ELFYNN INTERNATIONAL TRUST

PROSPECTUS

This document is the Prospectus of ELFYNN INTERNATIONAL TRUST and is dated and valid as at 12 June 2023. This document replaces any previous prospectuses issued by the Trust.

It has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND), which form part of the FCA Handbook and complies with the requirements of COLL 4.2.5R and FUND 3.2.2R.

Copies of this Prospectus have been sent to the Financial Conduct Authority and the Trustee.

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If you are in any doubt about the contents of this Prospectus you should consult your professional adviser authorised under the Financial Services and Markets Act 2000.

The Manager of the Trust, Thesis Unit Trust Management Limited, (the "Manager") has taken all reasonable care to ensure that the information contained in this document is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything material to such information. The Manager accepts responsibility accordingly.

The Trustee is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefor under the FCA Rules or otherwise.

The distribution of this Prospectus and supplementary documentation and the offering of units may be restricted in certain countries. Any person wishing to apply for units should inform themselves as to the requirements within his own country for transactions in units, any applicable exchange control regulations and the tax consequences of any transaction in units.

The units have not been and will not be registered under the 1933 Act or the securities laws of the United States. The units 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 units in the United States or to US Persons may constitute a violation of US law. The Trust has not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The units 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 units 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 Trust 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 Manager. A prospective investor may be required at the time of acquiring units to represent that such investor is a qualified holder and not a US Person or acquiring units 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 Manager to an investment does not confer on the investor a right to acquire units in respect of any future or subsequent application.

This Prospectus does not constitute an offer or solicitation to anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

Purchases must be made on the basis of the information contained in the most recently published Prospectus and supplementary documentation, including the latest reports when issued, which are available from the registered office of the Manager. Investors should check with the Manager that this is the most recently published version of the Prospectus.

Obligations have been imposed on financial sector professionals to prevent the use of funds such as Elfynn International Trust for money-laundering purposes. Within this context a procedure for the identification of subscribers is required. That is, the application form of a subscriber must be accompanied, in the case of individuals, by a copy of a passport or identification card and/or in the case of legal entities, a copy of its statutes and an extract from its commercial register (in the case of a non-UK entity any such copy must be certified to be a true copy by one of the following authorities: ambassador, consulate, notary, local police). Any such information provided is collected for money-laundering compliance purposes only. These specific requirements may be waived by the Manager where other suitable evidence is available which in its sole judgement allows the Manager to cover its obligations under money-laundering legislation.

Neither the Manager nor any of its officers, representatives or advisers, shall be regarded as giving any advice, representation or warranty (express or implied) to any person in connection with the proposals contained in this Prospectus.

DATA PROTECTION

The personal details of each applicant for units and each unitholder will be held by the Manager and/or the Administrator as its agent in accordance with Data Protection Laws for the purposes of carrying out the Manager's agreement with each unitholder. This may include the transfer of such data to other members of the Manager's group and to other businesses providing services to the Manager (including their offices outside the United Kingdom ("UK")), where the transfer is necessary for the provision of services in relation to the Manager's role as operator of the Trust. 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 Manager will take steps to ensure that your privacy rights are respected. Unitholders have the right to access their personal data processed by the Manager together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons.

A copy of the Manager's Privacy Notice relating to investors is available at www.tutman.co.uk or on request from compliance@tutman.co.uk.

ELECTRONIC VERIFICATION

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 Sourcebook and Joint Money Laundering Steering Group guidance notes *(which are updated from time to time) state that the Manager must check your identity and the source of the money invested.*

The Manager may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your (or your associated party's) credit rating. 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 units you are giving the Manager permission to ask for this information in line with the 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 Manager with your application.

ELFYNN INTERNATIONAL TRUST PROSPECTUS

1. Introduction

1.1 This document is the Prospectus of the **ELFYNN INTERNATIONAL TRUST** (the "Trust").

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

"Act"	the Financial Services and Markets Act 2000;
"AIF"	an alternative investment fund and has the same meaning as set out in the FCA Glossary;
"AIFM"	the alternative investment fund manager and has the same meaning as set out in the FCA Glossary;
"AIFMD"	the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 and (EU) No. 1095/2010;
"AIFMD Level 2 Regulation"	has the same meaning as set out in the FCA Glossary;
"AIFMD UK regulation"	the Alternative Investment Fund Managers Regulations (SI 2013/1773);
"Approved Bank"	(in relation to a bank account opened for the Trust): (a) if the account is opened at a branch in the UK: (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;

"Business Day" any day which is not a Saturday, a Sunday or a public holiday on which banks are ordinarily open for business in the City of London; and

(for the purpose of pricing units), a Business Day is defined as a day on which the dealing office of the Manager is open for the buying and selling of units;

"CASS" 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;

"COLL" the Collective Investment Schemes Sourcebook published by the FCA as part of their Handbook under the Act as may be supplemented, amended, or replaced, from time to time;

"Custodian" The Northern Trust Company;

"Data Protection Laws" 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; and

(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 Agreement); and

(e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding);

"Depositary Agreement" the agreement between the Manager and the Trustee regarding the appointment of the Trustee;

“EEA”	the European Economic Area;
“EEA State”	a member state of the European Union and any other state which is within the European Economic Area;
“Eligible Institution”	one of the eligible institutions as defined in the FCA Glossary;
“EMIR”	as defined in the FCA Glossary;
"ERISA Plan"	(i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) 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);
“EUWA”	the European Union (Withdrawal) Act 2018;
"FATCA"	the Foreign Account Tax Compliance Act (US);
"FCA"	the Financial Conduct Authority or any successor regulatory body;
“FCA Glossary”	the glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time;
"FCA Handbook"	the FCA’s handbook of rules and guidance made under the Act;
"FCA Rules"	the rules contained in COLL and FUND but, for the avoidance of doubt, not including guidance or evidential requirements contained in either sourcebook;
“Financial Instrument”	has the meaning as set out in the FCA Glossary;
“Home State”	has the meaning set out in the FCA Glossary;
"FUND"	means the Investment Funds Sourcebook published by the FCA as part of their Handbook made under the Act as it may be amended, or replaced, from time to time;
"Fund Accountant"	the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch and its successors as fund accountant;

“GDPR”	means Regulation 2016/679 of the European Parliament and of the Council of 27th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) including as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK’s withdrawal from the European Union;
“International Tax Compliance Regulations”	the International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time;
"Investment Manager"	each of the investment managers retained by the Manager pursuant to the FCA Rules, being Thesis Asset Management Limited and their respective successor or successors as investment manager to the Trust;
“Leverage”	bears the meaning as set out in the UK AIFM regime and as further described at paragraph 26;
“Non-UCITS retail scheme”	an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund;
"Manager"	the manager holding office as such from time to time pursuant to the Rules, being Thesis Unit Trust Management Limited and its successor or successors as manager of the Trust;
“OECD”	the Organisation for Economic Co-operation and Development;
"OTC derivative"	over the counter derivative;
"Register"	the register of unitholders of the Trust;
"Registrar"	the person who maintains the register, being Northern Trust Global Services SE, UK branch and its successor or successors as registrar;
"Scheme Property"	has the meaning set out in the FCA Glossary;
"Trust Deed"	the deed constituting the Trust dated 31 March 2010 and made between the Manager and the Trustee;

"Trustee"	the person to whom is entrusted the safekeeping of all of the Scheme Property of the Trust (other than certain scheme property designated by the FCA Rules), being NatWest Trustee and Depositary Services Limited and its successor or successors as trustee;
"UCITS"	an undertaking for collective investment in transferable securities. This will include a UCITS scheme or an EEA UCITS scheme, each as defined in the FCA Glossary;
"UCITS Directive"	the European Parliament and Council Directive of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC) as amended;
"UCITS Scheme"	has the meaning set out in the FCA Glossary;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"UK AIF"	has the meaning set out in the FCA Glossary;
"UK AIFM"	an AIFM established in the UK and with a Part 4A permission to carry on the regulated activity of managing an AIF;
"UK AIFM regime"	means: (1) the AIFMD UK regulation; (2) the AIFMD Level 2 Regulation; and (3) all other UK law and regulation (including FUND) which, when made, implemented AIFMD in the UK;
"UK GDPR"	Regulation 2016/679 of the European Parliament and of the Council of 27th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) including as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK's withdrawal from the European Union;
"UK UCITS"	as defined in the FCA Glossary;
"United States" or "US"	the United States of America, its territories and possessions, any state of the United

	States, and the District of Columbia;
"US Persons"	means a person who is in either of the following two categories: 1. a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act; or 2. a person excluded from the definition of "Non-United States person" as used in the Commodity Futures Trading Commission ("CFTC") Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of U.S. 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.
"1933 Act"	the United States Securities Act of 1933 (as may be amended or re-enacted);
"1940 Act"	the United States Investment Company Act of 1940 (as may be amended or re-enacted); and
"VAT"	value added tax.

Headings used in this Prospectus are for convenience only and shall not affect their meaning or legal effect.

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.

References to the plural shall include the singular and vice versa.

Unless otherwise defined in paragraph 1.2 or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the Act or the FCA Handbook shall bear the same meanings in this Prospectus.

References to statutes, statutory provisions or regulations (including any provision of the FCA Handbook) shall include those statutes, provisions, regulations, or provisions 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. The Trust

2.1 The Trust is an authorised unit trust scheme for the purposes of the Act.

2.2 The Trust is a Non-UCITS retail scheme, being a category of authorised scheme for the purposes of COLL 1.2.1R. The Trust is a UK AIF for the purposes of FUND and the UK AIFM regime.

2.3 The Trust was authorised by the Financial Services Authority pursuant to an authorisation order dated 31 March 2010. The Trust was launched on 15 December 2010 and the FCA product reference number (PRN) is 511238. The Financial Services Authority was superseded by the Financial Conduct Authority and the Prudential Regulation Authority in April 2013.

The address, for the Financial Conduct Authority, is set out at Appendix E.

2.4 The base currency of the Trust is pounds sterling.

2.5 The Trust is a collective investment scheme in which each investor's funds are pooled with all other investors' funds. The Manager takes reasonable steps to ensure that each investment transaction carried out within the Trust is suitable for the Trust, having regard to the investment objective and policy of the Trust. This Prospectus is intended to provide information to potential investors about the Trust.

2.6 Historical performance figures for the Trust are set out in Appendix B.

2.7 Unitholders are not liable for the debts of the Trust.

2.8 The Trust has an unlimited duration and will continue until wound up in accordance with the Rules.

2.9 The Trust shall not be wound up except under the FCA Rules.

2.10 Where the Trust is to be wound up under the FCA Rules, such winding up may only be commenced following approval by the FCA. The Trustee shall proceed to wind up the Trust:

2.10.1 if the authorisation order of the Trust is revoked;

2.10.2 if the period (if any) fixed for the duration of the Trust by the Trust Deed has expired and at the end of which the Trust is to be wound up;

2.10.3 if an extraordinary resolution to that effect is passed provided the FCA's prior consent to the resolution has been obtained by the Manager or Trustee;

2.10.4 if the Manager or the Trustee requests the FCA to revoke the authorisation order and the FCA has agreed (provided no material change in any relevant factor occurs) that on conclusion of winding up the Trust the FCA will agree to that request;

2.10.5 on the effective date of a duly approved scheme of arrangement which is to result in the Trust being left with no property;

2.11 If any of the events set out in paragraph 2.10 above occur, the FCA Rules concerning pricing and dealing and investment and borrowing powers respectively, will cease to apply, the Trustee shall cease the creation and cancellation of units and the Manager will cease issuing, redeeming, buying and selling units.

2.12 In the case of a scheme of arrangement referred to in paragraph 2.10.5 above the Trustee shall wind up the Trust in accordance with the approved scheme of arrangement.

2.13 In any other case, the Trustee shall, as soon as practicable after the Trust falls to be wound up, realise the property of the Trust and, after paying all liabilities properly payable and retaining provision for the costs of the winding-up distribute the proceeds to the unitholders and the Manager proportionately to the size of the holdings.

Any unclaimed net proceeds or other cash held by the Trustee after twelve months from the date the proceeds became payable, shall be paid by the Trustee into court, although the Trustee will have the right to retain any expenses incurred in making that payment. On completion of the winding-up, the Trustee shall notify the FCA in writing of that fact and the Trustee or the Manager shall request the FCA to revoke the Order of Authorisation.

3. Investment objectives and policy

The objective of the Trust is to achieve capital growth, net of fees, over a rolling 5 year period.

There is no guarantee that this return will be achieved over any period. Investors should note that capital is in fact at risk.

To achieve the objective, the Trust will have exposure to a geographically diversified global portfolio which will comprise of at least 70% in equities and up to 30% in fixed income assets (which may include government and public securities).

The Trust may also invest in money market instruments, warrants, deposits, near cash and cash.

Typically the exposure to the assets above will be gained by investing through collective investment vehicles (regulated and unregulated, including those managed by the Manager or its associates or the Investment Manager or its associates). A maximum of 20% exposure may be obtained directly.

The proportion of the Trust invested in different geographical areas, which may include emerging markets (not exceeding 30%), will vary over time in response to the economic and market environment.

Derivatives may be used for Efficient Portfolio Management (including hedging), although use is expected to be limited.

The Investment Manager will actively manage the Trust. This means the Investment Manager actively make decisions about how to invest the Scheme Property (and which investments to buy and sell) instead of simply following a market index.

Performance Comparator

The Trust uses the Investment Association Mixed Investment 40-85% Shares peer group for performance comparison purposes only. This peer group is not a target benchmark and the Trust is not constrained by it. The peer group has been selected as a comparator for performance because the parameters for this peer group of between 40 and 85% exposure to equities are closely aligned to the parameters as set out in the Policy of the Trust.

The Manager reserves the right to change the peer group following consultation with the Trustee and in accordance with the rules of COLL. A change could arise, for example, where the Manager determines that an alternative may be more appropriate. Unitholders 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.

4. Investor Profile

4.1 The Trust may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. Such investors must have experience with, or understand, products where the capital is at risk. Investors must be able to accept some risk to their capital, thus the Trust may be suitable for investors who are looking to set aside the capital for at least 5 years.

If you are uncertain whether these products are suitable for you, please contact a financial adviser.

5. Limitations on type of investments

5.1 All the property of the Trust must be invested in any or all of the following assets: transferable securities, money market instruments, derivatives, deposits and units in collective investment schemes, except that cash or near cash may be held for the pursuit of the Trust's investment objectives or redemption of units or for the efficient management of the Trust in accordance with its investment objectives or any other purpose reasonably regarded as ancillary to the investment objectives of the Trust. From time to time the Trust may have a higher than usual level of liquidity if the Manager considers that to be in the interests of unitholders. Derivatives will be used only for efficient portfolio management (including hedging).

5.2 The investment objectives and policy set out in paragraph 3 of the main body of this Prospectus are subject to the limits on investment under the FCA Rules and as set out in this Prospectus. These limits are summarised below. Subject to those limits, there is no restriction on the proportion of the assets of the Trust which may consist of assets of any of the descriptions set out in paragraph 5.1.

5.3 Generally, the Trust will invest in "approved securities" within the meaning of COLL. However, the whole of the property of the Trust may be invested in any of the permitted classes of asset described above.

5.4 Under normal circumstances, the Manager would expect substantially all of the assets of the Trust to be invested in investments appropriate to the Trust's investment objectives, with not more than 20% held in cash. The Manager may hold cash in the Trust to the extent that this is reasonably necessary to enable pursuit of the Trust's investment objectives, the redemption of units, the efficient management of the Trust or other purposes ancillary to the Trust's investment objectives.

5.5 Investments permitted for the Trust are as follows:

5.5.1 Approved securities

The Scheme Property may be invested in approved securities. An approved security is a transferable security that is admitted to an official listing in the UK or an EEA State or is traded on or under the rules of an eligible securities market (otherwise than by specific permission of the market authority). An eligible market is a regulated market that is regulated, open to the public and operates regularly; further details are set out in sub-paragraph 5.5.9 below.

5.5.2 Transferable securities

Transferable securities are, in general terms, shares, debentures, alternative debentures, government and public securities, warrants or certificates representing certain securities. Not more than 20% in value of the Scheme Property can be invested in transferable securities which are not approved securities.

The Scheme Property may be invested in transferable securities on which any sum is unpaid only if it is reasonable to foresee that the amount of any existing and potential call for any sum unpaid could be paid by the Trust at the time when payment is required, without contravening the requirements of COLL 5.

5.5.3 Money market instruments

The Scheme Property may be invested in money market instruments which are:

(a) admitted to or dealt in on an eligible market; or

(b) subject to a limit of 20% in value of the Scheme Property, liquid and have a value which can be determined accurately at any time.

5.5.4 Derivatives

A transaction in derivatives or a forward transaction must not be effected for the Trust unless:

(a) the transaction is of a kind specified in COLL 5.6.13R, as summarised below; and

(b) the transaction is covered, as required by COLL 5.3.3AR.

Where the Trust invests in derivatives, the exposure to the underlying assets must not exceed the limits specified under the heading "Spread" below.

Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of complying with and calculating any limit in these requirements.

Where the Trust invests in an index based derivative, provided the relevant index falls within COLL 5.6.23R, the underlying constituents of the index do not have to be taken into account for the purposes of restrictions spread, subject to the Manager taking account of COLL 5.6.3R in relation to the prudent spread of risk.

A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market or comply with the requirements for transactions in OTC derivatives as described below.

A transaction in a derivative must not cause the Trust to diverge from its investment objectives as stated in the Trust Deed of the Trust and in the most recently published version of this Prospectus.

A transaction in a derivative must not be effected if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, money market instruments, units in collective investment schemes, or derivatives.

Any forward transaction must be with an approved counterparty under COLL.

No agreement by or on behalf of the Trust to dispose of property or rights (except for a deposit) may be made:

(a) unless the obligation to make the disposal and any other similar obligations could immediately be honoured by the Trust by delivery of property or the assignment (or, in Scotland, assignation) of rights; and

(b) the property and rights at (a) are owned by the Trust at the time of the agreement.

The transaction alone or in combination must be reasonably believed by the Manager to diminish a risk of a kind or level which it is sensible to reduce.

Each derivative transaction must be fully covered by cash, near cash or other property sufficient to meet any obligation which could arise.

A transaction in an OTC derivative must be:

(a) with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:

1. an Eligible Institution or an Approved Bank; or

2. 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;

3. a CCP that is authorised in that capacity for the purposes of EMIR;

4. a CCP that is recognised in that capacity in accordance with the process set out in Article 25 of EMIR; or

5. to the extent not already covered above, a CCP supervised in a jurisdiction that:

   (i) has implemented the relevant G20 reforms on OTC derivatives to at least the same extent as the UK; 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.

(b) on approved terms. The terms of the transaction in derivatives are approved only if the Manager:

   (i) 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

   (ii) can enter into one or more further transactions to sell, liquidate or close out that transactions at any time, at its fair value;

(c) capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager 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:

   (i) on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable; or

   (ii) if the value referred to in (i) is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and

(d) 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:

(i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the Manager is able to check it; or

(ii) a department within the Manager which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

The jurisdictions that fall within (a)5 above are Australia, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Singapore, Spain, Switzerland, and the United States of America.

For the purposes of paragraph (b)(i) above, "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.

The Trustee must take reasonable care to ensure that the Manager has systems and controls that are adequate to ensure compliance with paragraphs (a) to (d) above.

Approved derivatives transactions are used for the purpose of efficient portfolio management (including hedging). It is, therefore, anticipated that the outcome of the use of derivatives would be principally to hedge against currency risks and to reduce, rather than to increase, the risk profile of the Trust. Movements in currencies may, however, render such hedging ineffective.

5.5.5 Deposits

The Trust 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.

5.5.6 Units in collective investment schemes

(a) The Trust may invest in units in a collective investment scheme (the "second scheme") provided that the second scheme satisfies the following conditions:

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

(ii) it is a recognised scheme (as defined in the FCA Glossary); or

(iii) it is a Non-UCITS retail scheme; or

(iv) it is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS retail scheme; or

(v) is a scheme not falling within (i) to (iv) and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested;

(b) the second scheme operates on the principle of the prudent spread of risk; and

(c) the second scheme is prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes (unless COLL 5.6.10AR applies); and;

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

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

(ii) determined in accordance with the scheme.

(e) where the second scheme is an umbrella, the provisions in (b) to (d) above and COLL 5.6.7 R (Spread: general) apply to each sub-fund as if it were a separate scheme.

A list of the locations of the establishment of any second schemes which the Trust may invest in from time to time is shown in Appendix D.

Subject to the restrictions above, investment may be made in other collective investment schemes managed by the Manager or an associate of the Manager, provided that conditions in COLL 5.2.16R are complied with.

5.5.7 Warrants

The Trust may invest in warrants but the exposure created by the exercise of the rights conferred by those warrants must not exceed the limits set out in "Spread" below.

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be highly volatile.

5.5.8 Spread: general

(a) This paragraph does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 5.5.9 applies.

(b) The specific limits are set out as follows:

(i) not more than 20% in value of the Scheme Property is to consist of deposits with a single body;

(ii) not more than 10% in value of the Scheme Property is to consist of transferable securities or money market instruments issued by a single body (except that the limit of 10% is raised to 25% in value of the Scheme Property in respect of covered bonds) subject to COLL 5.6.23R;

(iii) exposure to any one counterparty in an OTC derivative transaction shall not exceed 10% in value of the scheme; and

(iv) not more than 35% in value of the Scheme Property is to consist of the units of any one collective investment scheme.

(c) In applying the limit under paragraph (b)(ii) above, certificates representing certain securities are to be treated as equivalent to the underlying securities.

(d) For the purposes of this paragraph 5.5.8, a single body is:

(i) in relation to transferable securities and money market instruments, the person by whom they are issued; and

(ii) in relation to deposits, the person with whom they are placed.

5.5.9 <u>Spread: government and public securities</u>

(a) The following applies in respect of transferable securities or approved money-market instruments ("such securities") that are issued or guaranteed by:

(i) the UK or an EEA State; or

(ii) a local authority of the UK or an EEA State; or

(iii) a non-EEA State; or

(iv) a public international body to which the UK or one or more EEA States belong.

(b) 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.

(c) The Trust may invest more than 35% in value of the Scheme Property in such securities issued by any one

body, provided that:

(i) **the Manager has before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Trust;**

(ii) **no more than 30% in value of the Scheme Property consists of such securities of any one issue;**

(iii) **the Scheme Property includes such securities issued by that or another issuer, of at least six different issues; and**

(iv) **the disclosures in COLL 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made in the most recently published version of this Prospectus.**

(d) **In relation to such securities:**

(i) issue, issued and issuer include guarantee, guaranteed and guarantor; and

(ii) 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.

(e) Notwithstanding paragraph 5.5.8(a) and subject to paragraphs 5.5.8(b)(i) and 5.5.8(d) above, in applying the 20% limit in paragraph 5.5.8(b)(i) with respect to a single body, such securities issued by that body shall be taken into account.

(f) **More than 35% in value of the Scheme Property may be invested in such securities issued by:**

(i) **the Government of the United Kingdom; and**

(ii) **the Government of the United States of America.**

5.5.10 Eligible markets

The markets upon which transferable securities and money market instruments are traded must meet certain criteria laid down in the FCA Rules.

Eligible markets include any market established in the United Kingdom or an EEA State on which transferable securities and money market instruments admitted to official listing in the UK or an EEA State are dealt in or traded, and which is regulated, operates regularly and is open to the public.

In the case of all other markets, in order to qualify as an eligible market, the Manager after consultation and notification to the Trustee, must be satisfied that the relevant market:

(a) is regulated;

(b) operates regularly;

(c) is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator;

(d) is open to the public;

(e) is adequately liquid; and

(f) has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

The eligible securities markets for the Trust are set out in Appendix A to this Prospectus.

Eligible derivatives markets are markets which the Manager, after consultation with and notification of the Trustee, has decided are appropriate for the purpose of investment of or dealing in the Scheme Property with regard to the relevant criteria set out in the FCA Rules and the guidance on eligible markets issued by the FCA (as amended from time to time).

The eligible derivatives markets for the Trust are set out in Appendix A to this Prospectus.

5.5.11 General

(a) The Trust may not acquire any investment which has an actual contingent liability attached unless the maximum amount of such liability is ascertainable at the time of acquisition.

(b) The restrictions on investment set out above are tighter than those imposed by the FCA Rules in the following respects:

for the purposes of paragraph 5.5.5, the FCA Rules do not require a certain rating for an Approved Bank.

6. Borrowing

6.1 The Trustee may, in accordance with the FCA Rules and with the instructions of the Manager, borrow sums of money for the use of the Trust on terms that the borrowing is repayable out of the Scheme Property.

6.2 Borrowings must not exceed 10% of the value of the Scheme Property.

6.3 Borrowing may be made from the Trustee or an associate of it at a normal commercial interest rate.

6.4 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes, i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates.

7. Efficient Portfolio Management

7.1 The Manager may utilise the property of the Trust to enter into transactions for the purpose of efficient portfolio management. There is no limit on the amount of the property of the Trust which may be used for these purposes, but there are three broadly based requirements which the Manager has adopted:

7.1.1 The transactions must be **economically appropriate** for the purposes of efficient portfolio management.

7.1.2 The exposure must be **fully covered** by cash or other property sufficient to meet any obligation to pay or deliver that could arise.

7.1.3 The transactions must be entered into for one or more three specific aims, namely:

(a) The reduction of risk;

(b) The reduction of cost; or

(c) The generation of additional capital or income for the Trust with a risk level which is consistent with the risk profile of the Trust and the risk diversification rules laid down in COLL.

7.1.4 The first two aims, together or separately, allow for tactical asset allocation; that is a switch in exposure through the use of derivatives rather than through the sale and purchase of underlying property.

7.1.5 Similarly, the aim of reduction of risk allows for the use of derivatives with a view to switching the currency exposure of all or part of the underlying scheme property away from a currency which the Manager considers to be unduly prone to risk.

7.2 Economically appropriate

7.2.1 The guidelines adopted by the Manager, under which the Trust will operate are:

(a) Any transaction must be one which (alone or in combination with one or more of others) is reasonably believed by the Trust to be economically appropriate to the efficient portfolio management of the Trust.

7.2.2 This means that the Manager reasonably believes that:

(a) For transactions undertaken to reduce risk or cost (or both), the transaction (alone or combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; and

(b) For transactions undertaken to generate additional capital or income, the Trust is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction;

7.2.3 The transaction may not be entered into if its purpose could reasonably be regarded as speculative.

7.2.4 Where the transaction relates to the actual or potential acquisition of transferable securities, the Manager must intend that the Trust should invest in transferable securities within a reasonable time and must ensure thereafter that, unless the position has itself been closed out, that intention is realised within that reasonable time.

7.3 **Efficient portfolio management techniques may be utilised by the Trust when considered appropriate.**

8. Stock lending

8.1 The Manager may request the Trustee to enter into stock lending transactions in respect of the Trust. The purpose of the stock lending transaction must be for the generation of capital or income for the Trust with no, or an acceptably low, degree of risk.

8.2 Briefly, such transactions are those where the Trustee delivers the securities which are the subject of the transaction, in return for which it is agreed that securities of the same kind and amount should be re-delivered at a later date. The Trustee at the time of delivery of the securities receives assets as collateral to cover the risk that the securities are not returned. Such transactions must always comply with the relevant requirements of the Taxation of Chargeable Gains Act 1992 and the FCA Rules. There is no limit on the value of the Scheme Property which may be the subject of repo contracts or stock lending transactions.

9. Reporting, distributions and accounting dates

9.1 The Trust's accounting reference date, accounting periods and income allocation dates are:

Accounting reference date	30 June
Interim accounting reference date	31 December
Annual income allocation date	31 October
Interim income allocation date	last day of February

9.2 Distributions of income for the Trust are made on or before the annual income allocation date and on or before the interim income allocation date in each year.

9.3 Long reports will be published, and made available (free of charge), on request to the Manager. The reports will be available for inspection by the public during normal working hours at the Manager's place of business. The Manager's address is set out in Appendix E.

10. Characteristics of units

10.1 The Trust may issue both income and accumulation units. Of these types of unit, both units are available.

10.2 Income receivable in respect of income units is distributed to unitholders. Holders of accumulation units are not entitled to be paid the income attributable to such units, but that income is automatically transferred to (and retained as part of) the capital assets of the Trust at the end of the relevant distribution period and is reflected in the price of an accumulation unit.

10.3 An income unit represents one undivided share in the capital property of the Trust. An accumulation unit represents one undivided share in the capital property plus further units relating to net income retained. Each unit ranks pari passu with the other units in the Trust.

10.4 The nature of the right represented by units is that of a beneficial interest under a trust.

10.5 No certificates are issued to unitholders.

10.6 Title to units is evidenced by the entry on the Register; unitholders may but need not support an instruction to the Manager by enclosing the contract note or the most recent annual statement or copies of such documents.

10.7 Units in the Trust are not listed or dealt in or on any investment exchange.

11. Payment of Distributions

11.1 The income available for distribution is determined with COLL. It comprises all income received or receivable for the account of the Trust in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Manager considers appropriate, after consulting with the Trust's Auditors, in accordance with COLL, in relation to taxation and other matters.

11.2 Each holder of income units is entitled, on the interim income allocation date and the annual income allocation date, to the net income attributable to his holding.

11.3 Net income on accumulation units is not distributed but is accumulated, being automatically reinvested after the annual accounting reference date and half yearly accounting dates to increase the value of each unit.

11.4 The Manager reserves the right to change or create additional accounting and income distribution dates, usually as a result of accounting or taxation changes.

11.5 On the income allocation dates, an amount, as determined by the Manager in accordance with the Trust Deed, is either paid, reinvested or accumulated to those unitholders who are entitled to the distribution by evidence of their holding on the Register at the previous accounting date. Payments will be made by means of direct credit to the unitholder's nominated bank account. If a nominated bank account is not provided, a cheque will be sent out, within four Business Days, to the unitholder's address as appearing in the Register. If the income allocation date is not a Business Day, payment will be made on the next Business Day.

11.6 Any distribution that remains unclaimed for a period of 6 years after the distribution became due for payment will be forfeited and shall revert to the Trust.

12. Meetings of Unitholders, Voting Rights and Service of Notices or Documents

12.1 A meeting of unitholders duly convened and held may, by extraordinary resolution, effect certain matters including:

12.1.1 authorise any modification, alteration or addition to the provisions of the Trust Deed relating to the Trust which have been properly put forward;

12.1.2 authorise the departure by the Manager from a policy statement or set of investment objectives included in the Prospectus;

12.1.3 remove the Manager (or determine that the Manager be removed as soon as this is permitted by law); and

12.1.4 approve a proposed scheme of arrangement or of reconstruction put forward by the Manager.

12.2 A meeting of unitholders has no powers other than those contemplated by the Rules.

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

12.4 The quorum at a meeting of unitholders shall be two unitholders present in person or by proxy.

12.5 At any meeting of unitholders, on a show of hands every unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, shall have one vote.

12.6 On a poll, every unitholder who is present in person or by proxy shall have one vote for every complete undivided share in the property of the Trust and a further part of one vote proportionate to any fraction of such an undivided share of which he is the unitholder. A unitholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

12.7 Any resolution put to a meeting of unitholders will be proposed as an extraordinary resolution which to be passed requires a majority of 75% of the total number of votes cast for and against such a resolution.

12.8 In the context of despatch of notice, "unitholders" 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.

12.9 In the context of voting, "unitholders" means the persons who were entered on the Register seven days before the notice of meeting was given but excluding any persons who are known not to be entered on the Register at the date of the meeting.

12.10 The Manager is not entitled to vote at or be counted in a quorum at a meeting of unitholders in respect of units held or deemed to be held by the Manager, except where the Manager holds units on behalf of, or jointly with, a person who, if himself the sole registered unitholder would be entitled to vote, and from whom the Manager has received voting instructions. Associates of the Manager are entitled to be counted in a quorum and, if they hold units on behalf of a person who would have been entitled to vote if he had been a registered unitholder and they have received voting instructions from that person, may vote in respect of such units pursuant to such instructions.

12.11 Any notice or document to be served upon a unitholder will be duly served if it is:

12.11.1 delivered to the unitholder's address as appearing in the Register; or

12.11.2 delivered by using an electronic medium in accordance with paragraph 23.

12.12 Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted.

12.13 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.

12.14 Any document or notice to be served on or information to be given to a unitholder, must be in legible form.

For this purpose, any form is legible form which:

12.14.1 is consistent with the Manager's knowledge of how the recipient of the document wishes or expects to receive the document;

12.14.2 is capable of being provided in hard copy by the Manager;

12.14.3 enables the recipient to know or record the time of receipt; and

12.14.4 is reasonable in the context.

12.15 The Manager must obtain the prior approval of unitholders by extraordinary resolution for any proposed change to the Trust that is a fundamental change. This is a change or event which:

12.15.1 changes the purpose or nature of the Trust;

12.15.2 may materially prejudice a unitholder;

12.15.3 alters the risk profile of the Trust; or

12.15.4 introduces a new type of payment out of the Trust property.

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

12.15.5 affects a unitholder's ability to exercise his rights in relation to his investment;

12.15.6 would reasonably be expected to cause the unitholder to reconsider his participation in the Trust;

12.15.7 results in any increased payments out of the Trust property to the Manager or an associate of the Manager; or

12.15.8 materially increase other types of payment out of the Trust property.

The notice period must be of reasonable length, and must not be less than 60 days.

The Manager must inform unitholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Trust. This is a change or event, other than a fundamental or significant change, which a unitholder must be made aware of unless the Manager 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 long form report of the Trust.

Changes to the investment objective and policy of the Trust will normally require approval by unitholders at an extraordinary general meeting if the change alters the nature or risk profile of the Trust, or on giving 60 days' notice to unitholders where the changes do not alter the nature or risk profile of the Trust. In exceptional circumstances, changes may be made to the investment objective and policy of the Trust with no minimum period of notice where these are for clarification purposes only. Usually, changes may only be made to the investment objective and policy following notification to the FCA pursuant to the Act and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Trust.

13. The Manager

13.1 The Manager 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 03508646.

The Manager is the AIFM for the purposes of the UK AIFM regime and, for the purposes of COLL, an authorised fund manager.

Registered office and Head Office: Exchange Building
St John's Street
Chichester
PO19 1UP

Telephone number:	01243 531234
Share Capital:	Issued and paid up £5,673,167

13.2 The directors of the Manager are as follows:

S R Mugford	Finance Director
D W Tyerman	Chief Executive Officer
S E Noone	Client Service Director
D K Mytnik	Non-Executive Director
V R Smith	Non-Executive Director
G Stewart	Independent Non-Executive Director
C J Willson	Independent Non-Executive Director
N C Palios	Non-Executive Chair

13.3 D W Tyerman and S R Mugford also hold directorships of other companies within the Thesis group and perform senior management roles within these companies, particularly Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Manager.

13.4 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 G Stewart are not engaged in other business activities that are of significance to the Trust.

13.5 The Manager is authorised and regulated by the Financial Conduct Authority and is authorised to carry on certain permitted regulated activities in the United Kingdom in accordance with the Act. The address, for the Manager, is set out in Appendix E.

13.6 As at the date of this Prospectus, the Manager acts as authorised fund manager to other regulated collective investment schemes. Details of these schemes, as at the date of this Prospectus, are set out in Appendix C.

13.7 The Manager will cover at all times the risks outlined below of loss or damage caused by any relevant person through the negligent performance of activities for which the Manager has legal responsibility by maintaining an amount of own funds, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the UK AIFM regime and the FCA Rules. In addition, the Manager holds significant professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the UK AIFM regime and the FCA Rules.

13.8 The risks which are specifically covered by this approach include, without being limited to, risks of:

13.8.1 loss of documents evidencing title of assets of the Trust;

13.8.2 misrepresentations or misleading statements made to the Trust or its investors;

13.8.3 acts, errors or omissions resulting in a breach of:

13.8.4 legal and regulatory obligations;

13.8.5 duty of skill and care towards the Trust and its investors;

13.8.6 fiduciary duties;

13.8.7 obligations of confidentiality;

13.8.8 the terms of the Trust Deed;

13.8.9 terms of appointment of the Manager by the Trust;

13.8.10 failure to establish, implement and maintain appropriate procedures to prevent dishonest, fraudulent or malicious acts;

13.8.11 improperly carried out valuation of assets or calculation of unit prices;

13.8.12 losses arising from business disruption, system failures, failure of transaction processing or process management.

14. Trustee

The Trustee and depositary of the Trust is NatWest Trustee and Depositary Services Limited, a private limited company a private limited company registered in England and Wales with company number 11194605.

The ultimate holding company is NatWest Group plc, which is incorporated in Scotland.

The Trustee's registered office address is 250 Bishopsgate, London EC2M 4AA. The Trustee's head office address is 440 Strand, London WC2R 0QS. The address of the Trustee's office (which handles matters relating to the Trust) is set out in Appendix E.

The Trustee's principal activity is the provision of trustee and depositary services.

The Trustee is established in the UK and is authorised and regulated by the FCA to act as a depositary of a UK UCITS or a UK AIF.

Duties of the Trustee

The Trustee is responsible for the safekeeping of the Scheme Property, monitoring the cash flows of the Trust and must ensure that certain processes carried out by the Manager are performed in accordance with the applicable rules and Trust documents.

Terms of Appointment

The appointment of the Trustee as trustee has been made under the terms of the Trust Deed between the Manager and the Trustee. The Trustee has also been appointed as the depositary of the Trust pursuant to the Depositary Agreement.

The Depositary Agreement provides that the Trustee be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties required in COLL and FUND.

Under the Depositary Agreement the Trustee has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Trustee has delegated custody of the Scheme Property to The Northern Trust Company (the Custodian). Contact details for the Custodian are set out in Appendix E. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Trust may invest to various sub-delegates (sub-custodians).

Under the Depositary Agreement the Trustee will be liable to the Trust for any loss of Financial Instruments held in custody or for any liabilities incurred by the Trust as a direct result of the Trustee's fraud, negligence or negligent or intentional failure to properly fulfil its obligations under the Depositary Agreement or the UK AIFM regime.

However, where the event which led to the loss of a Financial Instrument is not the result of the Depositary's own act or omission (or that of its sub-custodian), the Trustee is discharged of its liability for the loss of a Financial Instrument where the Trustee can prove that the Trustee could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice and despite rigorous and comprehensive due diligence. The Manager will inform investors without delay of any changes with respect to the Trustee's liability.

The Depositary Agreement provides that the Trustee will be indemnified from the net assets of the Trust for any liabilities suffered or incurred by the Trustee in the proper performance of its obligations and duties under the Depositary Agreement except in the case of fraud or negligent breach of the Depositary Agreement or of any applicable laws.

The Depositary Agreement may be terminated on six months' notice by the Trustee or the Manager or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Trustee retire voluntarily, until the appointment of a new Trustee has taken place.

Other than to exercise the rights of lien or 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 and unless otherwise agreed by the Manager on behalf of the Trust, the Trustee shall not be entitled to, and no sub-custodian of the Trustee shall be authorised by the Trustee to, transfer or re-use for its own purpose and benefit any of the Scheme Property it has been entrusted with.

Details of the fees payable to the Trustee are set out in the "Trustee's fees" section of this Prospectus at paragraph 20.4.

Conflicts of Interest

The Trustee may act as the depositary of other authorised unit trusts or openended investment companies and as Trustee or custodian of other collective investment schemes.

It is possible that the Trustee 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 Trust, one or more Unitholders, the Manager and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders collectively so far as practicable, having regard to its obligations to other clients.

As the Trustee operates independently from the Trust, Unitholders, the Manager and the Custodian, the Trustee does not anticipate any conflicts of interest arising between it and any of the aforementioned parties.

The Trustee is under no obligation to account to the Manager, the Trust or Unitholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as depositary and has confirmed that it is not aware of any conflict of interest arising from its delegation of custody of the Scheme Property to the Custodian. Should any such conflict arise, the Trustee shall notify the Manager and take necessary steps to address the conflict.

The Trustee is under no obligation to account to the Manager, the Trust or Unitholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as depositary.

15. The Administrator and Fund Accountant

The Manager has delegated certain administrative and fund accountancy services of the Trust to Northern Trust Global Services SE, UK branch (as 'Administrator').

Northern Trust Global Services SE, UK branch's appointment is by a contract between the parties. The address, for Northern Trust Global Services SE, UK branch, is set out in Appendix E.

The duties of the Registrar (please refer to paragraph 16) and Administrator include:

(a) maintaining the Register;

(b) receiving and processing requests for subscriptions for, or redemptions of, units in the Trust;

(c) administrating the payment of distributions to unitholders in the Trust;

(d) dealing with certain regulatory reporting requirements on behalf of the Trust and the Manager;

(e) maintaining the accounting records of the Trust;

(f) assisting in calculating the net asset value of the Trust, as well as to provide fund accounting services in respect of the Trust.

In line with the regulations that govern such operational outsourcing, the Manager retains responsibility for all work performed on its behalf and investors' rights are not affected by this delegation.

There are no conflicts of interest through delegation of these functions by the Manager.

16. The Register

The Manager has delegated the function of registrar relating to the Register to Northern Trust Global Services SE, UK branch (as 'Registrar').

The Register is kept, and may be inspected, at the Registrar's office located at 50 Bank Street, Canary Wharf, London E14 5NT.

17. Investment Manager

17.1 The Manager is responsible for the overall investment management and administration of the Trust. The Manager has delegated its day-to-day responsibility for investment management to the following Investment Manager to the Trust:

Thesis Asset Management Limited (Thesis) is a private limited company incorporated in England and Wales. Thesis is authorised to carry on regulated activities in the United Kingdom by virtue of its authorisation and regulation by the Financial Conduct Authority.

Thesis is connected with the Manager as it is in the same group as the Manager.

The address, for the Investment Manager, is set out in Appendix E.

17.2 The appointment of the Investment Manager has been made under an agreement between the Manager and the Investment Manager (the "Investment Management Agreement"). The Investment Manager has full discretionary powers over the investment of the property of the Trust subject to the overall responsibility and right of veto of the Manager. The Investment Management Agreement is terminable without notice by the Manager when this is in the interest of unitholders. The Investment Manager may only sub-delegate its functions with the prior consent of the Manager.

17.3 The principal activity of the Investment Manager is investment management. The Investment Manager is authorised to deal on behalf of the Trust. 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 from the Manager, or may be available on the Investment Manager website, listed in Appendix E.

17.4 The Investment Management Agreement contains provisions to the following effect:

17.4.1 the Manager will indemnify the Investment Manager against certain losses incurred by the Investment Manager but, in the absence of fraud, the Manager's liability will be limited to the assets of the Trust available to meet such a claim;

17.4.2 the Investment Manager will be liable for certain losses suffered by the Manager or the Trust, subject, in the absence of fraud, to certain limitations on the Investment Manager's liability;

17.4.3 the Investment Manager shall not be liable for non-performance of its obligations due to causes beyond its control; and

17.4.4 the Investment Management Agreement is governed by English law and the parties submit to the exclusive jurisdiction of the English courts.

17.5 The main legal implications of the contractual relationship entered into for the purpose of investment in the Trust are as follows:

17.5.1 By investing in the Trust through electronic communications, by telephone or by submitting an application form to the Administrator, the investor makes an offer to subscribe for units which, once it is accepted by the Manager, or the Administrator on its behalf, has the effect of a binding contract to subscribe for units.

17.5.2 The provisions of the scheme documents made between the Manager and the Trustee by way of which the Trust is constituted, as the same may be amended from time to time are binding on each of the unitholders (who are taken to have notice of them) as if that unitholder was a party to it with effect on and from the date that any person has become a unitholder.

17.5.3 The property of the Trust will be beneficially owned by the Trustee on behalf of the holders of units of the Trust and may not be used to discharge any liabilities of, or meet any claim against, any person other than the holders of units of the Trust.

17.5.4 The scheme documents and the application form are each made under and governed by and shall be construed in accordance with the laws of England and Wales. The Trust, the Manager and unitholders of the Trust 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 unitholder's investment in the Trust or any related matter

17.5.5 The scheme documents may be amended by agreement between the Manager and the Trustee.

17.5.6 Absent a direct contractual relationship between a unitholder and the relevant service provider, unitholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a unitholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Trust by the relevant service provider is, prima facie, the Trust itself or the Manager acting on behalf of the Trust, as the case may be.

17.5.7 The Investment Manager may hold or trade in securities and instruments of the same type as the securities and instruments held or traded in by the funds and fund managers; they may also utilise the same or similar strategies as those adopted by the fund managers. The Investment Manager may therefore trade and compete with fund managers and funds on an arm's length basis. In addition, the Investment Manager may make investments in other funds managed or advised by it.

17.6 The Investment Manager has discretion to enter into foreign exchange hedging transactions and borrowings on behalf of the Trust. The Investment Manager may appoint an affiliate of any existing service provider or any other third party to act as a counterparty in the execution of foreign exchange transactions in connection with the currency hedging activities of the Trust and/or to implement the currency hedging strategy.

18. Auditors

18.1 The Auditors of the Trust are KPMG LLP whose address is set out in Appendix E.

18.2 The duties of the Auditors are to carry out an annual audit of the Trust and to issue a report including the following statements:

18.2.1 whether, in the Auditor's opinion, the accounts have been properly prepared in accordance with the relevant Statement of Recommended Practice, the rules in COLL, and the instrument constituting the scheme;

18.2.2 whether, in the Auditor's opinion, the accounts give a true and fair view of the net revenue and the net capital gains or losses on the Scheme Property of the Trust for the annual accounting period in question and the financial position of the Trust as at the end of that period;

18.2.3 whether the Auditor is of the opinion that proper accounting records for the Trust have not been kept or whether the accounts are not in agreement with those records;

18.2.4 whether the Auditor has been given all the information and explanations which, to the best of his knowledge and belief, are necessary for the purposes of this audit; and

18.2.5 whether the Auditor is of the opinion that the information given in the report of the Manager for that period is consistent with the accounts.

19. Conflicts

19.1 Conflicts may arise between the interests of the Manager and its permitted delegates in certain circumstances, for example, where there is likelihood that:

19.1.1 the delegate and an investor in the Trust are members of the same group or have any other contractual relationship, if the investor controls the delegate or has the ability to influence its actions (in such cases the likelihood of conflict is likely to increase the greater the extent of such control);

19.1.2 the delegate makes a financial gain, or avoids a financial loss, at the expense of the Trust or the investors in the Trust;

19.1.3 the delegate has an interest in the outcome of a service or an activity provided to the Manager or the Trust;

19.1.4 the delegate has a financial or other incentive to favour the interest of another client over the interests of the Trust or the investors in the Trust;

19.1.5 the delegate receives or will receive from a person other than the Manager an inducement in relation to the collective portfolio management activities provided to the Manager and the Trust in the form of monies, goods or services other than the standard commission or fee for that service.

19.2 The Manager has a policy and procedures in place to monitor the conflicts of interest that may arise in the context of its delegation of certain of its functions. To the extent any actual conflicts of interest are determined to have arisen, the Manager will manage such conflicts to minimise any impact on the investment performance, and will also seek to prevent them from reoccurring. Certain activities may be required to be modified or terminated to minimise conflicts of interest which may be identified from time to time.

19.3 Although conflicts of interest can also arise where the delegate and the Manager are members of the same group or have any other contractual relationship and the delegate controls the Manager or has the ability to influence its actions, it is not currently considered that there are material existing conflicts of interest between the Manager and Thesis Asset Management Limited (see paragraph 17.1) in its role as the Investment Manager.

20. Charges and Expenses

20.1 Preliminary charge

The Manager may receive, or waive in part or in whole, a preliminary charge upon the sale or purchase of units. The current preliminary charge is 7% in respect of all classes of units. If not waived, the preliminary charge will be charged upon the sale or purchase of units.

20.2 Periodic charge

The Manager receives a periodic charge for managing the Trust at a rate per annum of the value of the property of the Trust accruing daily and payable out of the property of the Trust. The current rate of the periodic charge is 0.75% per annum and is the same in respect of all classes of units. The Manager is responsible for the payment of the fees of the Investment Manager and those of any sub-advisers. Research costs will be paid for by the Investment Manager out of this fee and shall not be borne by the Trust.

The periodic charge in respect of the Trust may, at the discretion of the Manager, be treated as an income charge or a charge against capital (or a combination of both) and will be paid monthly in arrears. Please refer to paragraph 20.7 for details of charges against capital.

Any increase of the preliminary or periodic charge may be made by the Manager only after giving 60 days' written notice to the unitholders (in the case of the periodic charge) or to the Trustee (in the case of the preliminary charge).

20.3 Redemption charge

The Trust Deed contains a provision for the Manager to make a redemption charge but at present, there are no plans to impose such a charge. The Manager must not introduce a redemption charge, or change the rate or method of calculation of a current redemption charge, unless at least 60 days before the introduction or change, the Manager:

20.3.1 gave notice in writing of that introduction or change and of the date of its commencement, to the Trustee and to all the persons who ought reasonably to be known to the Manager to have made an arrangement for the purchase of units at regular intervals; and

20.3.2 has revised the Prospectus to reflect the introduction or change and the date of its commencement and has made the revised Prospectus available.

20.4 Trustee's fees

20.4.1 Periodic fee

The Trustee is paid a monthly periodic fee (plus VAT) from the Scheme Property of the Trust in remuneration for its services. The Trustee's fee is calculated on the value of the Scheme Property of the Trust in accordance with the Trust Deed and the FCA Rules, and payable out of the Trust in accordance with the FCA Rules. For this purpose, the value of the Trust is inclusive of the issues and cancellations which take effect as at the relevant Valuation Point. The Trustee's fee shall accrue daily, and shall be calculated by reference to the value of the Trust at the first Valuation Point on the first Business Day and shall end immediately before the next Valuation Point in each month. The Trustee's fee is payable on, or as soon as practicable after, the end of the month in which it accrued.

The current fees payable are:

0.0275% per annum	on the first £50, 000,000 value of the Scheme Property of the Trust;
0.025% per annum	on the next £50,000,000 value of the Scheme Property of the Trust;
0.020% per annum	on the next £100,000,000 value of the Scheme Property of the Trust

0.015% per annum	thereafter

The annual fee is subject to a minimum fee of £7,500, applicable to the Trust. VAT (at the standard rate) is added to these fees.

20.4.2 Transaction, derivative and custody charges

In addition to the above periodic fees, the Trustee shall also be entitled to be paid transaction charges and derivative and custody charges in relation to transaction and derivative transaction handling and safekeeping of Scheme Property as follows:

Item	**Range / Fees**
Transaction Charges	£7.50 to £180.00
Derivative Transaction Charges	£20 (if applicable)
Custody Charges	up to 0.9% of the value of the holding involved subject to a minimum aggregate custody charge of £7,500 per annum

These charges vary from country to country depending on the markets and the type of transaction involved. 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 Manager and the Trustee. Custody charges accrue and are payable as agreed from time to time by the Manager and the Trustee.

Where relevant, the Trustee 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 stock lending or derivative transactions in relation to the Trust and may purchase, sell or deal in the purchase or sale of the Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Rules.

The Trustee 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 Trust Deed, the Depositary Agreement, the FCA Rules or by the general law.

On a winding up of the Trust the Trustee 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.

Any value added tax on any fees, charges or expenses payable to the Trustee will be added to such fees, charges or expenses.

In each such case such payments, expenses and disbursements may be payable to any person (including the Manager or any associate or nominee of the Trustee or of the Manager) who has had the relevant duty delegated to it pursuant to the FCA Rules by the Trustee.

20.5 Administration and registration fees

The administration of the Trust will be carried out by Northern Trust Global Services SE, UK branch. Its fees for valuation services and administration and registration fees will be paid by the Trust, as will the disbursements listed in the Other Expenses section below. These fees are accrued daily and charged to the Trust on a monthly basis. The administration fees are set percentages applied to the Trust's value.

The current administration fee is 0.07% per annum, with a minimum annual fee of £25,000.

The current registration fee is £10 per annum per registered holder, with a minimum of £2,000 per annum.

Where the Trustee or the Manager is responsible for the maintenance of the Register or any sub-register, they shall be entitled to be reimbursed out of the property of the Trust for expenses incurred by them in performing those duties, together with any VAT payable.

20.6 Other Expenses

The following other expenses may be paid out of the Scheme Property of the Trust:

20.6.1 broker's commission (excluding costs for research), fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessary to be incurred in effecting transactions for the Trust and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

20.6.2 expenses properly incurred by the Manager in the performance of its duties as manager of the Trust, including without limitation, the costs of preparation and distribution of reports, accounts, and any prospectuses, key investor information documents (in the case of the key investor information documents only preparation and not distribution may be charged), the Trust Deed and any costs incurred as a result of changes to any prospectus or trust deed, periodic updates of any other administrative documents, as well as the cost of maintaining other documentation required to be maintained in respect of the Trust;

20.6.3 any costs incurred by the Trust in publishing the price of the units;

20.6.4 any costs incurred in producing and dispatching any payments made by the Trust, or the periodic reports of the Trust;

20.6.5 any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Trust, which are currently carried on by the Registrar;

20.6.6 any fees or costs associated with any CASS related support activity incurred by the Registrar;

20.6.7 any fees, expenses or disbursements of any legal or other professional adviser of the Trust or of the Manager in relation to the Trust;

20.6.8 any costs incurred in taking out and maintaining an insurance policy in relation to the Trust;

20.6.9 any costs incurred in respect of meetings of unitholders convened for any purpose including those convened on a requisition by unitholders not including the Manager or an associate of the Manager;

20.6.10 liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Trust in consideration for the issue of units as more fully detailed in COLL;

20.6.11 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;

20.6.12 taxation and duties payable in respect of the property of the Trust or the issue or redemption of units;

20.6.13 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;

20.6.14 the fees of the FCA as prescribed in the FEES Manual of the FCA's Handbook together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which units in the Trust are or may be marketed;

20.6.15 the total amount of any cost relating to the application for authorisation and incorporation of the Trust and of its initial offer or issue of units;

20.6.16 any payments otherwise due by virtue of COLL; and

20.6.17 any value added or similar tax relating to any charge or expense set out herein.

20.7 <u>Allocation of payments</u>

The Manager and the Trustee have agreed that normally the fees payable to the Manager and the Trustee will be treated as a charge against the income of the Trust (except those charges and expenses relating directly to the purchase and sale of investments), but that, if there is insufficient income to meet the fees, then all or part of those fees may be treated at the request of the Manager, as a charge against the capital of the Trust.

It should be noted that this policy may result in capital erosion or constrain capital growth.

21. Valuation of Trust and pricing of units

21.1 The valuation of the Trust will take place on each Business Day at 12 noon (the "Valuation Point"). The valuation determines the net asset value of the Trust.

21.2 The Trust will value the Scheme Property using the dual pricing method. The Manager's policy, for 'large deals' is set out at paragraph 22.1.

The Manager calculates prices at which investors buy and sell units, in accordance with the dual-pricing method set out below. The basis of the calculation is the value of the underlying assets of the Trust. The Trust is valued either on a bid basis or on an offer basis, as appropriate. The maximum permitted spread is wider than the spread the Manager normally quotes for dealing, but the Manager may deal at any prices calculated in accordance with the provisions set out below and notified to the Trustee. The maximum offer price may not be more than the issue price plus any preliminary charge and the maximum bid price may not be less than the cancellation price.

The Manager's periodic charge (which is taken into account in valuations) is based upon values midway between offer and bid basis.

21.3 The Manager may at any time during a Business Day carry out an additional valuation of the property of the Trust if the Manager considers it desirable to do so.

21.4 The Trust will be valued on a net asset value basis to determine the price of the units ("NAV price"). Units will be redeemed at the NAV price and purchased at a price that includes a preliminary charge at the rate applying to the Trust (see paragraph 20.1). Out of the preliminary charge, the Manager may pay commission to qualifying intermediaries.

A valuation is in two parts, one on an issue basis and one on a cancellation basis.

To convert to base currency the value of property which would otherwise be valued in another currency the Manager must either:

(a) select a rate of exchange which represents the average of the highest and lowest rates quoted at the relevant time for conversion of that currency into base currency on the market on which the Manager would normally deal if it wished to make such a conversion; or

(b) invite the Trustee to agree that it is in the interest of unitholders to select a different rate and, if the Trustee agrees, use that other rate.

The net asset value of the property of the Trust shall be the value of its assets less the value of its liabilities determined (inter alia) in accordance with the following provisions.

All the property of the Trust (including receivables) is to be included when valuing the Trust, subject to the following provisions:

(i) if the Trustee has been instructed to issue or cancel units, assume (unless the contrary is shown) that:

(a) it has done so;

(b) it has paid or been paid for them; and

(c) all consequential action required by these provisions or by the Trust Deed has been taken;

(ii) if the Trustee has issued or cancelled units but consequential action as at (i) (c) is outstanding, assume that it has been taken;

(iii) if agreements for the unconditional sale or purchase of property are in existence but uncompleted, assume:

(a) completion; and

(b) that all consequential action required by their terms has been taken;

(iv) do not include in (iii) any agreement which is:

(a) a future or contract for differences which is not yet due to be performed;

(b) an unexpired option written or purchased for the Trust which has not yet been exercised;

(v) include in (iii) any agreement the existence of which is, or could reasonably be expected to be, known to the person valuing the property, assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement;

(vi) deduct an estimated amount for anticipated tax liabilities;

(a) on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property;

(b) on realised capital gains in respect of previously completed and current accounting periods;

(c) on income where the liabilities have accrued;

(d) including stamp duty reserve tax and any other fiscal charge not covered under this deduction;

(vii) deduct:

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

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

(c) any accrued but unpaid interest on borrowings;

(d) the value of any option written (if the premium for writing the option has become part of the Scheme Property); and

(e) in the case of a margined contract, any amount reasonably anticipated to be paid by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then payable, and the price of the contract at the Valuation Point);

(viii) add an estimated amount for accrued claims for repayment of taxation levied:

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

(b) on income;

(ix) add:

(a) any other credit due to be paid into the Scheme Property;

(b) in the case of a margined contract, any amount reasonably anticipated to be received by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then receivable, and price of the contract at the Valuation Point);

(c) any SDRT provision anticipated to be received.

The valuation of property for that part of the valuation which is on a creation basis is as follows:

Property		to be valued at
(a)	Cash	nominal value
(b)	Amounts held in current and deposit accounts	nominal value
(c)	Property which is not within (a), (b) or (d)	

	(i)	if units in a dual-priced authorised fund	except where Note 1 applies, the most recent maximum sale price less any expected discount (plus dealing costs as set out in Note 2)
	(ii)	if units in a single-priced authorised fund	the most recent price (plus dealing costs as set out in Notes 2 and 3)
	(iii)	if any other investment	best available market dealing offer price on the most appropriate market in a standard size (plus dealing costs as set out in Note 2)
(d)	Property which is a derivative under the terms of which there may be liability to make, for the account of the Trust, further payments (other than charges, and whether or not secured by margin) when the transaction in the derivative falls to be completed or upon its closing out.		
	(i)	if a written option	to be deducted at a net valuation of premium (see Notes 5 and 8)
	(ii)	if an off-exchange future	net value on closing out (see Notes 6 and 8)
	(iii)	if any other such property	net value of margin of closing out (whether as a positive or negative figure)(see Notes 7 and 8)

<u>Notes</u>

1. The issue price is taken, instead of the maximum sale price, if the Manager of the fund whose scheme property is being valued is also the Manager, or an associate of the Manager, of the fund whose units form part of that property.

2. "Dealing costs" means any fiscal charges, commission or other charges payable in the event of the fund carrying out of the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the fund are the least that could reasonably be expected to be paid in order to carry out the transaction. On the issue basis, dealing costs exclude any preliminary charge on sale of units in a fund.

3. Dealing costs under Note 2 include any dilution levy or SDRT provision which would be added in the event of a purchase by the fund of the units in question but, if the Manager of the fund being valued, or an associate of the Manager, is also the Manager of the fund whose units are held by the fund, must not include a preliminary charge which would be payable in the event of a purchase by the fund of those units.

4. The buyer's price is the consideration which would be paid by a buyer for an immediate transfer or assignment (or, in Scotland, assignation) to him at arm's length.

5. Estimate the premium on writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded; but deduct dealing costs.

6. Estimate the amount of profit or loss receivable or incurable by the fund on closing out the contract. Deduct minimum dealing costs in the case of profit and add them in the case of loss.

7. Estimate the amount of margin (whether receivable or payable by the fund on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded. If that amount is receivable (for example, the contract is "in the money") deduct minimum dealing costs. If, however, that amount is payable (for example, the contract is "out of money") then add minimum dealing costs to the margin and the value is that figure as a negative sum.

8. If the property is an OTC transaction in derivatives, use the valuation based on the pricing model agreed between the Manager and the Trustee, or some other reliable basis reflecting an up-to-date market value which has been so agreed.

The valuation of property for that part of the valuation which is on a cancellation basis is as follows:

Property			To be valued at
(a)	Cash		nominal value
(b)	Amounts held in current deposit and loan accounts		nominal value
(c)	Property which is not within (a), (b) or (d)		
	(i)	if units in a dual-priced authorised fund	except where Further Note 1 applies, the most recent minimum redemption price (less dealing costs as set out in Further Note 2)
	(ii)	if units in a single-priced authorised fund	the most recent price (less dealing costs as set out in Further Notes 2 and 3)
	(iii)	if any other investment	best available market dealing bid price on the most appropriate market in a standard size (less dealing costs as set out in Further Notes 2 and 4)
(d)	Property which is a derivative under the terms of which there may be liability to make, for the account of the Trust, further payment (other than charges, and whether or not secured by margin) when the transaction in the derivative falls to be completed or upon its closing out.		

	(i)	if a written option	to be deducted at a net valuation of premium (see Further Notes 5 and 8)
	(ii)	if an off-exchange future	net value of closing out (see Further Note 8)
	(iii)	if any other such property	net value of margin on closing out (whether as a positive or negative figure) (see Further Notes 6 and 8)

Further Notes

1. The cancellation price is taken instead of the minimum redemption price if the property, if sold in one transaction, would amount to a large deal.

2. "Dealing costs" has the meaning set out in Note 2 above in respect of the issue price. Dealing costs include any charge payable on redemption of units in a fund (taking account of any expected discount), except where the Manager of the fund whose property is being valued is also the Manager, or an associate of the Manager, of the fund whose units form part of that property.

3. Dealing costs under Further Note 2, include any dilution levy or SDRT provision which would be deducted in the event of a sale by the fund of the units in question and, except when the Manager of the fund being valued, or an associate of the Manager, is also the Manager of the fund whose units are held by the fund, include any charge payable on the redemption of those units (taking account of any expected discount).

4. The seller's price is the consideration which would be received by a seller for an immediate transfer or assignment (or, in Scotland, assignation) from him at arm's length, less dealing costs.

5. Estimate the premium on writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded, and add dealing costs.

6. For off-exchange futures, see Note 6 above in respect of the issue price.

7. For net value of margin see Note 7 above in respect of the issue price.

8. For over the counter transactions in derivatives, see Note 8 above in respect of the issue price.

Pricing Basis

21.5 The Manager currently elects to deal on a forward basis, being the price calculated by reference to the Valuation Point next following the Manager's agreement to sell, or as the case may be, redeem, the units in question.

Publication of Prices

21.6 The most recent prices will appear daily on the Trustnet website at www.trustnet.com and can also be obtained by telephone on 01483 783 900.

For reasons beyond the control of the Manager, these may not necessarily be the current prices.

The cancellation price last notified to the Trustees is available from the Manager upon request.

Income Equalisation

21.7 When an incoming unitholder purchases a unit during an accounting period, part of the purchase price will reflect the relevant share of accrued income in the net asset value of the Trust. The first allocation of income in respect of that unit refunds this amount as a return of capital. The amount of income equalisation is calculated by dividing the aggregate of the amounts of income included in the creation price of units of the type in question issued or re-issued in a grouping period by the number of those units and applying the resulting average to each of the units in question.

Grouping

Grouping periods are consecutive periods within each annual accounting period, being the interim accounting periods (including the period from the end of the last interim accounting period in an annual accounting period to the end of that annual accounting period) as specified in section 9 above. If there are no interim accounting periods the periods for grouping of units will be annual accounting periods. Grouping is permitted by the Trust Deed for the purposes of equalisation.

Hard-to-value Assets

21.8 Where the Manager has reasonable grounds to believe that the price obtained is unreliable or the most recent price available does not reflect the Manager's best estimate of the value of the relevant investment at the relevant Valuation Point or no price or no recent price exists, the Manager may use a price which, in the opinion of the Manager, reflects a fair and reasonable price for that investment (the fair value price). In calculating any value, the Manager shall be entitled to rely on any valuations provided or attributed to any asset or liability by the Investment Manager.

21.9 The circumstances which may give rise to a fair value price being used include:

21.9.1 no recent trade in the security concerned; or

21.9.2 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

21.10 In 21.9.2, a significant event is one that means the most recent price of a security or a basket of securities is materially different to the price that it is reasonably believed would exist at the Valuation Point had the relevant market been open.

21.11 In determining whether to use such a fair value price, the Manager will include in its consideration:

21.11.1 the type of authorised fund concerned;

21.11.2 the securities involved;

21.11.3 the basis and reliability of the alternative price used; and

21.11.4 the Manager's policy on the valuation of Scheme Property as disclosed in the Prospectus.

22. Dealing in units

22.1 Buying units

The dealing office of the Manager is open from 9.00am until 5.00pm each Business Day during which the Manager may receive requests for the buying and selling of units. The time and price at which a deal takes place depends on the Regulations affecting the pricing of units.

A Business Day for the purpose of dealing in units means every day or part of a day, other than Saturdays, Sundays, public holidays in England or any day or part of a day on which the London Stock Exchange is not open for trading.

Units may be purchased by sending a completed application form, clear written instructions to Thesis Unit Trust Management Limited at the dealing office of the Administrator, through the means of electronic communications (as set out in the paragraph headed 'Electronic Communications') or by obtaining an application form by telephoning the Manager's Customer Enquiry Line on 0333 300 0375.

A contract note giving details of the units purchased will be issued no later than the next Business Day after the Business Day on which an application to purchase units is received and instrumented by the Manager. Payment in full should be made not later than the fourth Business Day after the date of purchase, and the Manager reserves the right to require payment in advance.

Investors buy and redeem Units through the Manager who nets them to reduce the number of Units issued/cancelled by the Trust. When carrying out deals in Units, the Manager acts as principal but does not profit from this activity.

Large deal

For the purpose of Chapter 6 of COLL a large deal will be a deal in respect of units exceeding the sum of £15,000 in value.

An annual statement made up to 5 April will be issued to unitholders. This will detail the unitholder's current holding, transactions during the Year, and income paid. Interim statements are available on request.

The Manager reserves the right to reject, on reasonable grounds, any application for units in whole or in part, in which event, the Manager will return by post, any money sent, or the balance, for the purchase of units which are the subject of the application, at the risk of the applicant.

22.2 Minimum initial subscription

The minimum initial subscription shall be not less than £100,000 and any subsequent subscription for units which the Manager will accept shall be not less than £100,000 in each case. The only restriction on holdings is the value of the holding; there is no minimum number of units which any unitholder need hold. The Manager reserves the right to reduce or waive minimum investment levels at its discretion.

22.3 Issue of units in exchange for in specie assets

The Manager may arrange for the Trust to issue units in exchange for assets other than cash, but will only do so where the Trustee has taken reasonable care to determine that the Trust's acquiring of those assets in exchange for the units concerned is not likely to result in any material prejudice to the interests of unitholders or potential unitholders.

The Manager will ensure that the beneficial interest in the assets is transferred to the Trust with effect from the issue of the units.

The Manager will not issue units in the Trust in exchange for assets the holding of which would be inconsistent with the investment objective of the Trust.

22.4 Redeeming units

At any time during a dealing day when the Manager is willing to issue units it must also be prepared to redeem units. The Manager may refuse to redeem a certain number of units if the redemption will mean the unitholder is left holding units with a value of less than the minimum initial subscription of £100,000.

Requests to redeem units in the Trust may be made to the Manager by telephone on the number stated above, through the means of electronic communication (as set out in the paragraph headed 'Electronic Communications'), or by sending clear written instructions.

A contract note giving details of the number and price of the units sold back to the Manager will be sent to unitholders no later than the next Business Day after the units were sold. In the event that the Manager requires a signed Form of Renunciation, e g in respect of joint holders, corporate holders or redemptions dealt through an agent, a Form of Renunciation will be attached.

When units are redeemed, a cheque will be sent out within four working days of the Valuation Point of the Trust immediately following receipt by the Manager of the request to redeem units or the time when the Manager has received all duly executed instruments and authorisations as will vest to title in the Manager or enable it to arrange to do so, whichever is the later.

The Manager is not required to issue a cheque in respect of the redemption of units where it has not yet received the money due on the earlier issue of those units.

22.5 Suspension of dealing

The Manager may if the Trustee agrees, or shall if the Trustee so requires, at any time temporarily suspend the issue and redemption of units if the Manager or Trustee (in the case of any requirement by the Trustee), where, due to exceptional circumstances, it is in the interests of unitholders. Notice of suspension will be provided to unitholders as soon as practicable after commencement of the suspension. The notification to unitholders must draw unitholders' attention to the exceptional circumstances which resulted in the suspension and notification must be clear, fair and not misleading. Unitholders will be kept informed of the suspension by written notice.

On suspension the Manager, or the Trustee if it has required the Manager to suspend dealings in units, must inform the FCA immediately of the suspension and state the reason for its action.

The Manager and the Trustee must formally 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 for so long as it is justified having regard to the interest of unitholders.

The Manager may agree, during the suspension, to deal in units, 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 dealings in units.

Re-calculation of creation and cancellation prices will commence on the Business Day immediately following the end of the suspension, at the relevant Valuation Point.

In addition, the FCA Rules may require the Manager to temporarily suspend the issue, cancellation, sale and redemption of units in certain circumstances (for example, where the Trust is invested in other authorised funds which are themselves suspended).

22.6 Mandatory conversion

Where the Manager considers it in the best interests of unitholders, the Manager may convert a unitholder's holding in one class of units to another class of units in the Trust. The Manager shall give at least 60 days prior written notice to the unitholders concerned of the proposed conversion, including details of the new class of units and reminding unitholders of their rights to redeem.

22.7 Mandatory transfers and redemptions

If it comes to the notice of the Manager that any units ("affected units") 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 by virtue of which the holder or holders in question is/are not qualified and entitled to hold such units or if it reasonably believes this to be the case, the manager may give notice to the holder(s) of the affected units requiring either transfer of such units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or cancellation of such units in accordance with COLL. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer his affected units to a person qualified to hold them or establish to the satisfaction of the manager (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected units, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption of all the affected units pursuant to COLL.

A person who becomes aware that he has acquired or is holding affected units 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 by virtue of which he is not qualified to hold such affected units, shall forthwith, unless he has already received a notice as aforesaid, either transfer or procure the transfer of all his affected units to a person qualified to own them or give a request in writing to procure that such a request for the redemption or cancellation of all his affected units pursuant to COLL.

22.8 In specie redemptions

Where a unitholder requests redemption or cancellation of units, the Manager may, at its discretion, give written notice to the unitholder before the proceeds would otherwise become payable that, in lieu of paying such proceeds in cash, the Manager will transfer to that unitholder property attributable to the Trust having the appropriate value. Where such notice is given, the unitholder may, by written notice given to the Manager before the relevant property is transferred to the unitholder, require the Manager to arrange for a sale of that property and the payment to the unitholder of the net proceeds of that sale. The selection of the property to be transferred (or sold) will be made by the Manager in consultation with the Trustee, with a view to achieving no more advantage or disadvantage to the unitholder requesting cancellation of his units than to continuing unitholders. The Manager may retain out of the property to be transferred (or the proceeds of sale) property or cash of a value equivalent to any stamp duty or stamp duty reserve tax to be paid to the redemption or cancellation of the units.

22.9 Client Money Rules

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 Trust, provided that:

22.9.1 The Manager receives the money from a client in relation to the Manager's obligation to issue units in the fund in accordance with COLL; or

22.9.2 The money is held in the course of redeeming units, where the proceeds are paid to the client within the timeframe specified in COLL.

Where money is received in either of the circumstances set out in 21.8.1 or 21.8.2 above, the Manager 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 Trustee or the client as applicable.

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

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.

In certain circumstances, if the Manager has lost touch with an investor, the Manager will be permitted to pay the investor's client money balance to a registered charity after six years. The Manager 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 Manager at a later date irrespective of whether the Manager has paid the money to charity. This is subject to the rules in COLL, which require the Manager to transfer any distribution payment which remains unclaimed after a period of six years from the date of payment to the Trust's capital property.

23. Electronic communications

23.1 The Manager will accept instructions to transfer or renunciation of title to units on the basis of an authority communicated by electronic means and sent by the unitholder, 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:

23.1.1 prior agreement between the Manager and the person making the communication as to:

23.1.2 the electronic media by which such communications may be delivered; and

23.1.3 how such communications will be identified as conveying the necessary authority; and

23.2 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 unitholder.

24. Taxation

The following summary is based on current UK law and HM Revenue & Customs practice. It summarises the UK tax position of Authorised Unit Trusts (AUTs) and unitholders who are UK tax resident. However, it should not be regarded as definitive nor as removing the desirability of taking separate professional

advice. Investors are advised to consult their professional tax adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

Taxation of the Trust

The Trust is an AUT and is treated as an Authorised Investment Fund for tax purposes. Income of the Trust is deemed to be distributed for tax purposes, even when it is accumulated. References to distributions include deemed distributions of accumulated income. The Trust will make dividend distributions except where over 60% of the Trust's property has been invested 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.

(i) Income

The Trust is liable to corporation tax on its income after relief for management expenses (which include fees payable to the Manager and to the Trustee) at the basic rate of income tax.

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

Dividend income received by the Trust 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. The foreign tax suffered by the Trust 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.

(ii) Chargeable gains

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

(iii) Stamp Duty Reserve Tax

Stamp duty reserve tax ("SDRT") is generally charged on any agreements to transfer units in an AUT (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 units in an AUT. However, investors may be subject to a SDRT charge where units in the Trust are surrendered and the investors receive assets from the Trust (rather than cash) which are not in proportion to each investor's share of the total assets held by the Trust.

Taxation of the unitholder

(i) Income

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

The distribution accounts of the Trust 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 Trust.

Where more than 60% of the Trust is invested in "qualifying investments" (broadly speaking interest paying investments, see further below) the Trust will make an interest distribution. Where this is not the case, distributions made by the Trust will be dividend distributions.

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

(a) Interest distributions

UK resident individuals

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

No income tax has been required to be deducted at source from interest distributions with the result that unitholders 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 tax payers 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).

UK corporate unitholders

If, at any point in an accounting period of a UK corporate unitholder, a fund fails to satisfy the "qualifying investment" test, Units in the Trust held by UK corporate unitholders in respect of fund are treated as if the Units 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 unitholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Units (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Units).

A Trust 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 or cash on deposit or 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 unitholders may be paid without deduction of income tax at source.

(b) Dividend distributions

Dividend distributions paid by the Trust are treated as if they are dividends.

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.

UK corporate unitholders

UK resident corporate unitholders must split their dividend distributions into franked and unfranked income portions according to the percentage split given on the tax certificate. The unfranked portion is 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 any UK corporate unitholder although the franked dividend portion should fall within an exemption from corporation tax.

(ii) Chargeable gains

UK resident individuals

Unitholders 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 Units in the Trust. Gains will be tax free if after deduction of allowable losses they fall within an individual's annual capital gains exemption.

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.

UK corporate unitholders

UK corporate unitholders (whose units 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 indexation figure that UK corporate unitholders can deduct will cover only the movement in the Retail Price Index from the date of acquisition of the asset up to 31 December 2017.

Stamp Duty Reserve Tax

Generally, there will be no charge to SDRT when unitholders surrender or redeem their Units. However, where the redemption is satisfied by a non-pro rata in specie redemption, then a charge to SDRT may apply.

The Manager reserves the right to redeem the Units of any Unitholder who jeopardises the tax status of the Trust.

(A) Income equalisation – tax implications

The price of a unit of a particular class is based on the value of that class' entitlement in the Trust, including the income of the Trust since the previous distribution or, in the case of accumulation Units, deemed distribution. In the case of the first distribution received or accumulation made in respect of a Unit, 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 unitholder. This amount is, however, in the case of income Units, deducted from the cost of the unit in computing any capital gains. Equalisation applies only to Units purchased during the relevant accounting period. It is calculated as the average amount of income included in the issue price of all units of the relevant class issued during the period.**(B) UK information reporting regime**

AUTs 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. **(C) Tax Elected Fund ("TEF") regime**

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

(D) International Tax Compliance

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

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).

To be compliant with the International Tax Compliance Regulations the Trust must collect information about each unitholder's tax residence and, in certain circumstances, provide information about unitholders' holdings in Units to HMRC. HMRC may in turn share this information with overseas tax authorities. Such tasks may be delegated to the Administrator.

Unitholders should note that:

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

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

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

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

25. Risk Profile Management

25.1 The Manager, in consultation with the Investment Manager, has adopted a risk management process in respect of the Trust enabling it to monitor and measure the risk of the Trust's portfolio and contribution of the underlying investments to the overall risk profile of the Trust.

25.2 The Manager operates a liquidity risk management policy with a view to ensuring that unitholders are able to realise their units in accordance with this Prospectus and the requirements of the FCA Rules. This Prospectus provides information in relation to liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors.

25.3 Liquidity risk is the risk that the Trust is unable to meet its obligations as they fall due. Examples include insufficient cash to meet redemption requests or make margin payments requirements and the risk that a particular derivative position cannot be easily unwound or offset due to insufficient market depth or market disruption or that the Trust's financial obligations arising from the derivative activity (such as margin calls) will not be able to be met. It is controlled for through monitoring of the liquidity of all instruments used, including derivatives, in the context of the investment objectives and liquidity requirements of each scheme or client account. Cash positions are monitored and reported to ensure that the Trust has sufficient capacity to meet obligations arising from any derivative positions.

25.4 Stress tests on the portfolio are undertaken on a periodic basis, the frequency is dependent on a number of factors, e.g. portfolio composition and liquidity.

26. Leverage

26.1 The Trust may invest in instruments which are subject to leverage from time to time. Under the UK AIFM regime, the Manager must:

26.1.1 set a maximum level of leveraging which it may employ on behalf of the Trust; and

26.1.2 where the leverage arrangement allows the right to reuse collateral or the granting of a guarantee, set out the extent of that right or guarantee.

26.2 For the Trust, the Manager has set the following limits:

Derivative Type	Limits
Allowable on a 'substantial' basis	No
Unsecured cash borrowings	Not permitted
Secured cash borrowings	Up to 10% for liquidity purposes only. ONLY for short-term use.
Convertible borrowings	Not permitted
Interest rate swaps	Not permitted
Contracts for differences	Not permitted
Futures contracts	Not permitted
Total return swaps	Not permitted
Forward agreements	Only as required; No greater than 40% of the net asset value of the portfolio.
Options	Only as required; No greater than 30% of the net asset value of the portfolio.
Repurchase arrangements	Not permitted
Reverse repurchase arrangements	Not permitted
Securities lending arrangements	Not permitted
Securities borrowing arrangements	Not permitted
Credit default swaps	Not permitted
MAXIMUM LEVEL OF LEVERAGE USING THE COMMITMENT METHOD*	200%
MAXIMUM LEVEL OF LEVERAGE USING THE GROSS METHOD*	300%

***Notes**

*Under the **gross method**, the exposure of the Trust is calculated as follows:

1. the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the Trust that are readily convertible to an amount of cash, subject to an insignificant risk of change in value and which provide a return no greater than the rate of a three month high quality government bond is excluded;

2. derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;

3. cash borrowings that remain in cash or cash equivalents and where the amounts payable are known are excluded;

4. exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed are included; and

5. positions within repurchase or reverse repurchase transactions and securities lending or borrowing or other similar arrangements are included.

The maximum level of leverage for the Trust expressed as a ratio of the Trust's total exposure to its net asset value current ratio under the gross method is: **3:1**.

*Under the **commitment method**, the exposure of the Trust is calculated as follows:

1. derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;

2. netting and hedging arrangements are applied, subject to specified conditions;

3. the exposure created through the reinvestment of borrowings where such reinvestment increases the exposure of the Trust is calculated;

4. derivative instruments used for currency hedging purposes are excluded.

The maximum level of leverage for the Trust expressed as a ratio of the Trust's total exposure to its net asset value current ratio under the commitment method is: **2:1**.

26.3 **The Trust may use options, forwards and other derivative instruments for the purpose of hedging against either price or currency fluctuations. The Manager's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves certain special risks, including (i) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the Trust; (ii) the absence of a liquid market for any particular instrument at any particular time; and (iii) possible impediments to the ability to meet redemption requests or other short-term obligations because of the percentage of the Trust's assets**

segregated to cover its obligations. Hedging strategies necessarily add costs to the Trust.

27. Fair Treatment of Investors

27.1 The Manager ensures fair treatment of investors by its compliance with the applicable rules in COLL and FUND and with the rules contained in the FCA Handbook.

27.2 The Manager is required, under the FCA Handbook, to treat its customers fairly, when they become, remain or as they cease to be unitholders. The Manager complies with the rules in the FCA Handbook, and has adopted a series of policies and procedures (including a Conflict of Interest policy) which are designed to achieve this outcome.

27.3 The Manager and the Investment Manager may in certain circumstances grant preferential treatment to investors. This may include, for example, access to certain unit classes, a waiver or reduction of certain charges, the payment of rebates, or access to individuals within the Manager or the Investment Manager. If such rights are granted, this would typically be to investors who invest significant amounts in the Trust. Such investors would not typically be legally or economically linked to the Manager.

27.4 Any unitholder may be granted preferential treatment in relation to the terms of its investment in the Trust by the Manager, the Investment Manager and/or any other service provider to the Trust.

27.5 The Manager and/or the Investment Manager may enter into side letters and/or other arrangements ("Side Arrangements") with unitholders, including those deemed to involve a significant or strategic relationship, that will result in the terms of an investment in the Trust being different to the terms applicable to other unitholders and/or provide the following preferential treatment:

27.5.1 Disclosure / Reporting:

(a) notification of (A) certain 'key man' events and/or (B) certain changes to the organisation of the Trust and/or (C) the issue of units on more favourable terms to those described herein (as amended by the relevant side letter and/or other arrangement) and/or (D) certain other changes and/or other events, in each case that affects, or relates to, the Trust and/or its service providers (including, but not limited to, the Investment Manager) or the relevant unitholder's investment in the Trust;

(b) notification if holdings in the Trust by the relevant unitholder exceed specific levels; and/or

(c) the provision of certain limited information relating to the Investment Manager and/or to the Trust's assets, including in order to allow the relevant unitholder to comply with the laws and regulations to which it is subject.

27.5.2 Investor Liquidity terms:

(a) ensure that redemptions of units are effected in full within a prescribed period of time in the event that redemptions are deferred (i.e. "gated") for any reason; and/or

(b) permit transferability of units where there is no change of beneficial ownership.

27.5.3 Fees:

rebate some or all of the periodic charge payable in respect of the relevant unitholder's units.

27.6 Side Arrangements:

27.6.1 The Manager's Risk Management Policy deals with Side Arrangements.

27.6.2 The main conflict of interest with Side Arrangements is the potential for one or more investors to be advantaged over other investors by terms within their Side Arrangements. For example, the preferential early exit of one investor may reduce the portfolio liquidity, which might make withdrawals unavailable to other investors. Subsequently, it may be the case that other investors are actually disadvantaged. The Manager will give consideration as to whether the nature and scope of the provisions are consistent with treating all investors fairly.

27.6.3 Any Side Arrangement which contains 'material terms' will be fully considered before it is put in place. Examples of material terms would include preferential redemption rights, 'key man' provisions, redemption 'gate' waivers and portfolio transparency rights.

28. **Recognition and Enforcement of Judgments**

28.1 The UK AIFM regime requires the Manager to give details of legal instruments providing for the recognition and enforcement of judgments in England and Wales (which is the territory in which the Trust is established). The laws of England and Wales provide a number of legal mechanisms for the recognition and enforcement of judgments.

29. Further Information

29.1 **Documents of the Trust**

Copies of the Trust Deed and of any Supplemental Deeds of the Trust, the Prospectus and the most recent annual and half-yearly reports may be inspected at the head office of the Manager. Copies of these documents may be obtained free of charge on application. The address, for the Manager's head office, is set out in Appendix E.

29.2 **Telephone calls**

Telephone calls may be recorded for regulatory, training or monitoring purposes.

Recordings will be provided on request for a period of at least five years from the date of such recording, or where requested by a competent regulatory authority, for a period of seven years, where the Manager can identify the call. If an investor asks the Manager to send a recording of a particular call the Manager may ask for further information to help identify the exact call to which the request relates to.

29.3 **Address for service**

The address for service of notices, or other documents required or authorised to be served on the Trust, is at its registered office at Exchange Building, St John's Street, Chichester, PO19 1UP.

29.4 **Complaints**

29.5 Unitholders who have complaints about the operation of the Trust should (in the first instance) contact the Manager. If the complaint cannot be resolved satisfactorily with the Manager it may be referred to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

A copy of the complaints handling procedure is available from the Manager on request.

29.6 **Future Disclosure**

The following information will be made available to unitholders as part of the Trust's annual report:

29.6.1 the percentage of the Trust's assets which are subject to special arrangements arising from their illiquid nature;

29.6.2 any new arrangement for managing the liquidity of the Trust;

29.6.3 the current risk profile of the Trust and the risk management systems employed by the Manager to manage those risks; and

29.6.4 the total amount of leverage employed by the Trust, as applicable.

29.7 Unitholders will also be provided with information regarding changes to:

29.7.1 the maximum level of leverage the Manager may employ on behalf of the Trust; or

29.7.2 anyrights of re-use of collateral under the Trust's leveraging arrangements; or

29.7.3 any guarantee granted under the Trust's leveraging arrangements.

This information will be made available to unitholders, without undue delay following the occurrence of that change, usually by way of update to this Prospectus. Where required, such change will be preceded by notification to unitholders.

29.8 **Non-accountability for profits**

Neither the Trust, the Manager, the Trustee, the Investment Manager (or any associate of the same) or the Auditors is liable to account to either each other or to unitholders for any profits or benefits it makes or receives that are made or derived from or in connection with:

29.8.1 dealings in the Units of the Trust; or

29.8.2 any transaction in the Scheme Property; or

29.8.3 the supply of services to the Trust.

RISK FACTORS

- **Collective investment schemes should be regarded as long term investments.**

- **The value of the units in the Trust is based upon the value of the underlying investments.**

- **The value of those investments and the income from them and consequently the value of the units and the income from them, can go down as well as up and are not guaranteed.**

- **Past performance is not necessarily a guide to future performance.**

- **The Trust may invest in currencies other than sterling. As a result, exchange rate changes may cause the value of overseas investments to rise or fall, and the value of the units to go up or down.**

- **Investors may not get back the amount originally invested.**

- **Approved derivatives transactions are used for the purpose of efficient portfolio management (including hedging). It is, therefore, anticipated that the outcome of the use of derivatives would be principally to hedge against currency risks and to reduce, rather than to increase, the risk profile of the Trust. Movements in currencies may, however, render such hedging ineffective.**

- **The Trust may invest in warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be highly volatile.**

- **The Trustee may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint a custody agent. The Trustee or Custodian 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 Trust. 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 Trust may not recover all of its Financial Instruments.

- **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 investors.**

APPENDIX A

Eligible markets

A market is an "eligible market" 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 Manager, after consultation with, and notification to, the Trustee, determines is appropriate for the purpose of investment of, or dealing in, the property of the Trust. In accordance with the relevant criteria in COLL, such a market must: be regulated; operate regularly; be recognised as a market or exchange or as a self-regulating organisation by an overseas regulator; be open to the public; be adequately liquid; and have adequate arrangements for unimpeded transactions of income and capital to, or to the order of, investors.

Detailed below are the additional eligible markets on which the Trust is currently permitted to deal.

Australia	ASX Group
Canada	Toronto Stock Exchange
	Montreal Exchange
	TSX Venture Exchange
Hong Kong	Hong Kong Stock Exchange
Japan	Nagoya Stock Exchange
	Osaka Securities Exchange
	Sapporo Securities Exchange
	Tokyo Stock Exchange
	JASDAQ Securities Exchange
Korea	Korea Composite Stock Price Index
Malaysia	Kuala Lumpur Stock Exchange
Mexico	Mexican Stock Exchange
New Zealand	New Zealand Stock Exchange (NZX)
Philippines	Philippines Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Limited
Switzerland	SIX Swiss Exchange AG
Taiwan	Taiwan Stock Exchange
	Taipei Exchange

Thailand	Stock Exchange of Thailand (SET)
United States of America	1. NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc) 2. any exchange registered with the Securities and Exchange Commission as a national stock exchange, including the NYSE Euronext, the American Stock Exchange, and Chicago Stock Exchange (CHX), NYSE Arca Equities and NASDAQ OMX PHLX 3. 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 4. The Over-the-Counter Market regulated by the National Association of Securities Dealers Inc

A market is an "eligible market" 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 Manager, after consultation with, and notification to, the Trustee, determines is appropriate for the purpose of investment of, or dealing in, the property of the Trust. In accordance with the relevant criteria in COLL, such a market must: be regulated; operate regularly; be recognised as a market or exchange or as a self-regulating organisation by an overseas regulator; be open to the public; be adequately liquid; and have adequate arrangements for unimpeded transactions of income and capital to, or to the order of, investors.

Detailed below are the additional eligible markets on which the Trust is currently permitted to deal.

United Kingdom	NYSE Euronext
	London International Financial Futures and Options Exchange (LIFFE)
	London Securities & Derivatives Exchange Ltd (OMLX)
USA	Chicago Board Options Exchange, CME Group Inc,. and NASDAQ OMX Futures,

APPENDIX B

Past Performance

The comparisons have been based on performance information over a five year period. The performance table shows the total annual return up to 31 December in each year listed.

This performance information is net of subscription and redemption fees but does not include the effect of any preliminary charge that may be paid on the purchase of an investment.

Unit class	**2018** (%)	**2019** (%)	**2020** (%)	**2021** (%)	**2022** (%)
Accumulation units	-6.28	20.55	8.96	11.21	-19.49
Income Units	-6.29	20.48	9.31	13.21	-19.50

Source: These performance figures have been derived from information extracted through MorningStar.

Investors should note that these figures refer to the past and past performance is not a reliable indicator of future results and should not be taken as a guide to future performance.

These performance figures are presented as a matter of record and should be regarded as such.

Performance is determined by many factors including the general direction and volatility of markets and may not be repeatable.

APPENDIX C

Other Regulated Collective Investment Schemes under management

Authorised Investment Companies with Variable Capital

Abaco Fund ICVC
Arch House Fund
Ariel Fund
Bryth ICVC
CP Investment Funds
Destiny Fund ICVC
Harroway Capital ICVC
Hawarwatza Fund
Libero Portfolio Fund
Lime Grove Fund
Meadowgate Funds
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 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 Vinings Fund
The Wharton Fund
Thesis JDS Fund
TM Acer Fund
TM Balanced Growth Fund
TM Brown Advisory Funds
TM Brunsdon OEIC
TM Cerno Investment Funds
TM Cresswell Fund
TM CRUX Funds ICVC
TM CRUX OEIC
TM First Arrow Investment Funds
TM Hearthstone ICVC
TM Investment Exposures Fund
TM Investment Funds

Authorised Unit Trusts

BPM Trust
Eden Investment Fund
Glenhuntley Portfolio Trust
Hawthorn Portfolio Trust
KES Diversified Trust
KES Equity Fund
KES Growth Fund
KES Income and Growth 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 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
The TUTMAN B&CE Contracted-out Pension Scheme
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
TM New Court Equity Growth 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

Authorised Investment Companies with Variable Capital

TM Lime Fund
TM Neuberger Berman Investment Funds
TM Oak Fund
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

Authorised Unit Trusts

APPENDIX D

Establishment of Collective Investment Schemes

Any second schemes in which the Trust may invest in are established in the locations listed below. This list is not restrictive and may be amended from time to time where the Trust invests in second schemes established in new locations.

France

Guernsey

Ireland

Jersey

Luxembourg

United Kingdom

United States

APPENDIX E

Directory of Contact Details

Manager	**Thesis Unit Trust Management Limited** Exchange Building St John's Street Chichester, PO19 1UP
Administrator, Registrar and Fund Accountant	**Northern Trust Global Services SE, UK branch** 50 Bank Street Canary Wharf, London E14 5NT
Dealing Office	**Thesis Unit Trust Management Limited** Sunderland SR43 4AZ Tel: 0333 300 0375
Auditors	**KPMG LLP** 15 Canada Square Canary Wharf, London E14 5GL
Custodian *Principal place of business:*	**The Northern Trust Company** 50 South LaSalle Street Chicago, Illinois, USA
Who may also act under this power through its London branch:	50 Bank Street Canary Wharf, London E14 5NT
Trustee	**NatWest Trustee and Depositary Services Limited** House A, Floor 0, Gogarburn, 175 Glasgow Rd, Edinburgh EH12 1HQ
Investment Manager	**Thesis Asset Management Limited** Exchange Building St John's Street Chichester, PO19 1UP www.thesisam.com
Financial Conduct Authority (FCA)	12 Endeavour Square London E20 1JN