing fund accounting services in respect of the Company.
- 13.4 The Register is maintained by Northern Trust Global Services SE, UK Branch and may be inspected by any Shareholder (or any Shareholder's duly authorised agent) at 50 Bank Street, London E14 5NT during normal business hours by any Shareholder or any Shareholder's duly authorised agent.
- 13.5 In line with the regulations that govern such operational outsourcing, the ACD retains responsibility for all work performed on its behalf and Shareholders' rights are not affected by this delegation.
- 13.6 There are no conflicts of interest through delegation of these functions by the ACD.

13.7 The Company does not currently require the services of a prime broker.

#### **14. Conflicts of Interest**

14.1 The ACD, the Investment Manager and other companies within the ACD's and/or the Investment Manager's group may, from time to time, act as investment manager or adviser to other funds which follow similar investment objectives to those of the Company.

14.2 On occasion, the Investment Manager may also act as adviser or discretionary investment manager to clients who invest in the Company such that a significant proportion of the Shares in issue in any one Fund may be owned by advisory and/or discretionary management client(s) of the Investment Manager.

14.3 It is therefore possible that the ACD and/or the Investment Managers may, in the course of their business, have potential conflicts of interest with the Company or that a conflict exists between the Company and other funds managed or advised by the ACD or an Investment Manager respectively.

14.4 The ACD and the Investment Managers will, however, have regard in such event to its own obligations under the relevant investment management agreement and all applicable law and regulation. In particular, each will have regard to its obligation to operate arrangements to take all reasonable steps avoid such conflicts of interest, and where they cannot be avoided, manage, monitor and (where applicable) disclose those conflicts of interest in accordance with the FCA Rules, in order to prevent conflicts of interest adversely affecting the interests of the Company and the Shareholders.

14.5 The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or the Shareholders will be prevented. Should any such situations arise the ACD will, as a last resort, disclose these to Shareholders in the report and accounts or such other appropriate format. Further details of the ACD's conflicts of interest policy are available on request.

#### **15. Fees and Expenses**

##### **15.1 General**

15.1.1 The fees, costs and expenses relating to the authorisation and incorporation and establishment of the Company, the offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Company in connection with the offer will be borne by the Company and amortised over the first accounting period.

15.1.2 All fees or expenses payable by a Shareholder or out of the Scheme Property are set out in this section. The Company may also pay out of the property of the Company charges and expenses incurred by the Company, which will include the following expenses:

- (a) the fees and expenses payable to the ACD, the Fund Accountant, the Investment Manager, the Registrar and to the Depositary;
- (b) all expenses properly incurred by the ACD in the performance of its duties as authorised corporate director of the Company, including without limitation, the costs of preparation and distribution of reports,

accounts, and any prospectus, key investor information documents or equivalent documents, (in the case of the key investor information documents or equivalent documents, only preparation and not distribution may be charged), the Instrument of Incorporation and any costs incurred as a result of changes to any Prospectus or Instrument of Incorporation, key investor information documents, or periodic updates of any other administrative documents, as well as the cost of maintaining other documentation required to be maintained in respect of the Company, any other administrative expenses and any benchmark licence fees and royalty fees incurred for the use of any index;

- (c) expenses incurred in acquiring and disposing of investments (including permitted commissions, fiscal charges (including stamp duty) and other costs or disbursements);
- (d) fees in respect of the publication and circulation of details of the Net Asset Value and the price of Shares;
- (e) the fees and expenses of the auditors and tax, legal and other professional advisers of the Company;
- (f) the costs of convening and holding Shareholder meetings (including meetings convened by Shareholders);
- (g) any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Company, which are currently carried on by the Registrar;
- (h) any fees or costs associated with any CASS related support activity incurred by the Registrar;
- (i) any costs incurred in producing and despatching any payments made by the Company;
- (j) any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- (k) liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Company in consideration for the issue of Shares as more fully detailed in COLL;
- (l) any costs incurred in establishing or maintaining any services or facilities for electronic dealing in Shares;
- (m) any payments otherwise due by virtue of COLL;
- (n) taxation and duties payable by the Company (any value added or similar tax relating to any charge or expense set out herein);
- (o) interest on and charges incurred in borrowings;
- (p) any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;

- (q) fees of the FCA and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed;
- (r) any sum incurred by the Company or the ACD on behalf of the Company in order to comply with any governmental or regulatory requirement (including the cost of any new licences or fees or other payments resulting from any changes in legislation or regulation).

15.1.3 It is not currently proposed to seek a listing for the Shares on any stock exchange, but if a listing is sought in the future the fees connected with the listing will be payable by the Company.

15.1.4 Value Added Tax is payable on these charges where appropriate.

## 15.2 Allocation of payments

15.2.1 The ACD and the Depositary have agreed that normally the fees payable from the Funds will be charged to income (except those charges and expenses relating directly to the purchase and sale of investments) in the first instance as shown in Appendix 1.

15.2.2 If at the end of the accounting period there is insufficient income, the shortfall will be allocation to capital. **It should be noted that, where fees are charged to capital, this policy may result in capital erosion or constrain capital growth in respect of a Fund.**

15.2.3 All expenses relating directly to the purchase and sale of investments will be charged to capital. All other expenses will be charged to income.

## 15.3 Allocation of Fees and Expenses between Funds

All the fees, duties and charges (other than those borne by the ACD) will be charged to the Fund in respect of which they were incurred. Where an expense is not considered to be attributable to any one Fund, the expense will normally be allocated to all Funds pro-rata to the value of the Net Asset Value of the Funds, although the ACD has discretion to allocate these fees and expenses in a manner that it considers fair to the Company and to the Shareholders generally.

## 15.4 Charges Payable to the ACD

15.4.1 In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee. (the **ACD Periodic Charge**).

15.4.2 The ACD Periodic Charge accrues daily and is payable monthly. Subject to a minimum fee of £50,000 per Fund per annum, the current ACD Periodic Charge for each Fund, is calculated on a sliding scale as follows;

0.105%	on the value of the Scheme Property of the relevant Fund up to £100,000,000;
0.035%	on the value of the next £400,000,000 of Scheme Property of the relevant Fund;

0.03%	on the value of the next £500,000,000 of Scheme Property of the relevant Fund;
0.02%	on the remaining balance of the value of Scheme Property of the relevant Fund.

15.4.3 The current ACD Periodic Charge payable to the ACD may only be increased in accordance with the COLL Sourcebook and after the ACD has made available a revised Prospectus showing the new rate of charge and its commencement date.

15.4.4 The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties which may include legal and professional expenses of the ACD in relation to the proper performance of the ACD's duties under the ACD Agreement, or related to documents amending the ACD Agreements, all postage and communication costs incurred in the proper performance of duties under the ACD Agreement and all expenses incurred in notarising documents.

## 15.5 **Depository's fees**

15.5.1 The Depository's fee for the Company is currently calculated on a sliding scale as follows:

0.025% per annum	on the value of the Scheme Property of the Company up to £100,000,000;
0.015% per annum	on the value of the Scheme Property of the Company above £100,000,000 up to £200,000,000; and
0.01% per annum	on the value of the Scheme Property of the Company thereafter

15.5.1 The annual fee is subject to a minimum fee of £7,500 per Fund per annum and VAT at the standard rate is added to these fees.

15.5.2 Depository's remuneration shall be paid out of Scheme Property. It shall accrue monthly and the first such interval shall commence on the first Valuation Point and shall terminate at the end of the last day in the same month. Each subsequent accrual interval shall commence immediately after the end of the preceding such interval and shall terminate at the end of the last day of the month following that in which the preceding accrual interval terminated. The value of the Scheme Property shall be determined in the same way as it is for the purposes of calculating the ACD's annual management charge.

## 15.6 **Transaction and custody charges**

15.6.1 In addition to the above periodic fees, the Depository shall also be entitled to be paid transaction charges and custody charges out of Scheme Property in relation to transaction handling and safekeeping of Scheme Property from the property of the Company, as follows:

<b>Item</b>	<b>Range</b>
Transaction charges	Range from £5.00 to £180.00
Derivative charges	£20 per transaction (if applicable)
Custody charges <sup>1</sup>	Up to 0.9% of the value of the holding involved subject to a minimum aggregate custody charge of £7,500 per Fund per annum.

- 15.6.2 The annual fee is subject to a minimum fee of £7,500 per Fund per annum and VAT at the standard rate is added to these fees.
- 15.6.3 Global custody is provided by The Northern Trust Company. The custody fees and transaction charges are currently payable out of the Scheme Property of the Company.
- 15.6.4 Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the ACD and the Depositary. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.
- 15.6.5 Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in derivative transactions in relation to the Company and 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 FCA Rules.
- 15.6.6 The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Depositary Agreement, the FCA Rules or by the general law.
- 15.6.7 On a winding-up of the Company, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.
- 15.6.8 Any VAT on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.
- 15.6.9 In each case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the

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<sup>1</sup> These charges vary from country to country depending on the markets and the type of transaction involved.

Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Rules by the Depositary.

## 15.7 **Administration, registration and valuation fees**

- 15.7.1 The administration of the Company will be carried out by Northern Trust Global Services SE, UK Branch, who will also act as Registrar and Fund Accountant.
- 15.7.2 The Registrar's fee is taken from the Scheme Property of the relevant Fund. The current registration fee is £10 per Shareholder per annum with a minimum of £5,000 per Fund per annum and £6 per Shareholder transaction effected through straight-through processing and £19 per Shareholder transaction recorded manually. Such fee may be payable to the ACD or to any person who has had the relevant duty delegated to it pursuant to the FCA Rules by the ACD.
- 15.7.3 The Administrator's fees and expenses (plus VAT if applicable) will be paid by the ACD out of the ACD Periodic Charge. Registration and administration fees are calculated and accrued daily and charged on a monthly basis.
- 15.7.4 The charges and expenses associated with the setting up of such transactions and any ongoing charges and expenses reasonably and properly incurred in respect of the processing and implementation of electronic transfers will also be payable from the Scheme Property of the relevant Fund.

## 15.8 **Investment Management Fee**

- 15.8.1 The Investment Manager receives a fee for providing investment management services, at a rate per annum of the value of the Scheme Property of each Fund accruing daily and payable out of the property of the Fund. The current rate of the Investment Manager's fees for each Fund, is set out in Appendix 1 in respect of all Classes of Shares.
- 15.8.2 The Investment Manager's fees (plus VAT if applicable) will be paid out of Scheme Property, at the rate set out in Appendix 1.

## 16. **Shareholder Meetings and Voting Rights**

### 16.1 **Meetings**

- 16.1.1 For the purposes of this paragraph 15.8:
  - (a) a "physical meeting" is a general meeting convened at a physical location where Shareholders, or their proxy, must be physically present;
  - (b) a "hybrid meeting" is a general meeting which allows Shareholders, or their proxy, to be physically present at the location where the meeting is convened, or to attend and vote remotely; and
  - (c) a "virtual meeting" is a general meeting where all Shareholders, or their proxy, attend and vote remotely.

- 16.1.2 The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Funds as they apply to general meetings of the Company.
- 16.1.3 The Company does not propose to hold annual general meetings. Resolutions will be voted upon at extraordinary general meetings.
- 16.1.4 The ACD and the Depositary may convene a general meeting of the Company at any time in accordance with the FCA Rules. The ACD may hold a virtual meeting or a hybrid meeting as this is not inconsistent with any provisions in the Instrument of Incorporation.
- 16.1.5 Shareholders may request the convening of a general meeting by a requisition which must:
- (a) state the objective of the meeting;
  - (b) be dated;
  - (c) be signed by Shareholders who, at that date, are registered as the Shareholders of Shares representing not less than one-tenth in value of all of the Shares then in issue; and
  - (d) be deposited at the head office of the Company or with the Depositary.
- 16.1.6 Any Shareholder who participates remotely in a hybrid meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights as a Shareholder who is physically present at the meeting.
- 16.1.7 Any Shareholder who participates in a virtual meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights that the Shareholder would have at a physical meeting.
- 16.1.8 Any Shareholder who participates remotely may do so without having to appoint a proxy and is not required to submit their vote on a resolution in advance of the meeting.
- 16.1.9 A meeting of Shareholders, duly convened and held shall be competent by extraordinary resolution to require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the relevant regulations.
- 16.1.10 An extraordinary resolution is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for the resolution at a general meeting, or, as the case may be, a Class meeting of Shareholders.
- 16.1.11 Except where an extraordinary resolution is specifically required or permitted, any resolution of Shareholders is passed by a simple majority of the votes validly cast.
- 16.1.12 A meeting of Shareholders has no powers other than those contemplated by the FCA Rules.

- 16.1.13 Where a meeting of Shareholders is convened by the ACD or the Depositary, Shareholders must receive at least 14 days' written notice (inclusive of the date on which the notice is first served and the day of the meeting) and the notice shall specify:
- (a) whether the meeting is to be a physical meeting, a hybrid meeting or a virtual meeting;
  - (b) if the meeting is a physical meeting or a hybrid meeting, the place of the meeting;
  - (c) if the meeting is a hybrid meeting or a virtual meeting, the means by which a Shareholder may participate, including any requirements for Shareholders to register before the meeting begins or to provide proof of their right to attend, and an explanation of how participating Shareholders may vote in a show of hands or in a poll, if they do not appoint a proxy;
  - (d) the day and hour of the meeting;
  - (e) the terms of the resolutions to be proposed; and
  - (f) the address of the website where the minutes of the meeting will subsequently be published.
- 16.1.14 Where the notice is served by the ACD a copy shall be sent to the Depositary.
- 16.1.15 The accidental omission to give notice to, or the non-receipt of notice by any Shareholder will not invalidate the proceedings at any meeting.
- 16.1.16 Notice of an adjourned meeting of Shareholders must be given to each Shareholder, stating that while two Shareholders are required to be present, in person, by proxy or remotely, to constitute a quorum at the adjourned meeting, this may be reduced to one in accordance with COLL 4.4.6R(3), should two such Shareholders not be present after a reasonable time of convening of the meeting.
- 16.1.17 Where the meeting is a hybrid meeting or a virtual meeting, the ACD shall take reasonable care to ensure that the necessary supporting technology to enable Shareholders to attend and vote is in place at the start of the meeting and operates adequately throughout its proceedings, so that Shareholders who attend or vote remotely are not unfairly disadvantaged.
- 16.1.18 The quorum at a meeting of Shareholders shall be two Shareholders present in person, by proxy or (where applicable) remotely using the means specified in the notice. If, after a reasonable time after the start of the meeting, a quorum is not present, the meeting:
- (a) if convened on the requisition of Shareholders, must be dissolved;
  - (b) in any other case, must stand adjourned to:
    - (i) a day and time which is seven or more days after the day and time of the meeting;

- (ii) in the case of a physical meeting or a hybrid meeting, a place to be appointed by the chair; and
  - (c) if, at an adjourned meeting under paragraph 16.1.18(b) above, a quorum is not present after a reasonable time from the time for the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum.
- 16.1.19 The chair of a meeting which permits Shareholders to attend and vote remotely shall take reasonable care to give such Shareholders:
  - (a) an adequate opportunity to be counted as present in the quorum; and
  - (b) sufficient opportunities to participate fully in the proceedings of the meeting, in particular when a vote is taken on a show of hands or by poll.
- 16.1.20 In the case of an equality of votes cast, the chair is entitled to a casting vote.

## 16.2 **Voting Rights**

- 16.2.1 At any meeting of Shareholders, on a show of hands every Shareholder who is present in person or who attends the meeting remotely using the means specified in the notice, shall have one vote.
- 16.2.2 On a poll, votes may be given either personally or by proxy or in another manner permitted by the Instrument of Incorporation. The voting rights for each Share must be the proportion of the voting rights attached to all of the Shares in issue that the price of the Shares bears to the aggregate price or prices of all of the Shares in issue at a cut-off date selected by the ACD which is a reasonable time before notice of the meeting is sent out.
- 16.2.3 A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way. For joint Shareholders, the vote of the first Shareholder, or the proxy of the first Shareholder, stated in the Register will be accepted to the exclusion of the votes of other joint Shareholders.
- 16.2.4 In the context of despatch of notice, **Shareholders** means the persons who were entered in the Register seven days before the notice of meeting was given but excluding persons who are known not to be entered on the Register at the date of despatch of the notice.
- 16.2.5 To be included in the quorum and entitled to vote at the meeting, **Shareholders** means the persons entered on the Register at a time determined by the ACD and stated in the notice of the meeting, which must not be more than 48 hours before the time fixed for the meeting.
- 16.2.6 The ACD is not entitled to vote at or be counted in a quorum at a meeting of Shareholders in respect of Shares held or deemed to be held by the ACD, except where the ACD holds Shares on behalf of, or jointly with, a person who, if themselves the sole registered Shareholder would be entitled to vote, and from whom the ACD has received voting instructions. Associates of the ACD are entitled to be counted in a quorum and, if they hold Shares on behalf of a person

who would have been entitled to vote if they had been a registered Shareholder and they have received voting instructions from that person, may vote in respect of such Shares pursuant to such instructions.

- 16.2.7 The ACD will publish the minutes on a website accessible to the general public without charge, no later than five Business Days after the meeting has taken place (but in the case of an original meeting which is adjourned, the minutes will be published no later than five Business Days after the adjourned meeting has taken place).

### 16.3 **Service of documents**

- 16.3.1 Any notice or document to be served upon a Shareholder will be duly served if it is:
- (a) delivered to the Shareholder's address as appearing in the Register; or
  - (b) sent using an electronic medium in accordance with paragraph 0 above.
- 16.3.2 Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it was posted.
- 16.3.3 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.
- 16.3.4 Any notice or document served by post on one joint Shareholder is deemed to also have been served on each other joint Shareholder whose address, as appearing on the Register, is the same address to which the notice or document was sent.
- 16.3.5 Any document or notice to be served on, or information to be given to a Shareholder, must be in legible form. For this purpose, any form is a legible form if it:
- (a) is consistent with the ACD's knowledge of how the recipient of the document wishes or expects to receive the document;
  - (b) is capable of being provided in hard copy by the ACD;
  - (c) enables the recipient to know or record the time of receipt; and
  - (d) is reasonable in the context.

### 16.4 **Changes to the Company**

- 16.4.1 Changes to the Company are classified as fundamental, significant or notifiable.
- 16.4.2 The ACD must obtain the prior approval of Shareholders by extraordinary resolution for any proposed change to the Company which constitutes a "fundamental change". This is a change or event which:
- (a) changes the purpose or nature of the Company;

- (b) may materially prejudice a Shareholder;
- (c) alters the risk profile of the Company; or
- (d) introduces a new type of payment out of the Scheme Property.

16.4.3 The ACD must give prior written notice to Shareholders of any proposed change which constitutes a "significant change". This is a change or event which is not fundamental, but which:

- (a) affects a Shareholder's ability to exercise their rights in relation to their investment;
- (b) would reasonably be expected to cause the Shareholder to reconsider their participation in the Company;
- (c) results in any increased payments out of Scheme Property to the ACD, or an associate of the ACD; or
- (d) materially increases other types of payment out of the Scheme Property.

16.4.4 The notice period must be a reasonable length and must not be less than 60 days.

16.4.5 The ACD must inform Shareholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Company. This is a change or event, other than a fundamental or significant change, which a Shareholder must be made aware of unless the ACD concludes the change is insignificant. The appropriate manner and timescale of notification will depend on the nature of the change or event. An appropriate manner of notification could include the information being included in the next report of the Company.

## 17. Taxation

### 17.1 General

**The following summary is based on current UK law and HM Revenue & Customs practice. It summarises the UK tax position of Investment Companies with Variable Capital (ICVCs) and Shareholders who are UK tax resident. However, it should not be regarded as exhaustive and investors are advised to obtain specific advice from their professional tax adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.**

### 17.2 Taxation of the Company and the Funds

The Company is an umbrella ICVC and each Fund is treated as a separate Authorised Investment Fund for tax purposes. Income of each Fund is deemed to be distributed for tax purposes, even when it is accumulated. References to distributions include deemed distributions of accumulated income.

Each Fund will make dividend distributions except where over 60% of the Fund's property has been invested at all times throughout the distribution period in interest paying and related investments, in which case it will make interest distributions. A

Fund that makes interest distributions is referred to as a **Bond Fund** and a Fund that makes dividend distributions is referred to as an **Equity Fund**.

#### 17.2.1 **Income**

Each Fund is liable to corporation tax on its income after relief for management expenses (which include fees payable to the ACD and to the Depositary) at the basic rate of income tax. The rate of corporation tax applicable to each Fund is equal to the basic rate of income tax.

Where the Fund is a Bond Fund the gross amount of any interest distributions is an allowable expense for corporation tax purposes and no tax should actually be paid on that part of the income funding the interest distributions.

Dividend income received by each Fund from investments in UK resident and overseas companies should fall within an exemption from corporation tax. Dividend income received from foreign companies may be subject to withholding tax or other taxation in the foreign jurisdiction. Any foreign tax suffered by a Fund may normally be deducted from the UK tax due on that income or treated as an expense in calculating the amount of that income subject to corporation tax.

#### 17.2.2 **Capital gains**

Capital gains realised by each Fund on a disposal of its investments are exempt from corporation tax on chargeable gains. In the unlikely event that a Fund should be considered to be trading in securities for tax purposes, any gains made by it would be treated as income and taxed accordingly.

#### 17.2.3 **Stamp Duty Reserve Tax**

Stamp duty reserve tax (**SDRT**) is generally charged on any agreements to transfer shares of ICVCs (other than transactions handled by the fund manager) to third parties at a rate of 0.5% of the consideration.

No SDRT charge arises on the issue or surrender of shares of ICVCs. However, investors may be subject to an SDRT charge where Shares in the Fund are surrendered and the investors receive assets from the Fund (rather than cash) which are not in proportion to each investor's share of the total assets held by the Fund.

### 17.3 **Taxation of Shareholders**

#### 17.3.1 **Income**

For tax purposes, an ICVC is treated as distributing the whole of the income available for distribution in each of its distribution periods, whether actually distributed or accumulated by the Fund. Distributions may be made as interest distributions or dividend distributions as set out below.

The distribution accounts of the Company for any of its distribution periods may show income available for distribution as either (a) an interest distribution or (b) a dividend distribution. The type of distribution that either actually takes or is deemed to take place depends on the source and composition of the income within the relevant Fund.

Where more than 60% of a Fund is invested in "qualifying investments" (broadly speaking interest paying investments, see further below) distributions made will be interest distributions in relation to such a Fund. Where this is not the case, distributions made by a Fund will be dividend distributions.

All Shareholders will be sent tax vouchers stating the make-up of their distributions and showing their taxable income.

(a) Interest distributions

(i) UK resident individuals

Interest distributions paid by a Fund (save in respect of distributions to certain qualifying Shareholders) are treated as yearly interest and, as such, are subject to income tax.

No income tax is required to be deducted at source from interest distributions, with the result that Shareholders will receive interest distributions gross of any tax.

Basic rate taxpayers are entitled to a personal savings allowance, higher rate taxpayers are entitled to a reduced personal savings allowance and additional rate taxpayers have no personal savings allowance.

Basic rate, higher rate and additional rate taxpayers will pay income tax (in the case of basic rate and higher rate taxpayers, on the amount in excess of the applicable personal savings allowance) on any income distributions at the basic rate, the higher rate or the additional rate (as applicable).

(ii) UK corporate Shareholders

If, at any point in an accounting period of a UK corporate Shareholder, a Fund fails to satisfy the "**qualifying investments**" test, Shares held by the UK corporate Shareholder in respect of such Fund are treated as if the Shares in respect of such a corporate's accounting period (including gains, profits and losses) are rights under a creditor loan relationship and will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a corporate Shareholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

A Fund will fail to satisfy the "**qualifying investments**" test at any time when more than 60% of its assets by market value comprise government and corporate debt securities, cash on deposit, certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "qualifying investments" test, or other interest-bearing securities.

Interest distributions paid to UK corporate Shareholders may be paid without deduction of income tax at source.

(b) Dividend distributions

Dividend distributions paid by a Fund are treated as if they are dividends.

(i) UK resident individuals

UK resident individuals liable to income tax at the basic, higher or additional rate will be taxed at the appropriate dividend rate on the receipt of dividend distributions subject to the availability of allowances and reliefs including the annual dividend allowance.

(ii) UK corporate Shareholders

UK resident corporate Shareholders must split their dividend distributions into franked and unfranked income portions according to the percentage split given on the tax voucher. The unfranked portion is, to the extent it comprises UK source income, generally treated as an annual payment received after deduction of income tax at the basic rate, whereas the balance is treated as franked income – i.e. a dividend. Both annual payments and dividends are liable to corporation tax in the hands of UK corporate Shareholders although the franked dividend portion should fall within an exemption from corporation tax.

### 17.3.2 Chargeable gains

(a) UK resident individuals

(i) Shareholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including a redemption of Shares. A switch of Funds is treated as a disposal for capital gains tax purposes. Gains will be tax-free if after deduction of allowable losses, they fall within an individual's annual capital gains exemption.

(ii) Gains in excess of the annual exemption amount are taxed at the lower rate of capital gains tax to the extent that together with an individual's taxable income they do not exceed the upper limit of the basic rate income tax band and at the higher rate to the extent that they exceed that limit.

(b) UK corporate Shareholders

(i) UK corporate Shareholders (whose Shares are not treated as creditor loan relationships) will be charged to corporation tax on any gains realised after the deduction of allowable losses (if any).

**The ACD reserves the right to redeem the Shares of any Shareholder who jeopardises the tax status of the Company.**

#### 17.4 **Income equalisation – tax implications**

The price of a Share of a particular Class is based on the value of that Class's entitlement in the relevant Fund, including the income of the relevant Fund since the previous distribution or, in the case of Accumulation Shares, deemed distribution. In the case of the first distribution received or accumulation made in respect of a Share, part of the amount, namely the equalisation payment, is treated as a return of capital and is not taxable as income in the hands of the Shareholder. This amount is, however, in the case of Income Shares, deducted from the cost of the Share in computing any capital gains. Equalisation applies only to Shares purchased during the relevant accounting period. It is calculated as the average amount of income included in the issue price of all Shares of the relevant Class issued during the period.

#### 17.5 **UK information reporting regime**

ICVCs are required to report details of interest distributions paid to UK, and many non-UK investors. Dividend distributions and payments made to ISA investors are not within the scope of these rules but see the paragraphs dealing with "International tax compliance" below.

#### 17.6 **Tax Elected Fund (TEF) regime**

The ACD may, in the future, seek to elect some or all of the Funds into the TEF regime if it considers that it would be advantageous for the majority of investors in the Company to do so. If a Fund is elected into the TEF regime, the UK tax treatment of the relevant Fund and its investors would be different to that set out above.

#### 17.7 **International tax compliance**

17.7.1 The Company is required to comply with the International Tax Compliance Regulations.

17.7.2 The International Tax Compliance Regulations transpose into UK law rules and obligations derived from international standards and inter-governmental agreements entered into by the UK which are aimed at increasing transparency and reducing tax evasion. The regulations include rules derived from the US Foreign Account Tax Compliance Act (**FATCA**) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**).

17.7.3 To be compliant with the International Tax Compliance Regulations the Company must collect information about each Shareholder's tax residence and, in certain circumstances, provide information about Shareholders' shareholdings to HMRC. HMRC may in turn share this information with overseas tax authorities. Such tasks may be delegated to the Administrator.

17.7.4 **Shareholders should note that:**

**(a) they may be asked to provide additional information (including information regarding their tax residence) to the ACD or the Administrator to enable the Company to satisfy these obligations;**

**(b) the ACD or Administrator may report these details, along with information about a Shareholder's holding, to HMRC; and**

**(c) HMRC may subsequently exchange this information with other governments or tax authorities in other jurisdictions.**

17.7.5 If a Shareholder fails to provide the information required by the Company to comply with its obligations to HMRC this may result in the ACD taking appropriate action against the Shareholder, including invoking the compulsory transfer and redemption provisions set out in this Prospectus. The Shareholder may also be liable for any penalties suffered by the ACD. The ACD may deduct the amount of any penalty from the Shareholder's account.

## **18. Winding up of the Company or termination of a Fund**

18.1 The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. A Fund must not be terminated, except under the COLL Sourcebook, or by being wound up under Part V of the Insolvency Act 1986 (as modified by regulation 33C of the OEIC Regulations) as an unregistered company.

18.2 Where the Company is to be wound up, or a Fund is to be terminated under the COLL Sourcebook, such winding up, or termination, may only be commenced when (a) effect has been given under regulation 21 of the OEIC Regulations to proposals to wind up the affairs of the Company, or to make alterations to the Company's instrument of incorporation and prospectus that would be required if a Fund was to be terminated, and (b) a statement has been prepared and delivered to the FCA under COLL 7.3.5 R (solvency statement) and received by the FCA prior to satisfaction of the condition (a).

18.3 The Company must not be wound up, or a Fund terminated under the COLL Sourcebook, if there is a vacancy in the position of ACD at the relevant time.

18.4 The Company or a Fund may be wound up under the COLL Sourcebook:

18.4.1 if an extraordinary resolution to that effect is passed by Shareholders; or

18.4.2 if the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or an event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Fund is to be wound up (for example, if the share capital of the Company is below its prescribed minimum); or

18.4.3 on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company, or a request to terminate a Fund; or

18.4.4 on the effective date of a duly approved scheme of arrangement which is to result in the Company, or a Fund, ceasing to hold any scheme property; or

18.4.5 as the Company is an umbrella company, on the date on which all of the Funds fall within 18.4.4 above or have otherwise ceased to hold

any Scheme Property, despite the Company may have assets and liabilities that are not attributable to any particular Fund.

- 18.5 On the occurrence of any of the above:
- 18.5.1 the COLL Sourcebook relating to valuation and pricing and dealing and investment and borrowing powers will cease to apply to the Company or the particular Fund;
  - 18.5.2 the Company will cease to issue and cancel Shares in the Company or the relevant Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Fund;
  - 18.5.3 no transfer of a Share shall be registered and no other change to the Register shall be made without the sanction of the ACD;
  - 18.5.4 where the Company is being wound-up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
  - 18.5.5 the corporate status and powers of the Company and, subject to (a) and 18.5.4 above, the powers of the ACD shall continue until the Company is dissolved.
- 18.6 The ACD shall, as soon as practicable after the Company or a Fund falls to be wound up, realise the assets and meet the liabilities of the Company or the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property of the Company or the Fund. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Fund, give written notice of the commencement to the Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or Fund.
- 18.7 As soon as reasonably practicable after completion of the winding up of the Company or the particular Fund, the Depositary shall notify the FCA that the winding up has been completed. On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) still standing to the account of the Company will be paid into court within one month of the dissolution.
- 18.8 Following the completion of a winding up of either the Company or a Fund, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder within two months of the completion of the winding up.

- 18.9 As the Company is an umbrella company, any liabilities attributable or allocated to a particular Fund under the COLL Sourcebook shall be met first out of the property attributable or allocated to that particular Fund. Accordingly the assets of each Fund belong exclusively to that Fund and shall not be used to discharge directly, or indirectly, the liabilities of, or claims against, any other person or body, including the Company, or any other Fund, and shall not be available for any such purpose. Any liabilities, expenses, costs or charges which are not attributable to one Fund only and allocated in accordance with the FCA Rules, may be reallocated by the Directors, provided that such reallocation shall be done in a manner which is fair to the Shareholders of the Company generally.

## **19. General Information**

### **19.1 Accounting Periods**

The annual accounting periods and accounting reference date for each of the Funds are outlined in Appendix 1.

### **19.2 Income Allocations**

- 19.2.1 Allocations of income are made in respect of the income available for allocation in each accounting period.
- 19.2.2 Income allocation dates for the each of the Funds are set out in Appendix 1.
- 19.2.3 Income receivable in respect of Income Shares is distributed to Shareholders. Holders of Accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Fund at the end of the relevant distribution period and is reflected in the price of an Accumulation Share.
- 19.2.4 Distributions of income will be paid by BACS, cheque or any other means agreed between the ACD and the relevant Shareholder from time to time. Distributions of income will be paid within two months of each income allocation date.
- 19.2.5 If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Fund (or, if that no longer exists, to the Company).
- 19.2.6 The amount available for distribution in any accounting period is generally calculated by taking the aggregate of the income received or receivable for the account of the relevant Fund in respect of that period, and deducting the charges and expenses of the relevant Fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Company's auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments (including for amortisation) which the ACD considers appropriate after consulting the auditors.

### 19.3 **Income equalisation**

- 19.3.1 The price of a Share of a particular Class in a Fund is based on the value of that Class's entitlement including the income of the relevant Fund since the previous distribution or, in the case of Accumulation Shares, deemed distributions. In the case of the first distribution received or accumulation made in respect of a Share, part of the amount, namely the equalisation payment, is a return of capital and is not taxable as income in the hands of the Shareholder.
- 19.3.2 Equalisation applies only to Shares purchased during the relevant accounting period. It is calculated as the average amount of income included in the price of all Shares of the Fund concerned issued during the period.

### 19.4 **Annual Reports**

- 19.4.1 Annual reports of the Company will be published within four months of the end of each annual accounting period and half-yearly reports will be published within two months of the end of each interim accounting period and are available free of charge to anyone who requests from the ACD. The half-yearly reports are prepared long reports.
- 19.4.2 The first report of the Company will be for the period from launch to 30 September 2025.
- 19.4.3 The annual report will also include (where relevant) information regarding the Company's use of SFTs and TRSs, as required by the Securities Financing Transactions Regulation.

### 19.5 **Documents of the Company**

- 19.5.1 The following documents may be inspected free of charge between 9.30 am and 4.30 pm on every Business Day at the offices of the ACD at the address set out in Appendix 8:
- (a) the most recent annual and half-yearly reports of the Company;
  - (b) the Instrument of Incorporation (and any amending instrument of incorporation);
  - (c) the most recent version of the Prospectus;
  - (d) the most recent version of the Company's key investor information documents;
  - (e) the ACD Agreement; and
  - (f) the material contracts referred to below.
- 19.5.2 Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents (apart from in relation to the annual and half-yearly long reports of the Company which are available free of charge).
- 19.5.3 To the extent there is any conflict between this Prospectus and the Instrument of Incorporation, the Instrument of Incorporation will prevail.

## 19.6 Risk Management

- 19.6.1 The ACD uses a risk management process (including a risk management policy) enabling it to monitor and measure at any time the risk of the Funds' positions and their contribution to the overall risk profile of the Funds.
- 19.6.2 The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:
- (a) a true and fair view of the types of derivatives and forward transactions to be used within the Funds together with their underlying risks and any relevant quantitative limits; and
  - (b) the methods for estimating risks in derivative and forward transactions.
- 19.6.3 The ACD must assess, monitor and periodically review:
- (a) the adequacy and effectiveness of the risk management policy and of the arrangements, processes and techniques referred to in COLL 6.12.5R;
  - (b) the level of compliance by the ACD with the risk management policy and with those arrangements, processes and techniques referred to in COLL 6.12.5R; and
  - (c) the adequacy and effectiveness of measures taken to address any deficiencies in the performance of the risk management process.
- 19.6.4 The ACD must notify the FCA of any material changes to the risk management process.
- 19.6.5 Upon the request of a Shareholder, the ACD shall provide certain information supplementary to this Prospectus which relates to:
- (a) the quantitative limits which apply in the risk management of the Funds;
  - (b) the methods used in relation to (a) above; and
  - (c) any recent development of the risk and yields of the main categories of investment which apply to each Fund.

## 19.7 Summary of the ACD's Haircut Policy

- 19.7.1 The ACD may have to provide or receive collateral in entering into certain derivative transactions for the Company. In doing so, the ACD may apply a haircut to that collateral. A "haircut" is a percentage that is subtracted from the market value of an asset that is being used as collateral.
- 19.7.2 The ACD will judge, on a case-by-case basis, the extent and type of collateral to use when negotiating with counterparties and clearing houses and the haircut policy which it will apply.

19.7.3 Where cash is received as collateral it will not be invested in anything other than cash or short-term deposit accounts.

19.7.4 Cash and the types of collateral will be deemed to be permitted for the purposes of the Company's collateral policy.

## 19.8 **Material Contracts**

19.8.1 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- (a) the ACD Agreement between the Company and the ACD;
- (b) the Investment Advisory Agreement between the ACD and Brickwood Asset Management LLP; and
- (c) the Depositary Agreement between the Company, the ACD and the Depositary.

19.8.2 Details of the above contracts are given under the heading "Management and Administration".

## 19.9 **Electronic Verification**

19.9.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, the Senior Management Arrangements Systems & Controls Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check the identity of Shareholders and applicants for Shares and the source of the money invested.

19.9.2 The ACD (and/or its delegates) may request verification documents from parties associated with Shareholders or applicants for Shares. In some cases, documentation may be required from officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about a Shareholder or applicant for Shares (or an associated party) on the electoral roll and using credit reference agencies.

19.9.3 A credit reference agency may check the details supplied against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information. They may also use your (or your associated party's) details in the future to assist other companies for verification purposes. If you apply for Shares you acknowledge that the ACD may ask for this information in line with Data Protection Laws. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the ACD with your application.

## 19.10 **Data Protection**

19.10.1 The personal details of each applicant for Shares and each Shareholder will be held by the ACD and/or the Registrar as its agent in accordance with Data Protection Laws for the purposes of carrying out the ACD's agreement with each Shareholder. This may include the transfer of such data to other members of the ACD's group and to

other businesses providing services to the ACD (including their offices outside the UK), where the transfer is necessary for the provision of services in relation to the ACD's role as operator of the Company. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances the ACD will take steps to ensure that your privacy rights are respected. Shareholders have the right to access their personal data processed by the ACD together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons. A copy of the ACD's Privacy Notice relating to investors is available at <https://www.tutman.co.uk/privacy-notice/> or on request from [compliance@tutman.co.uk](mailto:compliance@tutman.co.uk).

#### 19.11 **Complaints**

- 19.11.1 Complaints concerning the operation or marketing of the Company, or any of the Funds, may be referred to the ACD.
- 19.11.2 If a complaint cannot be resolved satisfactorily with the ACD, it may be referred to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.
- 19.11.3 A copy of the complaints handling procedure is available from the ACD on request.

#### 19.12 **Non-Accountability for profits**

- 19.12.1 Neither the Company, the ACD, the Depositary, the Investment Manager (or any Associate of the same), the Distributor or the Auditor is liable to account to either each other or to Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with:
  - (a) dealings in the Shares of any Fund; or
  - (b) any transaction in the Scheme Property; or
  - (c) the supply of services to the Funds.

#### 19.13 **Telephone calls**

- 19.13.1 Telephone calls may be recorded for regulatory, training or monitoring purposes.
- 19.13.2 Recordings will be provided on request for a period of least five years from the date of such recording or, where requested by a competent authority, for a period of seven years where the ACD can identify the call. If an investor asks the ACD to send a recording of a particular call the ACD may ask for further information to help identify the exact call to which the request relates to.

## **Appendix 1**

### The Funds

The Funds, and their investment objectives and policies, are set out below:

Fund Name	<b>TM Brickwood UK Value Fund</b>
Product Reference Number	1028567
Type of sub-fund	UK UCITS
Launch Date	<b>24 February 2025</b>
Initial Offer Period	There will not be an Initial Offer Period in respect of the Fund.
Investment Objective	<p>The investment objective of the Fund is to outperform its benchmark, the FTSE All Share Index, net of fees, over the long term (a rolling 5-year period).</p> <p>Capital is at risk. There is no certainty or promise that the Fund will achieve the target over a 5-year rolling period or any other period.</p>
Investment Policy	<p>The Fund aims to achieve the investment objective by investing at least 80% in shares of UK companies (defined as companies which are domiciled, incorporated or have a significant portion of their business in the UK), of which at least 80% will be in the constituents of the FTSE 350.</p> <p>The Fund's strategy is to invest directly in shares of companies that are considered to be undervalued, (those where the Investment Manager considers the share price to be less than their intrinsic value). Often these companies are facing short-term factors that are negatively impacting the share price or profitability, but other positive factors such as the longer-term business model or management changes are not accurately reflected in the share price.</p> <p>The exposure to UK companies may fall below 80% under difficult market conditions in which the Investment Manager believes that markets are expensive or when higher volatility is anticipated. This could include (but is not limited to) markets resulting from, or anticipating, extreme events (for example, the 2008 global financial crisis).</p> <p>The remainder of the Scheme Property may consist of listed shares in other geographical areas and, in fixed income assets (which may include government and public securities) and other transferable securities, money market instruments, cash, near cash and deposits.</p> <p>The above exposure may be gained directly or through the use of collective investment vehicles (including exchange traded vehicles and investment trusts) which may include collective</p>

investment vehicles managed by the ACD or its associates or the Investment Manager or its associates. Investment in collective investment schemes will be limited to a maximum of 10% of the Scheme Property of the Fund.

**Derivatives will only be used for efficient portfolio management (including hedging), although use is expected to be limited.**

The Fund's investment policy allows for maintaining prudent liquidity levels to reduce risk and preserve capital, meaning the Fund may not always be fully invested.

The Investment Manager will actively manage the Fund and is not in any way constrained by the benchmark in their portfolio positioning. This means investment decisions (buys and sells) are made independently of considering benchmark sizing.

Performance  
Comparator

Target Benchmark: FTSE All Share Index

The Fund's investment objective is to outperform the FTSE All Share, net of fees, over a rolling 5-year period. The FTSE All Share Index is a widely recognized benchmark for UK stock markets. It is easily accessible and provides a fair reflection of the Investment Managers investment universe.

FTSE International Limited is the benchmark administrator of the FTSE All Share Index.

FTSE International Limited, of 10 Paternoster Square, London, EC4M 7LS, is authorised and regulated by the Financial Conduct Authority as a benchmark administrator, with firm reference number 796803.

Comparator Benchmark: IA UK All Companies Sector

The Fund uses the Investment Association UK All Companies peer group for performance comparison purposes. This peer group is not a target and the Fund is not constrained by it. The peer group has been selected as a comparator benchmark as it helps investors to compare funds with broadly similar characteristics.

The ACD reserves the right to change the peer group following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

Investor Profile The Fund is compatible with long term investors who can afford to set aside the capital for at least five years. Investors should note that the recommended time horizon is a minimum and not a recommendation to sell at the end of that minimum period. If you are uncertain about whether this product is compatible with your needs, please contact an independent financial adviser.

Investors must be comfortable that the value of investments in the Fund can go down as well as up, that capital may be at risk and that performance varies over time and returns are not guaranteed.

Investors should be aware that there is no protection of capital and no guaranteed return and investors can lose the amount invested. Accordingly, investments are not compatible with:

- 1.1 any investor who does not have sufficient resources to bear any loss resulting from the investment;
- 1.2 any investor who cannot set aside the capital for at least five years;
- 1.3 investors who are not prepared to take any risk with their money or put their capital at risk; and/or
- 1.4 any investor looking for guaranteed income or a guaranteed total return.

Name of Share(s) Class R GBP Income Shares  
Class R GBP Accumulation Shares  
Class I GBP Income Shares  
Class I GBP Accumulation Shares  
Class F GBP Income Shares  
Class F GBP Accumulation Shares  
Class S GBP Income Shares  
Class S GBP Accumulation Shares

Allocation of charges Charges will be taken from income in the first instance.  
If at the end of the accounting period there is insufficient income, the shortfall will be allocation to capital. **It should be noted that, where fees are charged to capital, this policy may result in capital erosion or constrain capital growth.**  
All expenses relating directly to the purchase and sale of investments will be charged to capital. All other expenses will be charged to income.

Annual accounting date 30 September\*  
Interim accounting date 31 March  
Income distribution dates 31 May, 30 November,

\*The first annual accounting date will be 30 September 2025.

	<b>Class R GBP Accumulation and Income</b>
Intended for	Retail Investors
Preliminary Charge*	Nil
Exit Charge	Nil
Investment Management Fee	0.75%
ACD Periodic Charge	As set out in paragraph 15.4 of the main body of this Prospectus
Minimum Investment*	£100
Minimum Redemption*	£0
Minimum Holding*	£0
Minimum further investment*	£50
Performance fee	No

	<b>Class I GBP Accumulation and Income</b>
Intended for	Institutional Investors
Preliminary Charge*	Nil
Exit Charge	Nil
Investment Management Fee	0.65%
ACD Periodic Charge	As set out in paragraph 15.4 of the main body of this Prospectus
Minimum Investment*	£1,000,000
Minimum Redemption*	£0
Minimum Holding*	£0
Minimum further investment*	£50,000
Performance fee	No

	<b>Class F GBP Accumulation and Income</b>
Intended for	Institutional 'Founders', investing an initial aggregate seed amount of up to £100,000,000
Preliminary Charge*	Nil
Exit Charge	Nil
Investment Management Fee	0.45%
ACD Periodic Charge	As set out in paragraph 15.4 of the main body of this Prospectus
Minimum Investment*	£100,000,000

Minimum Redemption*	£0
Minimum Holding*	£0
Minimum further investment*	£10,000,000
Performance fee	No

	<b>Class S GBP Accumulation and Income</b>
Intended for	'Strategic Investors' investing up to £100,000,000 in aggregate
Preliminary Charge*	Nil
Exit Charge	Nil
Investment Management Fee	0.55%
ACD Periodic Charge	As set out in paragraph 15.4 of the main body of this Prospectus
Minimum Investment*	£100,000,000
Minimum Redemption*	£0
Minimum Holding*	£0
Minimum further investment*	£10,000,000
Performance fee	No

\* The ACD may waive the preliminary charge and minimum investment / redemption / holding levels at its discretion

Please refer to the "Fees and Expenses" section above for information on all other fees and expenses applicable to the Fund.

Fund Name	<b>TM Brickwood Global Value Fund</b>
Product Reference Number	1028568
Type of sub-fund	UK UCITS
Launch Date	<b>20 March 2025</b>
Initial Offer Period	There will not be an Initial Offer Period in respect of the Fund.
Investment Objective	<p>The investment objective of the Fund is to outperform its benchmark, the MSCI AC World Index (ACWI), net of fees, over the long term (a rolling 5-year period).</p> <p>Capital is at risk. There is no certainty or promise that the Fund will achieve the target over a 5-year rolling period or any other period.</p>
Investment Policy	<p>The Fund aims to achieve the investment objective by investing at least 80% in companies based anywhere in the world. The remainder of the Fund may be invested in fixed income assets (which may include government and public securities) and other transferable securities, money market instruments, cash, near cash and deposits.</p> <p>The Fund strategy is to invest directly in shares of companies that are considered to be undervalued (those where the Investment Manager considers the share price to be less than their intrinsic value). Often these companies are facing short-term factors that are negatively impacting the share price or profitability, but other positive factors such as the longer-term business model or management changes are not accurately reflected in the share price.</p> <p>The exposure to shares may fall below 80% under difficult market conditions in which the Investment Manager believes that markets are expensive or when higher volatility is anticipated. This could include (but is not limited to) markets resulting from, or anticipating, extreme events (for example, the 2008 global financial crisis).</p> <p>The above exposure will predominantly be gained directly but may also be through the use of collective investment vehicles (including exchange traded vehicles and investment trusts) which may include collective investment vehicles managed by the ACD or its associates or the Investment Manager or its associates. Investment in collective investment schemes will be limited to a maximum of 10% of the Scheme Property of the Fund.</p> <p><b>Derivatives will only be used for efficient portfolio management (including hedging), although use is expected to be limited.</b></p>

The Fund's investment policy allows for maintaining prudent liquidity levels to reduce risk and preserve capital, meaning the Fund may not always be fully invested.

The Investment Manager will actively manage the Fund and is not in any way constrained by the benchmark in their portfolio positioning. This means investment decisions (buys and sells) are made independently of considering benchmark sizing.

#### Performance Comparator

##### Target Benchmark: MSCI AC World Index (ACWI)

The Fund's investment objective is to outperform the MSCI AC World Index (ACWI), net of fees, over a rolling 5-year period. The MSCI AC World Index is a widely recognized benchmark for global stock markets. It is easily accessible and provides a fair reflection of the Investment Managers investment universe.

MSCI Limited is the benchmark administrator of MSCI AC World Index (ACWI). MSCI Limited is authorised and regulated by the Financial Conduct Authority as a benchmark administrator, with firm reference number 792681.

##### Comparator Benchmark: IA Global Sector

The Fund uses the Investment Association Global peer group for performance comparison purposes. This peer group is not a target and the Fund is not constrained by it. The peer group has been selected as a comparator benchmark as it helps investors to compare funds with broadly similar characteristics.

The ACD reserves the right to change the peer group following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

Investor Profile	<p>The Fund is compatible with long term investors who can afford to set aside the capital for at least five years. Investors should note that the recommended time horizon is a minimum and not a recommendation to sell at the end of that minimum period. If you are uncertain about whether this product is compatible with your needs, please contact an independent financial adviser.</p> <p>Investors must be comfortable that the value of investments in the Fund can go down as well as up, that capital may be at risk and that performance varies over time and returns are not guaranteed.</p> <p>Investors should be aware that there is no protection of capital and no guaranteed return and investors can lose the amount invested. Accordingly, investments are not compatible with:</p> <ol style="list-style-type: none"> <li>1. any investor who does not have sufficient resources to bear any loss resulting from the investment;</li> <li>2. any investor who cannot set aside the capital for at least five years;</li> <li>3. investors who are not prepared to take any risk with their money or put their capital at risk; and/or</li> <li>4. any investor looking for guaranteed income or a guaranteed total return.</li> </ol>
Name of Share(s)	<p>Class R GBP Income Shares  Class R GBP Accumulation Shares  Class I GBP Income Shares  Class I GBP Accumulation Shares  Class F GBP Income Shares  Class F GBP Accumulation Shares  Class S GBP Income Shares  Class S GBP Accumulation Shares</p>
Allocation of charges	<p>Charges will be taken from income in the first instance.</p> <p>If at the end of the accounting period there is insufficient income, the shortfall will be allocation to capital. <b>It should be noted that, where fees are charged to capital, this policy may result in capital erosion or constrain capital growth.</b></p> <p>All expenses relating directly to the purchase and sale of investments will be charged to capital. All other expenses will be charged to income.</p>
Annual accounting date	30 September*
Interim accounting date	31 March
Income distribution dates	31 May, 30 November,

\*The first annual accounting date will be 30 September 2025.

	<b>Class R GBP Accumulation and Income</b>
Intended for	Retail Investors
Preliminary Charge*	Nil
Exit Charge	Nil
Investment Management Fee	0.75%
ACD Periodic Charge	As set out in paragraph 15.4 of the main body of this Prospectus
Minimum Investment*	£100
Minimum Redemption*	£0
Minimum Holding*	£0
Minimum further investment*	£50
Performance fee	No

	<b>Class I GBP Accumulation and Income</b>
Intended for	Institutional Investors
Preliminary Charge*	Nil
Exit Charge	Nil
Investment Management Fee	0.65%
ACD Periodic Charge	As set out in paragraph 15.4 of the main body of this Prospectus
Minimum Investment*	£1,000,000
Minimum Redemption*	£0
Minimum Holding*	£0
Minimum further investment*	£50,000
Performance fee	No

	<b>Class F GBP Accumulation and Income</b>
Intended for	Institutional 'Founders', investing an initial aggregate seed amount of up to £100,000,000
Preliminary Charge*	Nil
Exit Charge	Nil
Investment Management Fee	0.45%

ACD Periodic Charge	As set out in paragraph 15.4 of the main body of this Prospectus
Minimum Investment*	£100,000,000
Minimum Redemption*	£0
Minimum Holding*	£0
Minimum further investment*	£10,000,000
Performance fee	No

	<b>Class S GBP Accumulation and Income</b>
Intended for	'Strategic Investors' investing up to £100,000,000 in aggregate
Preliminary Charge*	Nil
Exit Charge	Nil
Investment Management Fee (Fixed fee)	0.55%
ACD Periodic Charge	As set out in paragraph 15.4 of the main body of this Prospectus
Minimum Investment*	£100,000,000
Minimum Redemption*	£0
Minimum Holding*	£0
Minimum further investment*	£10,000,000
Performance fee	No

\* The ACD may waive the preliminary charge and minimum investment / redemption / holding levels at its discretion

Please refer to the "Fees and Expenses" section above for information on all other fees and expenses applicable to the Fund.



**Appendix 2**  
Investment and Borrowing Powers of the Company

**1. Investment restrictions**

The property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits on investment set out in the COLL Sourcebook. These limits apply to each Fund as summarised below.

**2. Prudent spread of risk**

The ACD must ensure that, taking account of the investment objectives and policy of the Funds, the property of the Funds aims to provide a prudent spread of risk.

**3. Treatment of obligations**

3.1 Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of the Funds under any other of those rules has also to be provided for.

3.2 Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

3.2.1 it must be assumed that in applying any of those rules, each Fund must also simultaneously satisfy any other obligation relating to cover; and

3.2.2 no element of cover must be used more than once.

**4. UK UCITS: permitted types of scheme property**

4.1 The scheme property of a Fund must, subject to its investment objective and policy and except where otherwise provided by COLL 5, consist solely of any or all of:

4.1.1 transferable securities;

4.1.2 approved money-market instruments;

4.1.3 units in collective investment schemes;

4.1.4 derivatives and forward transactions;

4.1.5 deposits; and

4.1.6 movable and immovable property that is necessary for the direct pursuit of the Company's business;

in accordance with the rules in COLL 5.2.

4.2 The requirements on spread do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of the Funds

(or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk is complied with.

- 4.3 It is not intended that the Funds will have an interest in any immovable property or tangible movable property.

## **5. Transferable Securities**

- 5.1 A transferable security is an investment which is a share, a debenture, an alternative debenture, a government and public security, a warrant, or a certificate representing certain securities (as such terms are defined in the FCA Glossary).
- 5.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 5.3 In applying paragraph 5.2 to an investment which is issued by a body corporate, and which is a share or a debenture (as such terms are defined in the FCA Glossary), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 5.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

## **6. Investment in transferable securities**

- 6.1 A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- 6.1.1 the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
- 6.1.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying Shareholder (see COLL 6.2.16R(3));
- 6.1.3 reliable valuation is available for it as follows:
- (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
  - (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- 6.1.4 appropriate information is available for it as follows:
- (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

- (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;

6.1.5 it is negotiable; and

6.1.6 its risks are adequately captured by the risk management process of the ACD.

6.2 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

6.2.1 not to compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying Shareholder; and

6.2.2 to be negotiable.

## **7. Closed end funds constituting transferable securities**

7.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Fund, provided it fulfils the criteria for transferable securities set out in paragraph 6 (investment in transferable securities), and either:

7.1.1 where the closed end fund is constituted as an investment company or a unit trust:

(a) it is subject to corporate governance mechanisms applied to companies; and

(b) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

7.1.2 where the closed end fund is constituted under the law of contract:

(a) it is subject to corporate governance mechanisms equivalent to those applied to companies; and

(b) it is managed by a person who is subject to national regulation for the purpose of investor protection.

## **8. Transferable securities linked to other assets**

8.1 A Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Fund provided the investment:

8.1.1 fulfils the criteria for transferable securities set out in paragraph 6 (investment in transferable securities) above; and

8.1.2 is backed by or linked to the performance of other assets, which may differ from those in which a Fund can invest.

8.2 Where an investment in 8.1 contains an embedded derivative component (see COLL 5.2.19R(3A)), the requirements of COLL 5 with respect to derivatives and forwards will apply to that component.

## **9. Approved Money Market Instruments**

9.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

9.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:

9.2.1 has a maturity at issuance of up to and including 397 days;

9.2.2 has a residual maturity of up to and including 397 days;

9.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or

9.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 9.2.1 or 9.2.2 or is subject to yield adjustments as set out in 9.2.3.

9.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem units at the request of any qualifying Shareholder (see COLL 6.2.16R(3)).

9.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

9.4.1 enabling the ACD to calculate a Net Asset Value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and

9.4.2 based either on market data or on valuation models including systems based on amortised costs.

9.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

## **10. Transferable securities and money market instruments generally to be admitted or dealt in on an Eligible Market**

10.1 Transferable securities and approved money market instruments held within a Fund must be:

10.1.1 admitted to or dealt on an eligible market described in paragraph 11.1.1; or

10.1.2 dealt on an eligible market described in paragraph 11.1.2; or

10.1.3 admitted to or dealt in on an eligible market described in 11.2; or

- 10.1.4 for an approved money market instrument not admitted to or dealt in on an eligible market, within paragraph 12.1; or
- 10.1.5 recently issued transferable securities provided that:
  - (a) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
  - (b) such admission is secured within a year of issue.
- 10.2 However, a Fund may invest no more than 10% of the scheme property in transferable securities and approved money-market instruments other than those referred to in paragraph 10.1

## **11. Eligible markets regime: requirements**

- 11.1 A market is eligible for the purposes of the rules in the COLL Sourcebook if it is:
  - 11.1.1 a regulated market (as defined in the FCA Glossary);
  - 11.1.2 a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public; or
  - 11.1.3 any market within paragraph 11.2.
- 11.2 A market not falling within paragraph 11.1 is eligible for the purposes of COLL Sourcebook if:
  - 11.2.1 the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
  - 11.2.2 the market is included in a list in this Prospectus; and
  - 11.2.3 the Depositary has taken reasonable care to determine that:
    - (a) adequate custody arrangements can be provided for the investment dealt in on that market; and
    - (b) all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 11.3 In paragraph 11.2.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulatory organisation by an overseas regulator, is open to the public and is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
- 11.4 The eligible markets in which the Funds may invest are set out in Appendix 4.

## **12. Money-market instruments with a regulated issuer**

- 12.1 In addition to instruments admitted to or dealt in on an eligible market, a Fund may invest in an approved money-market instrument provided it fulfils the following requirements:
  - 12.1.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and

- 12.1.2 the instrument is issued or guaranteed in accordance with paragraph 13 (issuers and guarantors of money market instruments).
- 12.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
  - 12.2.1 the instrument is an approved money-market instrument;
  - 12.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 14 (appropriate information for money market instruments); and
  - 12.2.3 the instrument is freely transferable.

### **13. Issuers and guarantors of money-market instruments**

- 13.1 A Fund may invest in an approved money-market instrument if it is:
  - 13.1.1 issued or guaranteed by any one of the following:
    - (a) a central authority of the United Kingdom or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
    - (b) a regional or local authority of the United Kingdom or an EEA State;
    - (c) the Bank of England, the European Central Bank or a central bank of an EEA State;
    - (d) the European Union or the European Investment Bank;
    - (e) a non-EEA State or, in the case of a federal state, one of the members making up the federation;
    - (f) a public international body to which the United Kingdom or one or more EEA States belong; or
  - 13.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
  - 13.1.3 issued or guaranteed by an establishment which is:
    - (a) subject to prudential supervision in accordance with criteria defined by UK or EU law; or
    - (b) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.
- 13.2 An establishment shall be considered to satisfy the requirement in paragraph 13.1.3(b) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
  - 13.2.1 it is located in the European Economic Area;

- 13.2.2 it is located in an OECD country belonging to the Group of Ten;
- 13.2.3 it has at least investment grade rating;
- 13.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

#### **14. Appropriate information for money-market instruments**

14.1 In the case of an approved money-market instrument within paragraph 13.1.2 or issued by a body of the type referred to in COLL 5.2.10E(G); or which is issued by an authority within paragraph 13.1.1(b) or a public international body within paragraph 13.1.1(f) but is not guaranteed by a central authority within paragraph 13.1.1(a), the following information must be available:

- 14.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
- 14.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
- 14.1.3 available and reliable statistics on the issue or the issuance programme.

14.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 13.1.3, the following information must be available:

- 14.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
- 14.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
- 14.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

14.3 In the case of an approved money-market instrument:

- 14.3.1 within paragraphs 13.1.1(a), 13.1.1(d) or 13.1.1(e); or
- 14.3.2 which is issued by an authority within paragraph 13.1.1(b) or a public international body within paragraph 13.1.1(f) and is guaranteed by a central authority within paragraph 13.1.1(a);

information must be available on both the issue or the issuance programme, and on the legal and financial situation of the issuer prior to the issue of the instrument.

#### **15. Spread: general**

15.1 This paragraph 15 on spread does not apply in respect of transferable securities or an approved money-market instrument to which paragraph 17 applies.

- 15.2 The specific limits are set out as follows:
- 15.2.1 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with s.399 of the Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards are regarded as a single body.
  - 15.2.2 Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.
  - 15.2.3 Not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money market instruments issued by any single body.
  - 15.2.4 The limit of 5% in paragraph 15.2.3 is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not to be taken into account for the purpose of applying the limit of 40%.
  - 15.2.5 The limit of 5% in paragraph 15.2.3 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body the total value of covered bonds held must not exceed 80% in value of the Scheme Property.
  - 15.2.6 In applying paragraphs 15.2.3 and 15.2.4 certificates representing certain securities are to be treated as equivalent to the underlying security.
  - 15.2.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.
  - 15.2.8 Not more than 20% in value of the Scheme Property is to consist of transferable securities and approved money market instruments issued by the same group (as referred to in paragraph 15.2.1).
  - 15.2.9 Not more than 20% in value of a Fund is to consist of the units of any one collective investment scheme. However, as provided for in paragraph 18.1, investment in collective investment schemes is restricted to no more than a 10% aggregate limit in value of the Scheme Property of each Sub-fund.
  - 15.2.10 In applying the limits in paragraphs 15.2.2, 15.2.3, 15.2.4, 15.2.6 and 15.2.7 and subject to paragraph 15.2.5, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
    - (a) transferable securities (including covered bonds) or approved money market instruments issued by a single body; or
    - (b) deposits made with a single body; or
    - (c) exposures from OTC derivatives transactions made with a single body.

## **16. Counterparty Risk and Issuer Concentration**

- 16.1 The ACD must ensure that counterparty risk arising from an OTC derivative transaction is subject to the limits set out in paragraphs 15.2.6 and 15.2.10 above.
- 16.2 When calculating the exposure of the Company to a counterparty in accordance with the limits set out in paragraph 15.2.6, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 16.3 The ACD may net the OTC derivative positions of the Company with the same counterparty provided:
- 16.3.1 it is able legally to enforce netting arrangements with the counterparty on behalf of the Company; and
  - 16.3.2 the netting arrangements in paragraph 16.3.1 above do not apply to any other exposures the Company may have with that same counterparty.
- 16.4 The ACD may reduce the exposure of the scheme property to a counterparty to an OTC derivative transaction through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 16.5 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits set out in paragraph 15.2.6 when it passes collateral to the counterparty to an OTC derivative transaction on behalf of the Company.
- 16.6 Collateral passed in accordance with paragraph 16.5 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of the Company.
- 16.7 The ACD must calculate the issuer concentration limits referred to in the paragraphs above on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.
- 16.8 In relation to exposures arising from OTC derivative transactions, as referred to in paragraph 15.2.10, the ACD must include in the calculation any counterparty risk relating to the OTC derivative transactions.

## **17. Spread: Government and public securities**

- 17.1 The following applies in respect of transferable securities and approved money-market instruments (**such securities**) that are issued or guaranteed by:
- 17.1.1 the United Kingdom or an EEA State;
  - 17.1.2 a local authority of the United Kingdom or an EEA State;
  - 17.1.3 a non-EEA State; or
  - 17.1.4 a public international body to which the UK or one or more EEA States belong.

- 17.2 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 17.3 A Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:
- 17.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund;
  - 17.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;
  - 17.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues; and
  - 17.3.4 the disclosures required by COLL have been made.
- 17.4 In relation to such securities:
- 17.4.1 issue, issuer and guarantor include guarantee, guaranteed and guarantor; and
  - 17.4.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.
- 17.5 Notwithstanding paragraph 15.1 above, and subject to paragraphs 15.2.1 and 15.2.2, in applying the 20% limit in 15.2.2 with respect to a single body, such securities issued by that body shall be taken into account.
- 17.6 Pursuant to the above, the Company may invest more than 35% of the Scheme Property in government and public securities issued by or on behalf of or guaranteed by a single named issuer which may be one of the following: the governments of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales) Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United States (including Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), Private Export Funding Corporation (PEFCO)) or by one of the following international organisations: African Development Bank, Asian Development Bank (ADB), Council of Europe Development Bank, Deutsche Ausgleichsbank (DTA), Eurofima, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KfW) and the Nordic Investment Bank (NIB).**
- 17.7 The ACD has consulted with the Depositary and considers that the issuers named above are ones which are appropriate in accordance with the investment objectives of the Funds.

## **18. Investment in collective investment schemes**

- 18.1 A Fund may not invest in units in a collective investment scheme (**second scheme**) unless the second scheme complies with the following requirements, and provided that no more than 10% of the value of the Scheme Property is invested in second schemes that satisfy all of the conditions set out within paragraphs 18.2 to 18.5 18.2.5below.
- 18.2 The requirements are that the second scheme must:
- 18.2.1 be a UCITS scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
  - 18.2.2 be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR, as set out in paragraph 18.3, are met); or
  - 18.2.3 be authorised as a Non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1), (3) and (4), as set out in paragraphs 18.5.1, 18.5.3 and 18.5.4, are met); or
  - 18.2.4 be authorised in an EEA State (provided the requirements of COLL 5.2.13AR, as set out in paragraph 18.3, are met); or
  - 18.2.5 be authorised by the competent authority of an OECD member country (other than an EEA State) which has:
    - (a) signed the IOSCO Multilateral Memorandum of Understanding; and
    - (b) approved the scheme's management company, rules and depositary/custody arrangements;(provided the requirements of COLL 5.2.13AR, as set out in paragraph 18.3, are met).
- 18.3 The second scheme must have terms which prohibit more than 10% in value of its scheme property consisting of units in collective investment schemes.
- 18.4 Where the second scheme is an umbrella, the provisions in paragraphs 18.2 and 18.3 above and COLL 5.2.11R (Spread: general) apply to each sub-fund as if it were a separate scheme.
- 18.5 The requirements referred to in COLL 5.2.13R(1) are that:
- 18.5.1 the second scheme is an undertaking:
    - (a) with the sole object of collective investment in transferable securities or in other liquid financial assets, as referred to in COLL, of capital raised from the public and which operate on the principle of risk-spreading; and
    - (b) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from

their net asset value shall be regarded as equivalent to such repurchase or redemption);

- 18.5.2 the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the United Kingdom, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured;
  - 18.5.3 the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UK UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and approved money market instruments are equivalent to the requirements of COLL 5; and
  - 18.5.4 the business of the second scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.
- 18.6 The second scheme must comply, where relevant, with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes).
- 18.7 .
- 18.8 Where a substantial proportion of a Fund's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged to the Fund, and to the other collective investment schemes in which it invests, should not exceed 2.5% per annum (plus VAT, if applicable). However, it is expected that any actual annual management fee will not exceed 2%.
- 18.9 Investment may be made: (i) in another collective investment scheme managed by the ACD or an Associate of the ACD; and/or (ii) in another Fund of the Company; subject to the rules contained in the FCA Handbook.
- 18.10 Where a Fund makes an investment in, or disposal of, units or shares of a second scheme detailed in paragraph 18.9, and there is a charge in respect of such investment or disposal, the ACD must pay the Fund the amount referred to in either paragraph 18.11 or paragraph 18.12 within four Business Days following the date of the agreement to invest or dispose.
- 18.11 When an investment is made, the amount referred to in paragraph 18.10 is either:
- 18.11.1 any amount by which the consideration paid by the Company for the units or shares in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units or shares been newly issued or sold by it; or
  - 18.11.2 if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units or shares in the second scheme.
- 18.12 When a disposal is made, the amount referred to in paragraph 18.10 is any charge made for the account of the authorised fund manager or operator of the second scheme or an Associate of any of them in respect of the disposal.
- 18.13 In paragraphs 18.11 and 18.12 above:

- 18.13.1 any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy or dilution adjustment, is to be treated as part of the price of the units and not as part of any charge; and
- 18.13.2 any switching charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

## **19. Investment in nil and partly paid securities**

A transferable security or an 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.

## **20. Derivatives**

- 20.1 **Under the COLL Sourcebook derivatives are permitted for UK UCITS for investment purposes and derivative transactions may be used for the purposes of hedging or meeting the investment objective or both.**
- 20.2 **The Funds do not currently intend to use Scheme Property to invest in derivatives and forward transactions under the COLL Sourcebook, other than for the purposes of efficient portfolio management techniques which is not expected to have a detrimental effect on the risk profile of the Funds.**
- 20.3 Any use of derivative instruments would be in accordance with COLL5.3.11G.
- 20.4 A transaction in derivatives or a forward transaction cannot be effected for the Funds unless:
  - 20.4.1 it is a permitted derivatives or forward transaction (as set out in paragraph 21); and
  - 20.4.2 it is covered as required by the FCA Regulations at COLL 5.3.3AR.
- 20.5 Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in paragraph 15 and paragraphs 17.1 to 17.5 except as provided in paragraph 20.9.
- 20.6 Where a transferable security or approved money-market instrument embeds a derivative this must be taken into account for the purposes of complying with COLL 5.2.
- 20.7 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
  - 20.7.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or

credit index or other variable, and therefore vary in a way similar to a standalone derivative;

- 20.7.2 the economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 20.7.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 20.8 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 20.9 If a Fund invests in an index-based derivative provided the relevant index falls within COLL 5.2.20AR the underlying constituents of the index do not have to be taken into account for the purposes of paragraph 15 and paragraphs 17.1 to 17.5 above, provided the ACD takes account of the requirements in COLL 5.2.3R for a prudent spread of risk.

## **21. Permitted transactions (derivatives and forwards)**

- 21.1 A transaction in a derivative must:
- 21.1.1 be in an approved derivative; or
  - 21.1.2 be one which complies with paragraph 22 and:
- 21.2 In addition:
- 21.2.1 the underlying of a transaction in a derivative must consist of any or all of the following to which the scheme is dedicated:
    - (a) transferable securities permitted under paragraphs 10.1.1 to 10.1.3 or 10.1.5;
    - (b) money-market instruments permitted under paragraphs 10.1.1–10.1.4;
    - (c) deposits permitted under paragraph 25;
    - (d) derivatives permitted under this paragraph 21;
    - (e) collective investment scheme units permitted under paragraph 18;
    - (f) financial indices which satisfy the criteria set out in paragraph 23;
    - (g) interest rates;
    - (h) foreign exchange rates and
    - (i) currencies.
- 21.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

- 21.4 A derivatives transaction must not cause the Funds to diverge from its investment objectives as stated in the Instrument and the most recently published Prospectus and must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money-market instruments, collective investment scheme units or derivatives, provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R(1), as read in accordance with the guidance at COLL 5.2.22AG, are satisfied.
- 21.5 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 21.6 A derivative includes an instrument which fulfils the following criteria:
- 21.6.1 it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
  - 21.6.2 it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6A R (UK UCITS: permitted types of scheme property) including cash;
  - 21.6.3 in the case of an OTC derivative, it complies with the requirements in COLL 5.2.23 R (OTC transactions in derivatives);
  - 21.6.4 its risks are adequately captured by the risk management process of the ACD, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 21.7 A Fund may not undertake transactions in derivatives of commodities.

## **22. OTC transactions in derivatives**

- 22.1 OTC transactions in derivatives in under paragraph 21.1.2 must be:
- 22.1.1 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:
    - (a) an Eligible Institution or an Approved Bank; or
    - (b) a person whose permission, (including any requirements or limitations) as published in the Financial Services Register permits it to enter into the transaction as principal off-exchange;
    - (c) a CCP that is authorised in that capacity for the purposes of EMIR;
    - (d) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
    - (e) to the extent not already covered above, a CCP supervised in a jurisdiction that:
      - (i) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom; and

- (ii) is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019.
- 22.1.2 on approved terms, the terms of the transaction in derivatives are approved only if the ACD:
  - (a) carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
  - (b) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time at its fair value;
- 22.1.3 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - (a) on the basis of an up to date market value which the ACD and the Depositary have agreed is reliable; or
  - (b) if the value referred to in sub-paragraph (a) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- 22.1.4 subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - (a) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
  - (b) a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.
- 22.2 The jurisdictions that fall within (e) are Australia, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Singapore, Spain, Switzerland, and the United States of America.
- 22.3 For the purposes paragraph 22.1.2 **fair value** is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
- 22.4 The Depositary must take reasonable care to ensure that the ACD has systems and controls that are adequate to ensure compliance with paragraph 21.1

- 22.5 For the purposes of paragraph 22.1 the ACD must:
- 22.5.1 establish, implement, and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Funds to OTC derivatives; and
  - 22.5.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- 22.6 Where the arrangements and procedures referred to in paragraph 22.5.1 involve the performance of certain activities of third parties, the ACD must comply with the requirements of SYSC 8.1.13R (Additional requirements for a management company) and COLL 6.6AR(5) and (6) (Due diligence requirements for AFMs of UCITS schemes).
- 22.7 The arrangements and procedures referred to in paragraph 22.5.1 must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

### **23. Financial indices underlying derivatives**

- 23.1 The financial indices referred to in paragraph 21.2.1(f) are those where the index is sufficiently diversified, the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner.
- 23.2 A financial index is sufficiently diversified if:
- 23.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
  - 23.2.2 where it is composed of assets in which the Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in COLL 5.2; and
  - 23.2.3 where it is composed of assets in which the Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in COLL 5.2.
- 23.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 23.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
  - 23.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
  - 23.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 23.4 A financial index is published in an appropriate manner if:

- 23.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
  - 23.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 23.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 21.2.1 be regarded as a combination of those underlyings.

## **23.6 Transactions for the purchase of property**

A derivatives or forward transaction which would or could lead to delivery of property for the account of a Fund may be entered into only if such property can be held for the account of the relevant Fund, and the ACD having taken reasonable care determines that delivery of the property pursuant to the transaction will not lead to a breach of the COLL Sourcebook.

## **24. Requirement to cover sales**

- 24.1 No agreement by or on behalf of a Fund to dispose of property or rights (except for a deposit) may be made unless:
- 24.1.1 the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment of rights; and
  - 24.1.2 the property and rights at paragraph 24.1.1 are owned by the Fund at the time of the agreement.

## **25. Investment in deposits**

The Fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

## **26. Significant influence**

*(Please note that this section applies at the level of the Company.)*

- 26.1 The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:
- 26.1.1 immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power to significantly influence the conduct of business of that body corporate; or
  - 26.1.2 the acquisition gives the Company that power.
- 26.2 For the purposes of paragraph 26.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can,

because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## **27. Concentration limits**

*(Please note that this section applies at the level of the Company.)*

### **27.1 The Company:**

- 27.1.1 must not acquire transferable securities (other than debt securities) which:
  - (a) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
  - (b) represent more than 10% of those securities issued by that body corporate;
- 27.1.2 must not acquire more than 10% of the debt securities issued by any single body;
- 27.1.3 must not acquire more than 25% of the units in a collective investment scheme; and
- 27.1.4 must not acquire more than 10% of the approved money-market instruments issued by any single body.

27.2 However, the Company need not comply with the limits in paragraphs 27.1.2, 27.1.3 and 27.1.4 above if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

## **28. UK UCITS that are umbrellas**

28.1 In relation to the Company, which is an umbrella, the provisions in COLL 5.2 to COLL 5.5 apply to each Fund as they would for an authorised fund, except the following rules which apply at the level of the umbrella only:

- 28.1.1 COLL 5.2.27 R (Significant influence for ICVCs)
- 28.1.2 COLL 5.2.29 R (Concentration).

28.2 A Fund may invest in or dispose of units in a second Fund only if the following conditions are satisfied:

- 28.2.1 the second Fund does not hold units in any other Fund;
- 28.2.2 the conditions in COLL 5.2.15 R (Investment in associated collective investment schemes) and COLL 5.2.16 R (Investment in other group schemes) are complied with (for the purposes of this rule, COLL 5.2.15 R and COLL 5.2.16 R are to be read as modified by COLL 5.2.15 R (2)); and
- 28.2.3 the investing or disposing Fund must not be a feeder UCITS to the second Fund.

## **29. Derivatives exposure**

- 29.1 A Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 29.2 Cover ensures that a Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Paragraph 30 (Cover for transactions in derivatives and forward transactions) sets out detailed requirements for cover of a Fund.
- 29.3 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

## **30. Cover for transactions in derivatives and forward transactions**

- 30.1 The ACD must ensure that a Fund's global exposure relating to derivatives and forwards transactions held for that Fund may not exceed the net value of the Scheme Property.
- 30.2 The ACD must calculate the Fund's global exposure on at least a daily basis, in accordance with the methods described in COLL 5.3.7R to COLL 5.3.10R. For the purposes of this paragraph, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

## **31. Cover and borrowing**

- 31.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under the previous paragraph 30 (cover for transactions in derivatives and forward transactions) except where, for the purposes of this paragraph, the Company:

31.1.1 borrows an amount of currency from an Eligible Institution or an Approved Bank; and

31.1.2 keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or their agent or nominee),

then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

## **32. Cash and near cash**

- 32.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, this may reasonably be regarded as necessary in order to enable:
- 32.1.1 the pursuit of the Fund's investment objectives; or
- 32.1.2 redemption of Shares; or
- 32.1.3 efficient management of the Fund in accordance with its investment objectives; or

- 32.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.
- 32.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.
- 33. General power to borrow**
- 33.1 The Fund may, in accordance with this paragraph, borrow money for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Fund to comply with any restriction in the instrument constituting the Fund.
- 33.2 The Fund may borrow under paragraph 33.1 only from an Eligible Institution or an Approved Bank.
- 33.3 The ACD must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the ACD must have regard in particular to:
- 33.3.1 the duration of any period of borrowing; and
- 33.3.2 the number of occasions on which it has resorted to borrowing in any period.
- 33.4 The ACD must ensure that no period of borrowing exceeds three months, without the consent of the Depositary.
- 33.5 These borrowing restrictions do not apply to "back to back" borrowing as outlined in paragraph 31.
- 33.6 The Fund must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraph 33.1 to 33.5.
- 34. Borrowing limits**
- 34.1 The ACD must ensure that the Fund's borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property of the Fund.
- 34.2 These borrowing limits do not apply to "back to back" borrowing as outlined in paragraph 31.
- 34.3 In this paragraph 34, "borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.
- 35. Restrictions on lending of money**
- 35.1 None of the money in the Scheme Property of a Fund may be lent and, for the purposes of this prohibition, money is lent by the Fund if it is paid to a person (the **payee**) on the basis that it should be repaid, whether or not by the payee.
- 35.2 Acquiring a debenture is not lending for the purposes of paragraph 35.1; nor is the placing of money on deposit or in a current account.
- 35.3 Paragraph 35.1 does not prevent the Fund from providing an officer of the Fund with funds to meet expenditure to be incurred by them for the purposes of the

Fund (or for the purposes of enabling them properly to perform their duties as an officer of the Fund) or from doing anything to enable an officer to avoid incurring such expenditure.

### **36. Restrictions on lending of property other than money**

- 36.1 The Scheme Property of the Fund other than money must not be lent by way of deposit or otherwise.
- 36.2 Transactions permitted by paragraph 39 (stock lending) are not lending for the purposes of paragraph 36.1.
- 36.3 The Scheme Property of the Fund must not be mortgaged.
- 36.4 Where transactions in derivatives or forward transactions are used for the account of a Fund, this paragraph does not prevent the Company (or the Depositary at the request of the Company) from
  - 36.4.1 lending, depositing, pledging or charging Scheme Property for margin requirements; or
  - 36.4.2 transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

### **37. General power to accept or underwrite placings**

- 37.1 Any power in Chapter 5 of the COLL Sourcebook to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation.
- 37.2 This section applies, subject to paragraph 37.3, to any agreement or understanding which:
  - 37.2.1 is an underwriting or sub-underwriting agreement; or
  - 37.2.2 contemplates that securities will or may be issued or subscribed for or acquired for the account of the Fund.
- 37.3 Paragraph 37.2 does not apply to:
  - 37.3.1 an option; or
  - 37.3.2 a purchase of a transferable security which confers a right to:
    - (a) to subscribe for or acquire a transferable security; or
    - (b) to convert one transferable security into another.
  - 37.3.3 The exposure of the Fund to agreements and understandings within paragraph 37.2 must, on any Business Day:
    - (a) be covered in accordance with the requirements of rule 5.3.3R of the COLL Sourcebook; and

- (b) be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in Chapter 5 of the COLL Sourcebook.

### **38. Guarantees and indemnities**

- 38.1 The Company, or the Depositary for the account of the Company, must not provide any guarantee or indemnity in respect of the obligation of any person.
- 38.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 38.3 However, paragraphs 38.1 and 38.2 do not apply in respect of any Fund to:
  - 38.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA Rules;
  - 38.3.2 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
  - 38.3.3 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
  - 38.3.4 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Fund and the holders of units in that scheme become the first Shareholders in the Fund.

### **39. Stock lending**

- 39.1 The Company may only enter into a stock lending arrangement or repo contract in accordance with the rules in COLL 5.4 if the arrangement or contract is:
  - 39.1.1 for the account of and for the benefit of the relevant Fund; and
  - 39.1.2 in the interests of its Shareholders.
- 39.2 Such an arrangement or contract is not in the interests of unitholders unless it reasonably appears to the ACD to be appropriate with a view to generating additional income for the Fund with an acceptable degree of risk.
- 39.3 The Company, or the Depositary at the request of the ACD, may enter into a repo contract or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:
  - 39.3.1 all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
  - 39.3.2 the counterparty is:

- (a) an authorised person; or
- (b) a person authorised by a Home State regulator; or
- (c) a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
- (d) a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and the Office of Thrift Supervision; and

39.3.3 high quality and liquid collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 39.3.1 and the collateral is:

- (a) acceptable to the Depositary;
- (b) adequate (within the meaning of COLL 5.4.6R; and
- (c) sufficiently immediate.

39.4 The counterparty for the purpose of paragraph 39.3 is the person who is obliged under the agreement referred to in paragraph 39.3.1 to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.

39.5 Paragraph 39.3.3 does not apply to a stock lending transaction made through Euroclear Bank S.A./N.V.'s Securities Lending and Borrowing Programme.

**39.6 As at the date of this Prospectus, whilst the Company may use repurchase / reverse repurchase agreements and stock lending agreements, it currently does not do so. However, the ACD reserves the right to permit the use of such SFTs in the future. If this were to change in the future this Prospectus will be reviewed and updated.**

### **Appendix 3**

#### Securities Financing Transactions and Total Return Swaps

1. The Company is required by the Securities Financing Transactions Regulations to make certain disclosures in respect of the Securities Financing Transactions and Total Return Swaps that it is authorised to use.
2. As at the date of this Prospectus, whilst the Funds may use SFTs and TRSs, they currently do not do so. However, the ACD reserves the right to permit the use of such instruments in the future.
3. Where the ACD intends to allow one or more of the Funds to enter into SFTs or TRSs, not less than 60 days' written notice will be given to the relevant Shareholders. In addition, this Prospectus will be updated in accordance with the Securities Financing Transactions Regulation to include the following:
  - 3.1 a general description of the SFTs and TRSs used and the rationale for their use;
  - 3.2 overall data for each type of SFT and TRS, including;
    - 3.2.1 the types of assets that can be subject to them;
    - 3.2.2 the maximum and expected proportion of assets under management that will be subject to each of them;
  - 3.3 the criteria used to select counterparties;
  - 3.4 a description of acceptable collateral;
  - 3.5 a description of the risks linked to the SFTs and TRSs as well as risks linked to collateral management and, where applicable, the risks arising from its reuse;
  - 3.6 a specification of how assets subject to SFTs and TRSs and collateral is received and safe-kept; and
  - 3.7 a description of the policy on sharing of return generated the SFTs and TRSs.

## **Appendix 4** Eligible Markets

A market is an "Eligible Market" for the purpose of the COLL Sourcebook if it is:

- a) a regulated market (as defined in the FCA Glossary);
- b) a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public; or
- c) a market which the Investment Manager, after consultation with, and notification to, the Depositary, determines is appropriate for the purpose of investment of, or dealing in, the property of a Fund. In accordance with the relevant criteria in the COLL Sourcebook, such a market must be regulated; operate regularly; recognised as a market or exchange or as a self-regulating organisation by an overseas regulator; open to the public; be adequately liquid; and have adequate arrangements for unimpeded transmission of income and capital to, or to the order of, investors.

The eligible markets on which the investments of the Funds may be dealt in or traded on will be those established in the UK or an EEA State on which transferable securities and money market instruments are admitted to official listing in the UK or an EEA State, and which are regulated, operate regularly and are open to the public: including those in Finland, France, Germany, Ireland, Italy, Netherlands, Austria, Belgium, Denmark, Greece, Luxembourg, Portugal, Spain, Norway, Sweden.

The following are also eligible markets as indicated below for each Fund:

### **ELIGIBLE SECURITIES MARKETS ADOPTED**

Australia	Australian Securities Exchange (ASX Group)
Canada	TSX Venture Exchange
Hong Kong	Hong Kong Exchange
Japan	Stock exchanges of Nagoya, Osaka and Tokyo (JASDAQ Securities Exchange)
Korea	Korea Stock Exchange Incorporated
Mexico	Mexican Stock Exchange
New Zealand	New Zealand Stock Exchange (NZX)
Singapore	Singapore Exchange (SGX)
South Africa	JSE Securities Exchange
Switzerland	SIX Swiss Exchange AG
Thailand	The Stock Exchange of Thailand

United Kingdom Alternative Investment Market

United States a) NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc);

b) any exchange registered with the Securities and Exchange Commission as a national stock exchange, including NYSE Euronext, and the stock exchanges of Chicago, NYSE Arca Equities, NASDAQ OMX PHLX, NASDAQ OMX BX and NYSE American LLC.

c) the market in transferable securities issued by or on behalf of the Government of the United States of America conducted through persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealer;

d) the Over-the-Counter Market regulated by the National Association of Securities Dealers Inc.

### **ELIGIBLE DERIVATIVES MARKETS ADOPTED**

For the purposes of COLL, the ACD, after consultation with the Depositary, has decided that the following exchanges are eligible derivatives markets in the context of the investment policy of the scheme:

Italy - Equities Derivatives Market (IDEM) and Futures Market for Government Securities (MIF)

Japan – Tokyo Financial Exchange Inc

Spain – BME, Spanish Exchanges

South Africa – South African Futures Exchange

United Kingdom - Euronext.LIFFE and OMLX

United States - Chicago Board Options, CME Group Inc, New York Futures, New York Mercantile, Philadelphia BOT and Kansas BOT

**Appendix 5**  
Past Performance

As the Company has not been in existence for a full calendar year there is no historical performance data at the moment. Once available, information regarding the Company's performance will be made available to prospective investors before they invest.

## Appendix 6

List of other authorised collective investment schemes operated by the ACD

Authorised Contractual Schemes	Authorised Investment Companies with Variable Capital	Authorised Unit Trusts
TM Brunel Pension Partnership ACS	Abaco Fund ICVC Arch House Fund Ariel Fund Bryth ICVC Canterbury Investment Fund CP Investment Funds Destiny Fund ICVC Harroway Capital ICVC Hawarwatza Fund Libero Portfolio Fund Lime Grove Fund Meadowgate Funds Moulsoe Fund Scarp Fund Skiwi Fund The Ambrose Fund The Astral Fund The Capital Link Growth Fund The Contact Fund The Diversification Fund ICVC The Dunnottar Fund The Global Multi Asset Fund The Gulland Fund The Hector Fund The Juniper Fund The Lockerley Fund The Mazener Fund The MCMLXIII Fund The Motim Fund The Northern Funds The Oenoke Fund The Ord Fund ICVC The Overstone Fund The Penare Fund The Saint Martins Fund The Staderas Fund The Stratford Fund The Sun Portfolio Fund The TBL Fund The TM Lancewood Fund The TM Mitcham Fund The Torridon Growth Fund The Vinings Fund The Wharton Fund	BPM Trust Eden Investment Fund Elfynn International Trust Glenhuntley Portfolio Trust Hawthorn Portfolio Trust KES Diversified Trust KES Growth Fund KES Income and Growth Fund KES Ivy Fund KES Strategic Investment Fund Latour Growth Fund Lavaud Fund Mossylea Fund Pippin Return Fund The Castor Fund The Darin Fund The Delta Growth Fund The Deribee Funds The Eldon Fund The Endeavour II Fund The Hall Fund The HoundStar Fund The Iceberg Trust The Maiden Fund The Millau Fund The Norfolk Trust The Notts Trust The Palfrey Fund The TM Stockwell Fund The White Hill Fund Thesis Headway Fund Thesis Lion Growth Fund Thesis PM A Fund Thesis PM B Fund Thesis Thameside Managed Fund TM Balanced Fund TM Chainpoint Fund TM Growth Fund TM Hearthstone UK Residential Feeder Fund TM Managed Fund TM Masonic Charitable Foundation Investment Fund TM Merlin Fund TM New Court Fund

	<p>Thesis JDS Fund  TM Acer Fund  TM Admiral Fund  TM Balanced Growth Fund  TM Brown Advisory Funds  TM Brunsdon OEIC  TM Cerno Investment Funds  TM Cresswell Fund  TM CRUX Funds ICVC  TM First Arrow Investment Funds  TM Hearthstone ICVC  TM Investment Exposures Fund  TM Investment Funds  TM Lime Fund  TM Natixis Investment Funds U.K. ICVC  TM Oak Fund  TM OEIC  TM Optimal Funds  TM P1 Investment Funds  TM Redwheel Funds  TM Ruffer Portfolio  TM Stonehage Fleming Global Multi-Asset Umbrella Fund  TM Stonehage Fleming Investments Funds  TM Tellworth Investments Funds  TM Total Return Fund  TM UBS (UK) Fund  TM Veritas Investment ICVC  Trowbridge Investment Funds  Vastata Fund</p>	<p>TM New Court Growth Fund  TM New Court Return Assets Fund  TM New Institutional World Fund  TM Preservation Fund  TM Private Portfolio Trust  TM Stonehage Fleming Global Equities Fund  TM Stonehage Fleming Global Equities Fund II  TM Stonehage Fleming Global Equities Umbrella Fund</p>
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**Appendix 7**  
List of Depositary Sub-Custodians

As appropriate to the listed Eligible Markets

<b>Jurisdiction</b>	<b>Sub custodian</b>	<b>Sub-custodian Delegate</b>
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bahrain</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	The Northern Trust Company	
<b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	
<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	
<b>Canada</b>	Royal Bank of Canada	

<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China A Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>Clearstream</b>	Clearstream Banking S.A	
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Egypt</b>	Citibank N.A., Cairo Branch	
<b>Estonia</b>	Swedbank AS	
<b>Euroclear</b>	Euroclear Bank S.A/N.V	
<b>Finland</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>France</b>	The Northern Trust Company	

<b>Germany</b>	The Northern Trust Company	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	Citibank Europe plc	
<b>Iceland</b>	Landsbankinn hf	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	The Northern Trust Company, London	
<b>Israel</b>	Citibank, N.A., Israel Branch	
<b>Italy</b>	Citibank Europe plc	
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Bank of Jordan Plc	
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	

<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
<b>Morocco</b>	Société Générale Marocaine de Banques	
<b>Namibia</b>	Standard Bank Namibia Ltd	
<b>Netherlands</b>	The Northern Trust Company	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Oman</b>	First Abu Dhabi PJSC, Oman Branch	

<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Handlowy w Warszawie S.A.	
<b>Portugal</b>	BNP Paribas SA	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	
<b>Russia</b>	AO Citibank	
<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	
<b>South Africa</b>	The Standard Bank of South Africa Limited	

<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Citibank Europe plc	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Switzerland</b>	UBS AG Switzerland	
<b>Taiwan</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	
<b>Tunisia</b>	Union Internationale de Banques	
<b>Turkey</b>	Citibank A.S.	
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>Ukraine (Market Suspended)</b>	JSC "Citibank"	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch

<b>United Kingdom</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>West Africa (UEMOA)</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	
<b>Zimbabwe</b>	The Standard Bank of South Africa Limited	Stanbic Bank Zimbabwe Limited

## Appendix 8

### Directory

<b>The Company and Head Office:</b>	TM Brickwood Funds Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP
<b>Authorised Corporate Director:</b>	Thesis Unit Trust Management Limited Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP
<b>Investment Manager:</b>	Brickwood Asset Management LLP 8 – 10 Grosvenor Gardens London SW1W 0DH United Kingdom
<b>Distributor:</b>	Brickwood Asset Management LLP 8 – 10 Grosvenor Gardens London SW1W 0DH United Kingdom
<b>Administrator, Registrar and Fund Accountant:</b>	Northern Trust Global Services SE, UK Branch 50 Bank Street London E14 5NT
<b>Dealing Office:</b>	Thesis Unit Trust Management Limited Sunderland SR43 4AZ
<b>Custodian</b>	Northern Trust Company <i>Principal place of business:</i> 50 South LaSalle Street Chicago, Illinois, USA  <i>Who may also act under this power through its London branch:</i> 50 Bank Street, Canary Wharf, London E14 5NT
<b>Depositary:</b>	Northern Trust Investor Services Limited 50 Bank Street Canary Wharf London E14 5NT
<b>Auditors:</b>	Deloitte LLP 1 New Street Square London EC4A 3HQ

**The Financial Conduct  
Authority (FCA):**

12 Endeavour Square  
London  
E20 1JN