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PROSPECTUS  
of  
**KNOTTS INVESTMENTS FUND**  
A UK UCITS  
Open-Ended Investment Company

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Valid as at and dated 29 April 2026

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

TUTMAN LLP

Authorised and regulated by the Financial Conduct Authority

FCA firm reference number: 612721

**PROSPECTUS**  
**OF**  
**KNOTTS INVESTMENTS FUND**

The Company is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Company will be marketed outside the UK. This Prospectus is intended for distribution in the United Kingdom. The distribution of this Prospectus and the offering of Shares in the Company may be restricted in other jurisdictions. Potential Shareholders must inform themselves of the legal requirements and restrictions of their own jurisdiction and act accordingly. This Prospectus does not amount to a solicitation or offer by any person in any jurisdiction in which such solicitation or offer would be unauthorised or unlawful.

In particular, the Shares have not been and will not be registered under the 1933 Act, as amended, or any applicable securities laws of any state of the United States of America. They may not be offered or sold directly or indirectly in the United States of America, its territories and possessions, any state of the United States or the District of Columbia, or to US Persons. Any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of United States law. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been and will not be registered under the United States Investment Advisers Act of 1940, as amended.

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

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

Copies of this document have been sent to the Financial Conduct Authority and to the Depositary in accordance with the COLL Sourcebook.

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

The Prospectus is based on information, law and practice at the date hereof. The Company is not bound by any out-of-date Prospectus when it has issued a new Prospectus and potential investors should check that they have the most recently published Prospectus. 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 ACD. Investors should check with the ACD that this is the most recently published version of the Prospectus.

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

**IMPORTANT: If you are in any doubt about the contents of this Prospectus, you should consult your professional adviser.**

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This document is the Prospectus for the **Knotts Investments Fund** (the "Company"). Unless otherwise defined in the below paragraph ("Definitions"), or elsewhere in the Prospectus, words or expressions defined in, or for the purposes of the Act or the FCA Rules, shall bear the same meanings as this Prospectus.

## DEFINITIONS

|                       |  |
|-----------------------|--|
| "ACD"                 | TUTMAN LLP, the Authorised Corporate Director of the Company from time to time;  |
| "Act"                 | Financial Services and Markets Act 2000;   |
| "Administrator"       | Northern Trust Global Services SE, UK branch, the administrator of the Company;  |
| "Approved Bank"       | <p>in relation to a bank account opened for the Company:</p> <ol style="list-style-type: none"><li>1) if the account is opened at a branch in the United Kingdom;<ol style="list-style-type: none"><li>a) the Bank of England; or</li><li>b) the central bank of a member state of the OECD; or</li><li>c) a bank; or</li><li>d) a building society; or</li><li>e) a bank which is supervised by the Bank of England or the central bank or other banking regulator of a member state of the OECD</li></ol></li><li>2) if the account is opened elsewhere:<ol style="list-style-type: none"><li>a) a bank in (1); or</li><li>b) a bank which is regulated in the Isle of Man or the Channel Islands; or</li></ol></li><li>3) a bank supervised by the South African Reserve Bank; or</li><li>4) a credit institution established in an EEA state and duly authorised by the relevant Home State regulator,</li></ol> <p>as such definition may be updated in the FCA Glossary from time to time;</p> |
| "Approved Derivative" | an approved derivative is one which is traded or dealt on an eligible derivatives market and any transaction in such a derivative must be effected on or under the rules of the market;  |

|                                  |   |
|----------------------------------|---|
| “Auditor”                        | KPMG LLP, or such other entity as is appointed to act as auditor of the Company from time to time;  |
| “Business Day”                   | a weekday being Monday to Friday (excluding any public or bank holiday in England);   |
| “COLL”                           | the Collective Investment Schemes Sourcebook published by the FCA as part of the FCA Handbook of rules made under the Act;  |
| “Company”                        | Knotts Investments Fund,;   |
| “Custodian”                      | the person who provides custodian services to the Company, being the Northern Trust Company, and its successor or successors as custodian;  |
| “Data Protection Laws”           | <p>means all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances:</p> <ul style="list-style-type: none"> <li>a) the UK GDPR;</li> <li>b) the Data Protection Act 2018;</li> <li>c) any laws which implement any such laws;</li> <li>d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus);</li> <li>e) any final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws;</li> </ul> |
| “Dealing Day”                    | a Monday of each week, except in the week when the last Business Day of the month falls, when the Dealing Day will be the last Business Day of the month only, and any such other day as the ACD may decide from time to time and agree with the Depositary;  |
| “Depositary”                     | NatWest Trustee and Depositary Services Limited, the depositary of the Company from time to time;   |
| “Depositary Agreement”           | means the agreement between the Company, the ACD and the Depositary regarding the appointment of the Depositary;  |
| “EEA State”                      | as defined in the FCA Glossary;   |
| “Efficient Portfolio Management” | techniques and instruments which relate to  |

transferable securities and approved money-market instruments and which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost effective way;
- (b) they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL;

|                        |   |
|------------------------|---|
| “Eligible Institution” | as defined in the FCA Glossary;   |
| “EMT”                  | the European MiFID Template;  |
| “FCA”                  | the Financial Conduct Authority, or any successor regulatory authority;   |
| “FCA Glossary”         | the FCA Glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time;  |
| “FCA Handbook”         | the FCA Handbook of Rules and Guidance, as amended, updated or replaced from time to time;  |
| “FCA Rules”            | the rules contained in COLL but, for the avoidance of doubt, not including guidance or evidential requirements contained in COLL, as they may be amended or updated from time to time;  |
| “Financial Instrument” | as defined in the FCA Rules;  |
| “Fund Accountant”      | the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch and its successor or successors as fund accountant;  |
| “Hedging”              | the use of derivative transactions (which the ACD reasonably believes to be economically appropriate and to be fully covered) to reduce risk and cost to the Company and to generate additional capital or income with no, or with an acceptably low level of risk; |
| “HMRC”                 | HM Revenue and Customs;   |
| “Home State”           | as defined in the FCA Glossary;   |
| “Income Share”         | shares denominated in base currency, in the Company as may be in issue from time to time in respect of which income allocated thereto is  |

|  |  |
|--|--|
|  | distributed periodically to the holders thereof pursuant to the FCA Rules;   |
| “Instrument of Incorporation”              | the instrument constituting the Company, as amended from time to time;   |
| “International Tax Compliance Regulations” | The International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time;   |
| “Investment Manager”                       | TrinityBridge Limited;   |
| “Net Asset Value”                          | the value of the Scheme Property less the liabilities of the Company as calculated in accordance with the Company’s Instrument of Incorporation;   |
| “Non-UCITS Retail Scheme”                  | in accordance with the FCA Rules, an authorised fund which is neither a UK UCITS, a qualified investor scheme nor a long-term asset fund;  |
| “OEIC Regulations”                         | the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended from time to time;   |
| “OECD”                                     | the Organisation for Economic Co-operation and Development;  |
| “Register”                                 | the register of Shareholders of the Company;   |
| “Regulated Activities Order”               | the Financial Services and Markets Act 2000 (Regulated Activities Order) 2001, as amended;   |
| “Scheme Property”                          | means the property of the Company to be given to the Depository for safekeeping, as required by the FCA Rules ;  |
| “Share”                                    | a share or shares in the Company;  |
| “Share Class”                              | in relation to Shares, means (according to the context) a particular class or classes of Share as described in paragraph 3;  |
| “Shareholder”                              | a holder of registered Shares in the Company;  |
| “UCITS”                                    | Undertaking for Collective Investment in Transferable Securities. This will include a UCITS scheme or an EEA UCITS scheme, 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 investments in transferable securities (UCITS) (No 2009/65/EC) as amended; |
| “UK” or “United Kingdom”                   | the United Kingdom of Great Britain & Northern Ireland;  |
| “UK AIF”                                   | as defined in the FCA Glossary;  |

|                         |   |
|-------------------------|---|
| “UK GDPR”               | Regulation (EU) 2016/679 as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as modified by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019;  |
| “UK UCITS”              | as defined in the FCA Glossary;   |
| “UK UCITS Regulations”  | means the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK’s withdrawal from the European Union;   |
| “US” or “United States” | the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;  |
| “US Person”             | <p>a person who is in either of the following two categories:</p> <p>(a) a person included in the definition of “U.S. person” under Rule 902 of Regulation S under the 1933 Act; or</p> <p>(b) a person excluded from the definition of a “Non-United States person” as used in Commodity Futures Trading Commission (CFTC) Rule 4.7.</p> <p>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;</p> |
| “Valuation Point”       | the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company the purpose of determining the price at which Shares of a class may be issued, cancelled or redeemed. The current Valuation Point is 12.00 p.m. London time on each Dealing Day, with the exception of any bank holiday in England and Wales or the last business day prior to those days annually, where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary;      |
| “VAT”                   | value added tax;  |
| “1933 Act”              | the United States Securities Act of 1933 (as may be amended or re-enacted); and   |

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 the "Definitions" above or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of the OEIC Regulations, the Act or the FCA Handbook shall bear the same meaning in this Prospectus.

References to statutes, statutory provisions or regulations (including any provision of the FCA Handbook) shall include those statutes, provisions, regulations, or any provision of the FCA Handbook as amended, extended, consolidated, substituted or re-enacted from time to time and, in particular, references to Regulations and/or Directives of the European Union shall, where appropriate, include all domestic law and regulation enacted (or re-enacted) for the purpose of bringing such European Union law and regulation into domestic law and regulation.

## **1. THE COMPANY**

The Knotts Investments Fund is an investment company with variable capital authorised by the FCA on 31 July 2007 for the purposes of the OEIC Regulations. The Company is an open-ended investment company ("OEIC"). The Company registration number is IC000566 and the FCA product reference number is 469411. The head office of the Company is at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP. This is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

The base currency of the Company is Pounds Sterling or such other currency as may be the lawful currency of the UK from time to time.

The maximum share capital of the Company is currently £500,000,000 and the minimum is £1,000,000. Shares in the Company have no par value and therefore the share capital of the Company at all times equals the Company's current Net Asset Value.

Information on the typical investor profile for the Company is set out in Appendix VI.

Shareholders in the Company are not liable for the debts of the Company.

The circumstances in which the Company may be wound up, and a summary of the procedure, is set out at paragraph 14.

Historical performance data on the Company is set out at Appendix III.

## **2. COMPANY STRUCTURE**

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

The Company does not intend to have an interest in immovable or tangible movable property.

Details of the Company, including its investment objective and policy, are set out in Appendix I.

Approval by the Financial Conduct Authority (or its predecessors) in this context refers only to approval under the OEIC Regulations 2001 (as amended) and does not in any way indicate or suggest endorsement or approval of the Company as an investment.

## **3. SHARES**

The Share Classes presently available are set out in the details in Appendix I. Further Share Classes may be made available in due course, as the ACD may decide.

All Shares issued by the Company will be Income Shares. Income Shares are entitled to receive half yearly distributions of income. Such distributions will be made by BACS or telegraphic transfer unless the ACD and Shareholder agree otherwise.

The minimum initial investment for each Share Class is set out in Appendix I. These limits may be waived at the discretion of the ACD.

When available, Shareholders are entitled (subject to certain restrictions) to switch all or part of their shares in one fund for shares of a different fund. Details of this

switching facility and the restrictions are set out in paragraphs 5 and 6.

Shares in the Company are not listed or dealt in on any investment exchange.

#### **4. MANAGEMENT AND ADMINISTRATION**

##### **Authorised Corporate Director**

###### General

The ACD is TUTMAN LLP, a limited liability partnership incorporated in England on 2 November 2011 with registered number OC369415.

The members of the ACD are:

|                                      |                   |
|--------------------------------------|-------------------|
| Thesis Unit Trust Management Limited | Designated Member |
| Thesis Holdings Limited              | Designated Member |

Thesis Unit Trust Management Limited is wholly owned by Thesis Holdings Limited, a private limited company incorporated in Jersey with number 123560.

The members of the governing body of the ACD are:

|              |                                    |
|--------------|------------------------------------|
| 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             |
| C A E Lawson | Independent Non-Executive Director |
| C J Willson  | Independent Non-Executive Director |
| N C Palios   | Non-Executive Chair                |

S R Mugford is also a director of Thesis Unit Trust Management Limited and Tutman Fund Solutions Limited, both authorised fund managers with the same group as the ACD, performing a senior management function. He holds directorships of other companies within the Thesis group and performs a senior management function within Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the ACD.

D W Tyerman is also a director of Thesis Unit Trust Management Limited, an authorised fund manager with the same group as the ACD, performing senior management functions. He holds directorships of other companies within the Thesis group and performs senior management functions within Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the ACD.

S E Noone is also a director of Thesis Unit Trust Management Limited, an authorised fund manager with the same group as the ACD, performing a senior management function.

N C Palios is also a director of Thesis Unit Trust Management Limited and Tutman Fund Solutions Limited, both authorised fund managers with the same group as the ACD, performing a senior management function. She holds directorships of other companies within the Thesis group and performs a senior management function within Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the ACD.

D K Mytnik and V R Smith also hold non-executive directorships of other companies within the Thesis group and are directors of Thesis Unit Trust Management Limited, an authorised fund manager within the same group as the ACD.

C J Willson and C A E Lawson are also independent non-executive directors of Thesis Unit Trust Management Limited and Tutman Fund Solutions Limited, both authorised fund managers within the same group as the ACD. They are not engaged in other business activities that are of significance to the Company.

### Member's Capital

The LLP has members' capital of £875,000.

The ACD is responsible for managing and administering the Company's affairs in compliance with the FCA Rules.

The ACD may delegate its management and administration functions (but not responsibility) to a third party, subject to the rules in COLL.

The Investment Manager will provide investment management and related advisory services. The Registrar and Administrator will provide administrative and fund accountancy services. Further details of these delegated functions are set out in the paragraphs below.

The ACD 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 VII.

### **Terms of Appointment**

The ACD was appointed by an agreement between the Company and the ACD (the "ACD Agreement"). The ACD Agreement provides that the appointment of the ACD is for an initial period of 2 years and thereafter may be terminated upon 6 months' written notice by either the ACD or the Company, although in certain circumstances the ACD Agreement may be terminated forthwith by notice in writing by the ACD to the Company or the Depositary, or by the Depositary or the Company to the ACD. Termination cannot take effect until the FCA has approved the appointment of another authorised corporate director in place of the retiring ACD.

Upon termination of the ACD Agreement and the appointment of another ACD (the New ACD), the ACD may transfer any sums being held as client money to the New ACD, who will continue to hold the money in accordance with FCA client money rules.

The Shareholders will be given the opportunity, upon request, to have the proceeds returned by submitting a written request to the transfer agency team at the Dealing Office address set out in the Directory (Appendix IX).

The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or realising any outstanding obligations. No compensation for loss of office is provided for in the ACD Agreement. To the extent allowed by the FCA Rules the ACD Agreement provides indemnities to the ACD other than for matters arising as a direct consequence of fraud, negligence, wilful default or breach of duty by the ACD in the performance of its duties and obligations to the Company.

Investors buy and redeem Shares through the ACD who nets them to reduce the

number of Shares issued or cancelled by the Company. When carrying out deals in Shares the ACD acts as principal but does not profit from this activity.

The fees to which the ACD is entitled are set out in Appendix I. Copies of the ACD Agreement are available to Shareholders upon request.

The main business activities of the ACD are (i) acting as an authorised corporate director; (ii) acting as an authorised fund manager; and (iii) fund administration.

### **The Depositary**

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

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

The Depositary's registered and head office address is 250 Bishopsgate, London EC2M 4AA. The address of its office which handles matters relating to the Company is set out in the Directory (Appendix IX) in this Prospectus.

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

The Depositary 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 Depositary**

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

### **Terms of Appointment**

The appointment of the Depositary has been made under the terms of the Depositary Agreement between the Company, the ACD and the Depositary.

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

The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

Under the Depositary Agreement the Depositary has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Depositary has delegated custody of the Scheme Property to The Northern Trust Company. Contact details for the Custodian are set out in the Directory (Appendix IX). The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("sub-custodians"). A list of sub-custodians is set out in Appendix VIII. Investors should note that the list of sub-custodians is updated only at each Prospectus review.

To the extent permitted by applicable law and the UK UCITS Regulations, the Depositary will not be held liable for any loss incurred by it, or through any of its agents in carrying out its obligations or functions, unless such loss arises as a direct result of the fraud, wilful default, negligence or intentional failure of the Depositary to properly fulfil its obligations under the Depositary Agreement.

The Depositary Agreement provides that the Depositary will be indemnified by the Company in respect of any liabilities suffered or incurred by the Depositary 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 Company, the Depositary or the ACD or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary has taken place.

Details of the fees payable to the Depositary are given in the Depositary's fee, charges and expenses section of this Prospectus at paragraph 10.

### **Conflicts of interest**

The Depositary may act as the depositary of other authorised unit trusts or open-ended investment companies and as trustee or custodian of other collective investment schemes.

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company or a particular sub-fund, one or more Shareholders, the ACD/Manager and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary 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 Shareholders collectively so far as practicable, having regard to its obligations to other clients.

The Depositary operates independently from the Company, Shareholders, the ACD and the Custodian. As such, the Depositary does not anticipate any conflicts of interest arising between it and any of the aforementioned parties.

The Depositary is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as depositary.

### **Updated Information**

Up-to-date information regarding the Depositary, its duties, its conflicts of interest and the delegation of its safekeeping functions will be made available to Shareholders on request.

### **The Investment Manager**

The ACD has appointed TrinityBridge Limited to provide investment management

and related advisory services to the ACD pursuant to an agreement (the "**Investment Management Agreement**"). The Investment Manager has the authority to make investment decisions on behalf of the Company and the ACD.

The Investment Management Agreement may be terminated forthwith at any time by the ACD giving written notice to the Investment Manager. The Investment Manager may terminate the Investment Management Agreement by giving not less than three months' written notice to the ACD. Notwithstanding this, the Investment Management Agreement may be terminated immediately by the ACD if it is in the interests of investors.

Under the Investment Management Agreement, the ACD provides indemnities to the Investment Manager, (except in the case of any matter arising in connection with its fraud, gross negligence or wilful default). The ACD may be entitled under the indemnities in the ACD Agreement to recover from the Company amounts paid by the ACD under the indemnities in the Investment Management Agreement.

The principal activity of the Investment Manager is providing investment management services. 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 ACD, or may be available from the Investment Manager's website, listed in Appendix IX.

The fees and expenses of the Investment Manager will be paid by the Company. Research costs will be paid for by the Investment Manager and will not be paid out of the Scheme Property.

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

### **The Auditors**

The Auditors of the Company are KPMG LLP. The address of their principal place of business is set out in Appendix IX.

### **The Administrator, Registrar and Fund Accountant**

The ACD has delegated the function of registrar relating to the Register and certain administrative and fund accountancy services as administrator to the Company to Northern Trust Global Services SE, UK branch (the 'Registrar' and Administrator').

The address for Northern Trust Global Services SE, UK branch is set out in Appendix IX.

The fees and expenses of Northern Trust Global Services SE, UK branch will be paid by the ACD out of its annual management charge.

The duties of the Registrar and Administrator include:

- a) maintaining the Register;
- b) receiving and processing requests for subscriptions for, or redemptions of, shares in the Company;
- c) administering the payment of distributions to Shareholders in the Company;
- d) dealing with certain regulatory reporting requirements on behalf of the Company and the ACD;

- e) maintaining the accounting records of the Company;
- f) assisting in calculating the Net Asset Value of the Company, as well as to provide fund accounting services in respect of the Company.
- g) In line with the regulations that govern such operational outsourcing, the ACD retains responsibility for all work performed on its behalf and investors' rights are not affected by this delegation.
- h) There are no conflicts of interest arising through delegation of these functions by the ACD.

### **Conflicts of Interest**

The ACD, the Depositary and the Investment Manager are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the Company. In addition, the Company may enter into transactions at arm's length with companies in the same group as the ACD.

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

The Depositary may, from time to time, act as depositary of other companies or funds.

Each of the parties will, to the extent of their ability and in compliance with the FCA Rules, ensure that the performance of their respective duties will not be impaired by any such involvement.

The ACD maintains a written conflict of interest policy. The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its Shareholders will be prevented. Should any such situations arise the ACD will, as a last resort if the conflict cannot be avoided, disclose these to Shareholders in the report and accounts or otherwise an appropriate format.

Copies of the ACD's and the Investment Manager's conflicts of interest policies are available from the ACD on request.

### **The Register**

The Register is kept and maintained by the Registrar. The Register may be inspected, during normal business hours by any Shareholder (or any Shareholder's duly authorised agent), at 50 Bank Street, Canary Wharf, London E14 5NT.

## **5. BUYING, SELLING, SWITCHING SHARES AND CONVERSIONS**

The dealing office of the ACD is open from 9.00 am until 5.00 pm on each Business Day to receive requests for the purchase, redemption and switching of shares,

which will be effected at prices determined at the next Valuation Point following receipt of such request.

Telephone calls may be recorded for regulatory, training or monitoring purposes. Please refer to the paragraph 'Telephone recording' set out at paragraph 15 ('General Information').

The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

## **Buying Shares**

### **Procedure**

Where the minimum investment levels allow, initial investments can only be made by sending a completed application form to the ACD's transfer agency team at the Dealing Office address set out in the Directory (Appendix IX), either (i) accompanied by a cheque (up to a maximum value of £50,000) or (ii) having made a telegraphic transfer to the ACD's bank account. Application forms are available from the ACD.

The ACD will accept written instructions accompanied by payment for subsequent transactions which can be carried out by writing to the ACD's transfer agency team. The ACD will also accept telephone purchases from FCA regulated entities for subsequent investments which may purchase shares by telephoning the ACD on 0333 300 0355.

Investors buy and redeem Shares through the ACD who nets them to reduce the number of Shares issued or cancelled by the Company. When carrying out deals in Shares the ACD acts as principal but does not profit from this activity.

### **Electronic communications**

The ACD may accept instructions to transfer or renunciation of title to Shares on the basis of an authority communicated by electronic means and sent by a Shareholder, or delivered on their behalf by a person that is authorised by the Financial Conduct Authority or regulated in another jurisdiction by an equivalent supervisory authority. Subject to:

- 1) prior agreement between the ACD and the person making the communication as to:
  - (a) the electronic media by which such communications may be delivered; and
  - (b) how such communications will be identified as conveying the necessary authority; and
- 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 Shareholder.

Where an instruction has been received by telephone, settlement is due within 4 Business Days of the Valuation Point. Purchases made by telephone are subject to risk limits at the ACDs discretion, and the ACD may at its discretion reject or defer an instruction to purchase Shares until it is in receipt of cleared funds for the purchase (when the purchase of Shares will be placed at the next Valuation Point

following receipt of cleared funds). An order for the purchase of Shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application.

The ACD, at its discretion has the right to cancel a purchase deal if settlement is materially overdue (being more than 5 Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. The ACD is not obliged to issue Shares unless it has received cleared funds from an investor.

The ACD reserves the right to charge interest at 4% per annum above the prevailing Bank of England Base rate, on the value of any settlement received later than the 4<sup>th</sup> Business Day following the Valuation Point.

The ACD has the right to reject, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

Shareholders have a right to cancel their transactions within 14 calendar days of receipt of their contract note. If a Shareholder cancels their contract, they will receive a refund of the amount that they invested including the initial charge either in full or less a deduction to reflect any fall in Share price since the date of investment. This may result in a loss on the part of Shareholders. If Shareholders wish to exercise their right to cancel, they should write to the transfer agency team at the Dealing Office address set out in the Directory (Appendix IX). Shareholders will not be able to exercise their cancellation rights after 14 calendar days of receipt of their contract note. Shareholders should note that in certain circumstances, there may be a delay in returning their investment.

### **Client Money**

No interest will be paid on client money held by the ACD. Client money will be held in a pooled general bank account, which is designated as a client money account.

The ACD will not be responsible for any actions or omissions of the relevant bank. If the bank holding the client account becomes insolvent, the ACD will have a claim on behalf of all Shareholders, but if there is a shortfall, all clients will share in this proportionately, although Shareholders may be entitled to compensation from the Financial Services Compensation Scheme. The availability of compensation depends on the type of business being conducted.

Details are available from the Financial Services Compensation Scheme Helpline on 0800 678 1100 or 020 7741 4100 and on the Financial Services Compensation Scheme website: [www.fscs.org.uk](http://www.fscs.org.uk).

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 ACD has lost touch with an investor, the ACD will be permitted to pay the investor's client money balance to a registered charity after

six years. The ACD will not do so until reasonable efforts have been made to contact the investor. The investor will still be entitled to recover this money from the ACD at a later date irrespective of whether the ACD has paid the money to charity. This is subject to the rules in COLL, which require the ACD to transfer any distribution payment which remains unclaimed after a period of six years from the date of payment to the Company's capital property.

### **Documentation**

A contract note giving details of the shares purchased and the price used will be issued to the Shareholder (the first named, in the case of joint Shareholders) by the end of the next Business Day following the Valuation Point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Share certificates will not be issued in respect of shares. Ownership of shares will be evidenced by an entry on the Company's Register. Tax vouchers in respect of half yearly distributions of income will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a Shareholder's (or, when shares are jointly held, the first named holder's) shares will also be issued at any time on request by the registered holder.

### **Minimum Subscriptions and Holdings**

The minimum initial and subsequent subscription levels, and minimum holdings, are set out in Appendix I. The ACD may at its discretion accept subscriptions lower than the minimum amount.

If a holding is below the minimum holding the ACD has discretion to require redemption of the entire holding.

### **In Specie Issue**

If a Shareholder requests, the ACD may at its discretion arrange for the Company to accept securities in settlement of a purchase of shares in the Company as provided for in the FCA Rules. In particular, the ACD and Depository will only do so where satisfied that the acceptance of the assets concerned would not likely to result in any material prejudice to the interests of the Shareholders.

### **Selling Shares**

#### **Procedure**

Every Shareholder has the right to require that the Company redeem their shares on any Dealing Day unless the value of shares which a Shareholder wishes to redeem will mean that the Shareholder will hold shares with a value less than the required minimum holding, in which case the Shareholder may be required to redeem their entire holding.

Requests to redeem Shares may be made in writing to the ACD's transfer agency team at the Dealing Office address set out in the Directory (Appendix IX). The ACD may also, at its discretion and by prior agreement, accept instructions to redeem shares from FCA regulated entities by telephone on 0333 300 0355 or by fax. The ACD may accept requests to sell or transfer Shares by electronic communication. Please refer to the paragraph 'Electronic Communications' set out at paragraph 5 ('Buying or Selling Shares').

### **Documents the Seller will receive:**

A contract note giving details of the number and price of shares sold will be sent to the selling Shareholder (the first named, in the case of joint Shareholders) or their duly authorised agents together with a form of renunciation for completion and execution by the Shareholder (and, in the case of a joint holding, by all the joint holders) not later than the end of the next business day following the Valuation Point by reference to which the redemption price is determined.

Payment will be made by BACS, telegraphic transfer or CHAPS in satisfaction of the redemption monies and will be issued within four business days of the later of:

- a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Shareholders and completed as to the appropriate number of shares, together with any other appropriate evidence of title; and
- b) the Valuation Point following receipt by the ACD of the request to redeem.

### **Minimum Redemption**

Part of a Shareholder's holding may be sold but the ACD reserves the right to refuse a redemption request if the value of the shares to be redeemed is less than any minimum redemption amount set out in Appendix I or would result in a Shareholder holding less than the minimum holding, as detailed in Appendix I. In the latter case the Shareholder may be asked to redeem their entire shareholding.

### **In Specie Redemption**

If a Shareholder requests the redemption of shares, the ACD may, if it considers the deal substantial in relation to the total size of the Company, arrange for the Company to cancel the shares and transfer Scheme Property to the Shareholder instead of paying the price of the shares in cash, or, if required by the Shareholder, pay the net proceeds of sale of the relevant Scheme Property to the Shareholder.

A deal involving shares representing 5% or more in value of the Company will normally be considered substantial, although the ACD may in its discretion agree an in specie redemption with a Shareholder whose shares represent less than 5% in value of the Company concerned.

Before the proceeds of cancellation of the shares become payable, the ACD will give written notice to the Shareholder that Scheme Property (or the proceeds of sale of that Scheme Property) will be transferred to that Shareholder.

The ACD will select the property to be transferred (or sold) in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders, and any such redemption as set out above, shall be subject to a retention by the Company from that property (or proceeds) the value (or amount) of any stamp duty reserve tax to be paid on the cancellation of shares.

### **Direct Issue or Cancellation of shares by an OEIC through the ACD**

Not applicable. Shares are issued or cancelled by the ACD making a record of the issue or cancellation and of the number of shares of each class concerned.

## **Switching**

If applicable, a holder of shares may at any time switch all or some of their shares ("Old Shares") for shares of another fund ("New Shares"). The number of New Shares issued will be determined by reference to the respective prices of New Shares and Old Shares at the Valuation Point applicable at the time the Old Shares are repurchased and the New Shares are issued.

Switching may be effected by writing to the ACD at the Dealing Office address set out in the Directory (Appendix IX). A switching Shareholder must be eligible to hold the shares into which the switch is to be made.

The ACD may at its sole discretion and by prior agreement, accept switching instructions by telephone from FCA regulated entities only. The ACD may accept requests to switch Shares by electronic communication. Please refer to the paragraph 'Electronic Communications' set out at paragraph 5 ('Buying or Selling Shares').

The ACD may at its discretion charge a fee on the switching of shares between funds. These fees (if applicable) are set out in paragraph 10. There is currently no charge for switching shares.

If the switch would result in the Shareholder holding a number of Old Shares or New Shares of a value which is less than the minimum holding, the ACD may, if it thinks fit, switch the whole of the applicant's holding of Old Shares to New Shares or refuse to effect any switch of the Old Shares. No switch will be made during any period when the right of Shareholders to require the redemption of their shares is suspended. The general provisions on selling shares shall apply equally to a switch.

The ACD may adjust the number of New Shares to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect of the issue or sale of the New Shares or repurchase or cancellation of the Old Shares as may be permitted pursuant to the FCA Rules.

## **Share Class Conversions**

If applicable, a holder of shares in a Share Class ("Old Class Shares") the Company may exchange all or some of their shares for shares of a different Share Class ("New Class Shares"). An exchange of Old Class Shares for New Class Shares will be processed as a conversion ("Share Class Conversion"). Unlike a Switch, a conversion of Old Class Shares into New Class Shares will not involve a redemption and issue of shares. For the purposes of Income Equalisation the New Class Shares will receive the same treatment as the Old Class Shares.

The number of New Class Shares issued will be determined by a conversion factor calculated by reference to the respective prices of New Shares and Old Shares at the Valuation Point applicable at the time the Old Class Shares are converted to New Class Shares.

Share Class Conversions may be effected either by telephone on 0333 300 0355 or in writing to the transfer agency Team at the Dealing Office address set out in the Directory (Appendix IX). A converting Shareholder must be eligible to hold the shares into which the Share Class Conversion is to be made. It is the ACD's intention that Share Class Conversions will be processed at the next Valuation Point following receipt of the instruction, however the ACD reserves the right to defer a Share Class Conversion until no later than after the next Annual Accounting Date if it is in the interests of other Shareholders. The ACD may accept requests to convert

Shares by electronic communication. Please refer to the paragraph 'Electronic Communications' set out at paragraph 5 ('Buying or Selling Shares').

If the Share Class Conversion would result in the Shareholder holding a number of Old Class Shares or New Class Shares of a value which is less than the minimum holding in the Share Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Old Class Shares to New Class Shares or refuse to effect any Share Class Conversion of the Old Shares.

Please note that, under current tax law, a Share class conversion of shares between different Share classes in the same Company will not be deemed to be a realisation for the purposes of capital gains taxation.

**A Shareholder who converts their shares in one Share class to shares in a different Share class will not be given a right by law to withdraw from or cancel the transaction.**

## **6. DEALING CHARGES**

### **Preliminary Charge**

The ACD may impose a charge on the sale of shares to investors which is based on the amount invested by the prospective investor. The preliminary charge is payable to the ACD. Full details of the current preliminary charge for each class of Share are set out in Appendix I.

### **Redemption Charge**

The ACD may make a charge on the redemption of shares. At present no redemption charge is levied.

The ACD may not introduce a redemption charge on shares unless, not less than 60 days before the introduction, it has given notice in writing to the then current Shareholders of that introduction and has revised and made available the Prospectus to reflect the introduction and the date of its commencement. If charged, the redemption charge will be deducted from the price of the shares being redeemed and will be paid by the Company to the ACD.

In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the ACD.

### **Switching Fee**

On the switching of shares of one fund for shares of another fund the Instrument of Incorporation authorises the Company to impose a switching fee. The fee will not exceed an amount equal to the then prevailing preliminary charge for the Class into which shares are being switched. The switching fee is payable by the Company to the ACD. Currently no switching charge will be levied.

## **7. OTHER DEALING INFORMATION**

### **Dilution Levy**

The basis on which the Company's investments are valued for the purpose of calculating the issue and redemption price of shares as stipulated in the FCA Rules and the Company's Instrument of Incorporation is summarised in paragraph 8. The

actual cost of purchasing or selling investments may be higher or lower than the mid-market value used in calculating the Share price - for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the Shareholders' interest. In order to prevent this effect, called "dilution", the ACD has the power to charge a "dilution levy" on the sale and/or redemption of shares. If a dilution levy is not charged on the sale and/or redemption of shares, the cost of purchasing or selling investments for the Company subsequent to Shareholder dealing will be borne by the Company with a consequent effect on future growth. If charged, the dilution levy will be paid into the Company and will become part of its property.

The dilution levy for the Company will be calculated by reference to the estimated costs of dealing in the underlying investments of the Company, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of sales or redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all Shareholders and potential Shareholders. In particular, the dilution levy may be charged in the following circumstances:

- a) where over a dealing period the Company has experienced a large level of net sales or redemptions relative to its size;
- b) on "large deals". For these purposes, a large deal means a deal worth 5% or more of the size of the Company; and
- c) where the ACD considers it necessary to protect the interests of the Shareholders of the Company.

It is therefore not possible to predict accurately whether dilution is likely to occur at any point in time. Based on future projections, the ACD expects that the vast majority of sales and/or redemptions of Shares will be 'large deals' and that a dilution levy may be charged on the majority of deals. If a dilution levy is required then, based on historical data, the estimated rate or amount of such levy will be 0.59% on sales (creation) and 0.28% on redemptions (liquidation) and will be incurred on around 25% of deals. If a dilution levy is not charged then this may restrict the future growth of the Company.

The table below shows historic information on dilution levies to the Share price:

| Name                           | Estimated Dilution Levy (%) applicable for purchases (subscription) as at 31 December 2025 | Estimated Dilution Levy (%) applicable for sales (redemption) as at 31 December 2025 | Number of days on which a Dilution Levy has been applied over the period 1 January 2025 to 31 December 2025 |
|--------------------------------|--|--|---|
| <b>Knotts Investments Fund</b> | 0.337%   | 0.07%  | 0   |

The ACD may alter its dilution policy in accordance with the FCA Rules either by Shareholder consent pursuant to the passing of a resolution to that effect at a properly convened meeting of Shareholders and by amending this Prospectus or by giving Shareholders notice and amending the Prospectus 60 days before the change to the dilution policy is to take effect.

### **Money Laundering**

As a result of legislation in force in the UK to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when buying shares. The ACD reserves the right to reverse the transaction or to refuse to sell shares if it is not satisfied as to the identity of the applicant.

Please refer to the paragraph titled 'Electronic Verification' for details of certain resources we may access to verify information on you.

### **Restrictions and Compulsory Transfer and Redemption**

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, sale, transfer or switching of shares.

### **Mandatory Conversion**

Where the ACD considers it in the best interests of Shareholders, the ACD may convert a Shareholder's holding in one Share Class to another Share Class in the Company. The ACD shall give at least 60 days' prior written notice to the Shareholders concerned of the proposed conversion, including details of the new Share Class and reminding Shareholders of their rights to redeem.

### **Suspension of Dealings in the Company**

The ACD may, with the agreement of the Depositary, and must if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of shares in the Company, if due to exceptional circumstances it is in the interest of all the Shareholders. On suspension, the ACD, or the Depositary if it has required the ACD to suspend dealings, will immediately inform the FCA and state the reason for its action and as soon as practicable, give written confirmation of the suspension and the reasons to the FCA. The suspension will only be permitted to continue for as long as it is justified having regard to the interests of the Shareholders. The ACD and the Depositary must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

The ACD will notify all Shareholders of the suspension in writing as soon as practicable and will publish details to keep Shareholders appropriately informed about the suspension, including its likely duration.

Re-calculation of the Share price for the purpose of sales and purchases will commence on the next relevant Valuation Point following the ending of the

suspension.

### **Governing Law**

All deals in shares are governed by English law.

## **8. VALUATION OF THE COMPANY**

The price of a Share in the Company is calculated by reference to the Net Asset Value of the Company. There is only a single price for any Share as determined from time to time by reference to a particular Valuation Point. The Net Asset Value per Share of the Company is currently calculated on each Dealing Day at 12.00 noon.

The ACD may at any time during a business day carry out an additional valuation if the ACD considers it desirable to do so.

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

The value of the Scheme Property shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

The Scheme Property (including receivables) of the Company is to be included, subject to the following provisions.

Scheme Property which is not cash (or other assets dealt with in paragraph c) or a contingent liability transaction shall be valued as follows:

- a) units or shares in a collective investment scheme:
  - i. if a single price for buying and selling units is quoted, at the most recent such price; or
  - ii. if separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any preliminary charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
  - iii. if in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a price which in the opinion of the ACD is fair and reasonable;
- b) any other transferable security:
  - i. if a single price for buying and selling the security is quoted, at that price; or
  - ii. if separate buying and selling prices are quoted, the average of those two prices; or
  - iii. if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the ACD reflects a fair and reasonable price for that investment;
- c) property other than that described in paragraphs (a) and (b) above:
  - (i) at a value which, in the opinion of the ACD, represents a fair and

reasonable mid-market price.

Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.

Property which is a contingent liability transaction shall be treated as follows:

- a) if it is a written option (and the premium for writing the option has become part of the Scheme Property), the amount of the net valuation of premium receivable shall be deducted.
- b) if it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
- c) if the property is an off-exchange derivative, it will be included at a valuation method agreed between the ACD and Depositary;
- d) if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).

In determining the value of the Scheme Property, all instructions given to issue or cancel shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

Subject to below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount. All agreements are to be included under this paragraph which are, or ought reasonably to have been, known to the person valuing the property.

Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under the paragraph above.

An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and value added tax will be deducted.

An estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day will be deducted.

The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.

An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.

Any other credits or amounts due to be paid into the Scheme Property will be added.

A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.

Currency or values in currencies other than the base currency shall be converted at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholder or potential Shareholders.

### **Price per Share in the Company and each Class**

The price per Share at which shares are bought, redeemed or switched is the Net Asset Value per Share. Any initial (preliminary) charge or redemption charge, (or dilution levy or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

### **Pricing Basis**

The Company deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the sale or redemption is agreed.

### **Publication of Prices**

The most recent prices will appear daily on the Trustnet website at [www.trustnet.com](http://www.trustnet.com) and can also be obtained by telephone on 01483 783 900.

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

The cancellation price last notified to the Depositary is available from the ACD upon request.

## **9. RISK FACTORS**

### **General Risks**

The price of shares of the Company and any income from them may fall as well as rise and investors may not get back the full amount invested. Past performance is not a guide to future performance. There is no assurance that the investment objective of the Company will actually be achieved.

The following statements are intended to summarise some of the risks, but are not exhaustive, nor do they offer advice on the suitability of investments.

### **Equities Risk**

Where investments are in the shares of companies (equities), the value of those equities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events. Currency exchange rate movements will also cause changes in value when the currency of the investment is other than Sterling.

### **Bond and Debt Instruments (Including High Yielding Securities Risk)**

Where investments are in bonds or other debt instruments, the value of those investments will depend on market interest rates, the credit quality of the issuer and liquidity considerations. Investments in high yielding debt instruments where the level of income may be relatively high (compared to investment grade debt instruments); however the risk of depreciation and realisation of capital losses on such debt instruments held will be significantly higher than on lower yielding debt instruments.

### **Lower Rated/Unrated Securities Risk**

The credit quality of debt instruments is often assessed by rating agencies. Medium and lower rated securities and unrated securities of comparable quality may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and accentuated market expectations, and consequently greater fluctuations in market values, than higher rated securities. Changes in such ratings, or expectation of changes, will be likely to cause changes in yield and market values, at times significantly so.

### **Collective Investment Schemes Risk**

The Company may make investments in collective investment schemes. Such investments may involve risks not present in direct investments, including, for example, the possibility that an investee collective investment scheme may at any time have economic or business interests or goals which are not fully consistent with those of the Company. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. There may be liquidity constraints and the extent to which an investee fund's securities are valued by independent sources are factors which could impact on the Company's valuation.

### **Leverage Risk**

Leverage is where a fund borrows money in order to meet redemption requests or, through the use of derivatives, for the purpose of buying or selling assets. Where assets are bought or sold using borrowed money this increases the risk that in the case of losses that these are compounded and as a result have a material negative impact on the value of the Company.

### **Leveraged Companies Risk**

Investments may be made in companies or collective investment schemes which borrow funds. Such companies or collective investment schemes may not be subject to any limitations on the amount of their borrowings, and the amount of borrowings that they may have outstanding at any time may be large in comparison to their capital.

### **Futures and Options Risk**

**The Company may use, under certain conditions, options and futures on indices and interest rates, for the purposes of Efficient Portfolio Management. Also, the Company may hedge market and currency risks using futures, options and forward exchange contracts. Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling ("writing") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or acquire or deliver the underlying interest. If the option is "covered" by the seller holding a corresponding position in the underlying**

**interest or a future on another option, the risk may be reduced.**

**There is no guarantee that the Company will achieve the objective for which it entered into a transaction in relation to Efficient Portfolio Management. This may result in losses for investors.**

**The Company will be subject to the risk of the inability of any counterparty to perform its obligations. If a counterparty defaults the Company may suffer losses as a result.**

### **Foreign Currency Risk**

The Company may invest in securities denominated in a number of different currencies other than Sterling in which the Company is denominated. Changes in foreign currency exchange rates may adversely affect the value of the Company's investments and the income thereon.

### **Pricing and Valuations Risk**

For quoted investments a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid investments which are difficult to value may increase the risk of mispricing. Furthermore, the Company will compute Net Asset Values when some markets are closed for holidays or other reasons. In these and similar cases a verifiable source of market prices will not be available and the ACD may invoke its Fair Value process which will determine a fair value price for the relevant investments; this Fair Value process involves assumptions and subjectivity.

### **Emerging Countries and Developing Markets Risk**

The Company may invest in emerging markets which are undergoing rapid growth and regulatory change. Emerging markets present additional risks to those normally encountered in developed securities markets. These risks may be political, social and economic in nature and may be complicated by inflationary pressures and currency depreciation. The accounting and financial reporting standards, practices and disclosure requirements in some of the countries in which investments may be made may differ from those experienced in more developed markets. Similarly, reliability of the trading and settlement systems in such markets and the liquidity of these markets may not be equal to those available in more developed markets and this could lead to delays in settlement or affect the price at which investments could be realised. Government influence or control of private companies in some countries may be significant and investments may be exposed to the risks of political change, political uncertainty or governmental action. Such assets could be expropriated, nationalised, confiscated or subjected to changes in legislation relating to foreign ownership. The value of investments in emerging markets may therefore be adversely affected by political and/or economic conditions, which would, in turn, adversely impact on the performance of the Company and its Share price.

### **Smaller and Unquoted Companies Risk**

Significant investments may be made in smaller companies, in which there may be no established market for the shares, or the market may be highly illiquid. Because of this potential illiquidity investment in the Company may not be appropriate for all investors, including those who are not in a position to take a long-term view of their investment. The Company may also invest, directly and indirectly, in securities that are not listed or traded on any stock exchange. In such situations, the

Company may not be able to immediately sell such securities. The purchase price and subsequent valuation of these securities may reflect a discount, which could be significant, from the market price of comparable securities for which a liquid market exists.

### **Risk to Capital**

This includes potential risk of erosion resulting from withdrawals or cancellations of shares and distributions in excess of investment returns.

### **Liquidity Risk**

In normal market conditions the Company's assets comprise mainly realisable investments which can be readily sold. The Company's main liability is the redemption of any shares that investors wish to sell. In general the Company manages its investments, including cash, such that it can meet its liabilities. Investments held may need to be sold if insufficient cash is available to finance such redemptions. If the size of the disposals are sufficiently large, or the market is illiquid, then there is a risk that either the investments might not be sold or the price at which they are sold may adversely affect the Net Asset Value of the Company. If there were significant requests for redemption of shares in the Company at a time when a large proportion of the Company's assets was invested in illiquid investments, then the Company's ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the Company.

### **Credit Risk**

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties (default). Credit risk also arises from the uncertainty about an issuer's ultimate repayment of principal and interest for bond or other debt instrument investments. The entire deposit or purchase price of the debt instrument is at risk of loss if there is no recovery after default. The risk of default is usually greatest with bonds and debt instruments that are classed as 'sub-investment' grade.

### **Settlement Risk**

All security investments are transacted through brokers who have been approved by the investment manager as an acceptable counterparty. The list of approved brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations to the Company, for example, the possibility that a counterparty may default, by failing to make payments due, or make payments in a timely manner. If settlement never occurs the loss incurred by the Company will be the difference between the price of the original contract and the price of the replacement contract or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided. Furthermore, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if the Company meets its settlement obligations but the counterparty fails before meeting its obligations.

### **Custody Risk**

The Depositary may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint custody agents. The Depositary or Custodian or custody agents may hold Financial Instruments in fungible accounts (meaning the assets are interchangeable) or omnibus accounts (resulting in

accounts being combined). The use of omnibus accounts gives rise to a potential risk that there could be a shortfall in the Financial Instruments held in such an account should the total of the Financial Instruments be less than the aggregate entitlement of the Company. It is expected that such risks will be mitigated by the Custodian's trade matching and reconciliation processes, however in the event of an irreconcilable shortfall, the affected clients would bear the risk of any shortfall on a pro-rata basis and the Company may not recover all of its Financial Instruments.

### **Tax Risk**

Tax laws, currently in place, may change in the future which could affect the value of the Company's and therefore the Shareholders' investments. Refer to the section headed 'Taxation' in the prospectus for further details about the taxation of the Company.

### **Inflation Risk**

Unless the performance of your investment keeps up with or beats inflation, the real value of your investments will fall over time.

### **Political and/or Environmental Risk**

The investee companies may operate in countries where the ownership rights may be uncertain and development of the resources themselves may be subject to disruption due to factors including civil disturbances, industrial action, interruption of power supplies, as well as adverse climatic conditions.

### **Market Risk**

The risk that the entire market of an asset class will decline thus affecting the prices and the values of the assets.

### **Infectious Diseases**

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

### **Risk Management and Risk Management Process**

The ACD uses a risk management process (including a risk management policy) enabling it to monitor and measure at any time the risk of the Company's positions and their contribution to the overall risk profile of the Company.

The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:

- a true and fair view of the types of derivatives and forward transactions to be used within the Company together with their underlying risks and any relevant quantitative limits;
- the methods for estimating risks in derivative and forward transactions.

The ACD must assess, monitor and periodically review:

- the adequacy and effectiveness of the risk management policy and of the

arrangements, processes and techniques referred to in COLL 6.12.5R;

- the level of compliance by the ACD with the risk management policy and with those arrangements, processes and techniques referred to in COLL 6.12.5R; and
- the adequacy and effectiveness of measures taken to address any deficiencies in the performance of the risk management process.

The ACD must notify the FCA of any material changes to the risk management process.

#### *Information to Shareholders*

Upon request to the ACD a Shareholder can receive information relating to:

- a) the quantitative limits applying in the risk management of the Company;
- b) the methods above; and
- c) any recent developments of the risk and yields of the main categories of investment in the Company.

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

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after paying the purchase price of shares.

#### **Historical Performance Data**

Historical performance data for the Company, expressed as discrete annual returns in percentage terms, is set out in Appendix III. **Past performance should not be seen as an indication of future performance.**

### **10.FEES AND EXPENSES**

#### **General**

The Company may pay out of the property of the Company charges and expenses incurred by the Company, which will include the following expenses:

- a) the fees and expenses payable to the ACD, to the Investment Manager and to the Depositary;
- b) broker's commission (excluding costs for research), fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessarily incurred in effecting transactions for the Company and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- c) fees and expenses in respect of establishing and maintaining the register of Shareholders and any sub-register of Shareholders;
- d) any costs incurred in or about the listing of shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of shares;

- e) any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company, or the Prospectus;
- f) any fees, expenses or disbursements of any legal or other professional adviser of the Company;
- g) any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Company, which are carried on by the Registrar;
- h) any fees or costs associated with any CASS related support activity incurred by the Registrar.
- i) any costs incurred in taking out and maintaining any insurance policy in relation to the Company;
- j) any costs incurred in respect of meetings of Shareholders convened for any purpose including those convened on a requisition by Shareholders not including the ACD or an associate of the ACD;
- k) liabilities on unitisation, amalgamation or reconstruction including certain liabilities arising after transfer of property to the Company in consideration for the issue of shares as more fully detailed in the FCA Rules;
- l) interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- m) taxation and duties payable in respect of the property of the Company or the issue or redemption of shares;
- n) the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- o) the fees of the FCA, in accordance with the Fees Manual, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which shares in the Company are or may be marketed;
- p) the Depositary's expenses, as detailed below;
- q) any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company and any expenses incurred in distributing information regarding the prices of shares to Shareholders;
- r) any payments otherwise due by virtue of the FCA Rules;
- s) any fees or expenses incurred in the modification of the Prospectus and/or Instrument of Incorporation and/or Key Investor Information Document (KIID), to the extent permitted by the FCA Rules; and
- t) any expenses incurred in the printing and preparation (but not the dissemination) of the Key Investor Information Document.

Value Added Tax is payable on these charges where appropriate.

Any third party research received in connection with investment advisory services that an Investment Manager provides to the Company will be paid for by the Investment Manager out of its fees, as relevant in relation to the Company, and will not be charged to the Company.

### **Ongoing charges**

Appendix I sets out information on the ongoing charges figure (**OCF**) in respect of the Company. The OCF provides investors with a clear picture of the total annual costs involved in running the Company and is based on a previous year's expenses. Please refer to Appendix I for more detail.

### **Allocation of payments**

**Expenses are allocated to capital in accordance with the FCA Rules and the OEIC Regulations. This policy may result in capital erosion or constrain capital growth.** Further details are specified in Appendix I.

### **Charges Payable to the ACD**

In payment for carrying out its duties and responsibilities the ACD is entitled to take out of the Company an annual management charge.

The annual management charge accrues daily and is payable monthly in arrears on the last calendar day of each month. The fee is calculated by reference to the Company's daily valuation. The current management charges are set out in Appendix I.

The ACD is also entitled to reimbursement of all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, including stamp duty, stamp duty reserve tax on transactions in shares and expenses incurred in effecting regulatory changes to the Company.

The ACD may not introduce a new category of remuneration for its services unless the introduction has been approved by an extraordinary resolution of Shareholders in the Company.

### **Remuneration policy**

The ACD has established and applies a remuneration policy, procedure and practice (together, the "Remuneration Policy") which is consistent with, and promotes, sound and effective risk management, and does not encourage risk-taking that is inconsistent with the risk profile or the Instrument of Incorporation. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the ACD or the Company. The Remuneration Policy does not impair compliance with the ACD's duty to act in the best interests of the Company.

Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on [www.tutman.co.uk](http://www.tutman.co.uk) and a copy of such information can be obtained, free of charge, upon request at the offices of the ACD.

The ACD may not increase the current rate or amount of its remuneration payable out of the Scheme Property or the preliminary charge (see paragraph 6) unless, not

less than 60 days before the introduction or increase, the ACD gives notice in writing of the introduction or increase and the date of its commencement to all Shareholders and has revised and made available the Prospectus to reflect the introduction or new rate and the date of its commencement.

Any fees payable to the ACD may be reduced or waived by the ACD at its discretion.

### **Investment Manager's Fees**

The Investment Manager's fees and expenses are paid by the Company and the current fees are as set out in Appendix I.

### **Depositary's Fee**

#### **Periodic Fee**

The Depositary receives for its own account a periodic fee which will accrue daily and is payable monthly on the last business day in each calendar month in respect of that day and the period since the last business day in the preceding month and is payable within seven days after the last business day in each month. The fee is calculated by reference to the Company's daily valuation. The rate of the periodic fee is agreed between the ACD and the Depositary and is currently:

- 0.0275% per annum on the first £50,000,000 in value of the Scheme Property;
- 0.025% per annum on the next £50,000,000 in value of the Scheme Property;
- 0.020% per annum on the next £100,000,000 in value of the Scheme Property; and
- 0.015% per annum on the value of Scheme Property thereafter.

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

These rates can be varied from time to time in accordance with the FCA Rules.

The first accrual in relation to the Company will take place in respect of the period beginning on the day on which the first valuation of the Company is made and ending on the last business day of the month in which that day falls.

### **Transaction Charges and Derivative and Custody Charges**

In addition to the periodic fee referred to above, the Depositary 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 | Between £7.50 and £180.00 per transaction |

| Item                           | Range/Fees   |
|--------------------------------|--|
| Derivative Transaction Charges | £20 (if applicable)  |
| Custody Charges                | up to 0.9% of the value of investments being held per annum (subject to a minimum of £7,500) |

In addition, charges may be applied for cash payments, currency conversion, corporate actions and other incidental expenses. Details are available on request.

Transaction charges vary from country to country, dependent on the markets, and 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 Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Company and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Rules.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument, the FCA Rules or by the general law including but not limited to:

- a) the acquisition holding and disposal of property;
- b) the collection and distribution to Shareholders of dividends, interest and any other income;
- c) the maintenance of distribution accounts;
- d) the conversion of foreign currency;
- e) registration of assets in the name of the Depositary or its nominee or agents;
- f) borrowings or other permitted transactions;
- g) communications with any parties (including telex, facsimile, SWIFT and electronic mail);
- h) taxation matters;
- i) insurance matters;
- j) costs relating to banking and banking transactions;
- k) preparation of the Depositary's annual report;

- l) taking professional advice;
- m) conducting legal proceedings;
- n) the convening and/or attendance at meetings of Shareholders; and
- o) modification of the Instrument of Incorporation, Prospectus, and negotiation and/or modification of the Depositary Agreement and any other agreement entered into between the Depositary and its delegates.

The Depositary shall be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Depositary and the Company or the ACD.

On a winding up of the Company or the redemption of a class of shares, the Depositary will be entitled to its *pro rata* fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the agreement with the Depositary.

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

In each such case such expenses and disbursements will also be payable if incurred by any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Rules by the Depositary.

## **11.SHAREHOLDER MEETINGS AND VOTING RIGHTS**

### **Meetings and voting rights**

For the purposes of this paragraph 11:

- i.** a “physical meeting” is a general meeting convened at a physical location where Shareholders, or their proxy, must be physically present;
- ii.** a “hybrid meeting” is a general meeting which allows Shareholders, or their proxy, to be physically present at the location where the meeting is convened, or to attend and vote remotely; and
- iii.** a “virtual meeting” is a general meeting where all Shareholders, or their proxy, attend and vote remotely.

The provisions below, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of the Company.

The Company does not propose to hold annual general meetings. Resolutions will be voted upon at extraordinary general meetings.

The ACD and the Depositary may convene a general meeting of the Company at any time in accordance with the FCA Rules. The ACD may hold a virtual meeting or a hybrid meeting as this is not inconsistent with any provisions in the Instrument of Incorporation.

Shareholders may request the convening of a general meeting by a requisition which must:

- i.** state the objective of the meeting;
- ii.** be dated;
- iii.** be signed by Shareholders who, at that date, are registered as the Shareholders of Shares representing not less than one-tenth in value of all of the Shares then in issue; and
- iv.** be deposited at the head office of the Company or with the Depositary.

Any Shareholder who participates remotely in a hybrid meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights as a Shareholder who is physically present at the meeting.

Any Shareholder who participates in a virtual meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights that the Shareholder would have at a physical meeting.

Any Shareholder who participates remotely may do so without having to appoint a proxy and is not required to submit their vote on a resolution in advance of the meeting.

A meeting of Shareholders, duly convened and held shall be competent by extraordinary resolution to require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the relevant regulations.

An extraordinary resolution is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for the resolution at a general meeting, or, as the case may be, a Class meeting of Shareholders.

Except where an extraordinary resolution is specifically required or permitted, any resolution of Shareholders is passed by a simple majority of the votes validly cast.

A meeting of Shareholders has no powers other than those contemplated by the FCA Rules.

Where a meeting of Shareholders is convened by the ACD or the Depositary, Shareholders must receive at least 14 days' written notice (inclusive of the date on which the notice is first served and the day of the meeting) and the notice shall specify:

- i.** whether the meeting is to be a physical meeting, a hybrid meeting or a virtual meeting;
- ii.** if the meeting is a physical meeting or a hybrid meeting, the place of the meeting;
- iii.** if the meeting is a hybrid meeting or a virtual meeting, the means by which a Shareholder may participate, including any requirements for Shareholders to register before the meeting begins or to provide proof of their right to attend, and an explanation of how participating Shareholders may vote in a show of hands or in a poll, if they do not appoint a proxy;
- iv.** the day and hour of the meeting;
- v.** the terms of the resolutions to be proposed; and

- vi.** the address of the website where the minutes of the meeting will subsequently be published.

Where the notice is served by the ACD a copy shall be sent to the Depository.

The accidental omission to give notice to, or the non-receipt of notice by any Shareholder will not invalidate the proceedings at any meeting.

Notice of an adjourned meeting of Shareholders must be given to each Shareholder, stating that while two Shareholders are required to be present, in person, by proxy or remotely, to constitute a quorum at the adjourned meeting, this may be reduced to one in accordance with COLL 4.4.6R(3), should two such Shareholders not be present after a reasonable time of convening of the meeting. Where a meeting is adjourned without date, the time and place for the adjourned meeting shall be fixed by the ACD. When a meeting is adjourned for thirty days or more or without date, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

Subject to the clause immediately above, in the case of an adjournment of a meeting at which a quorum is present, it shall not be necessary to give any notice of such an adjournment or of the business to be transacted at the adjourned meeting.

Where the meeting is a hybrid meeting or a virtual meeting, the ACD shall take reasonable care to ensure that the necessary supporting technology to enable Shareholders to attend and vote is in place at the start of the meeting and operates adequately throughout its proceedings, so that Shareholders who attend or vote remotely are not unfairly disadvantaged.

The quorum at a meeting of Shareholders shall be two Shareholders present in person, by proxy or (where applicable) remotely using the means specified in the notice. If, after a reasonable time after the start of the meeting, a quorum is not present, the meeting:

- i.** if convened on the requisition of Shareholders, must be dissolved;
- ii.** in any other case, must stand adjourned to:
  - a) a day and time which is seven or more days after the day and time of the meeting;
  - b) in the case of a physical meeting or a hybrid meeting, a place to be appointed by the chair; and
- iii.** if, at an adjourned meeting under paragraph (ii) above, a quorum is not present after a reasonable time from the time for the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum.

The chair of a meeting which permits Shareholders to attend and vote remotely shall take reasonable care to give such Shareholders:

- i.** an adequate opportunity to be counted as present in the quorum; and
- ii.** sufficient opportunities to participate fully in the proceedings of the meeting, in particular when a vote is taken on a show of hands or by poll.

In the case of an equality of votes cast, the chair is entitled to a casting vote.

At any meeting of Shareholders, on a show of hands every Shareholder who is present in person or who attends the meeting remotely using the means specified in the notice, shall have one vote.

On a poll, votes may be given either personally or by proxy or in another manner permitted by the Instrument of Incorporation. The voting rights for each Share must be the proportion of the voting rights attached to all of the Shares in issue that the price of the Shares bears to the aggregate price or prices of all of the Shares in issue at a cut-off date selected by the ACD which is a reasonable time before notice of the meeting is sent out.

A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way. For joint Shareholders, the vote of the first Shareholder, or the proxy of the first Shareholder, stated in the Register will be accepted to the exclusion of the votes of other joint Shareholders.

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

To be included in the quorum and entitled to vote at the meeting, "Shareholders" means the persons entered on the Register at a time determined by the ACD and stated in the notice of the meeting, which must not be more than 48 hours before the time fixed for the meeting.

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

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

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

- i. delivered to the Shareholder's address as appearing in the Register; or
- ii. sent using an electronic medium in accordance with the provisions below.

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

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

Any notice or document served by post on one joint Shareholder is deemed to also have been served on each other joint Shareholder whose address, as appearing on the Register, is the same address to which the notice or document was sent.

Any document or notice to be served on, or information to be given to a Shareholder,

must be in legible form. For this purpose, any form is a legible form if it:

- i.** is consistent with the ACD's knowledge of how the recipient of the document wishes or expects to receive the document;
- ii.** is capable of being provided in hard copy by the ACD;
- iii.** enables the recipient to know or record the time of receipt; and
- iv.** is reasonable in the context.

Changes to the Company are classified as fundamental, significant or notifiable.

The ACD must obtain the prior approval of Shareholders by extraordinary resolution for any proposed change to the Company which constitutes a "fundamental change". This is a change or event which:

- i.** changes the purpose or nature of the Company;
- ii.** may materially prejudice a Shareholder;
- iii.** alters the risk profile of the Company; or
- iv.** introduces a new type of payment out of the Scheme Property.

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

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

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

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

## **12. INCOME EQUALISATION**

When an incoming Shareholder purchases a Share during an accounting period, part of the purchase price will reflect the relevant share of accrued income in the Net Asset Value of the Company. The first allocation of income in respect of that

Share refunds this amount as a return of capital. This is known as 'income equalisation'. The amount of income equalisation shall be either the actual amount of income included in the issue price of that Share, or an amount calculated by dividing the aggregate of the amounts of income included in the creation price of Shares of the class in question issued or sold in the grouping period in question by the number of those Shares and applying the resulting average to each of the Shares in question.

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 paragraph 15 below. If there are no interim accounting periods, the periods for grouping of shares will be annual accounting periods. Grouping is permitted by the Instrument of Incorporation for the purposes of equalisation.

## **13. TAXATION**

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

### **Taxation of the Company**

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

The Company will make dividend distributions except where over 60% of the Company's property has been invested at all times throughout the distribution period in interest paying and related investments, in which case it will make interest distributions. A fund that makes interest distributions is referred to as a Bond Fund and a fund that makes dividend distributions is referred to as an Equity Fund.

#### **(A) Income**

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

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

Dividend income received by the Company from investments in UK resident and overseas companies should fall within an exemption from corporation tax. Dividend income received from foreign companies may be subject to withholding tax or other taxation in the foreign jurisdiction. Any foreign tax suffered by the Company 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.

## **(B) Capital gains**

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

## **(C) Stamp Duty Reserve Tax**

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

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

HM Treasury has announced its intention to replace stamp duty and SDRT with a single tax. The government has stated that any changes would take effect no earlier than 2027. These proposals do not affect the current operation of SDRT as described above. The ACD will continue to monitor developments and will update when further detail is available.

## **Taxation of Shareholders**

### **(A) Income**

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

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

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

### **(B) Interest distributions**

#### UK resident individuals

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

No income tax is required to be deducted at source from interest distributions with

the result that Shareholders will receive interest distributions gross of any tax.

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

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

#### UK corporate Shareholders

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

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

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

#### **(C) Dividend distributions**

Dividend distributions paid by the Company 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 Shareholders

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

## **(D) Chargeable gains**

### UK resident individuals

Shareholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including a redemption, of Shares in the Company. 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.

Shares in the Company may form part of a Shareholder's estate for UK inheritance tax purposes where the Shareholder is a long-term UK resident. The availability of reliefs will depend on the Shareholder's personal circumstances. Investors should seek professional advice if this is relevant to their planning.

### UK corporate Shareholders

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

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

## **(E) Income equalisation – tax implications**

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

## **(F) UK information reporting regime**

Open-ended investment companies 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.

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

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

## **(D) International tax compliance**

The Company 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 Company must collect information about each Shareholder's tax residence and, in certain circumstances, provide information about Shareholders' Shareholdings to HMRC. HMRC may in turn share this information with overseas tax authorities. Such tasks may be delegated to the Administrator.

### **Shareholders should note that:**

- (a) they may be asked to provide additional information (including information regarding their tax residence) to the ACD or the Administrator to enable the Company to satisfy these obligations;**
- (b) the ACD or Administrator may report these details, along with information about a Shareholders' holding, to HMRC; and**
- (c) HMRC may subsequently exchange this information with other governments or tax authorities in other jurisdictions.**

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

## **14. WINDING UP OF THE COMPANY**

The Company shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the FCA Rules.

Where the Company is to be wound up under the FCA Rules, such winding up may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under the FCA Rules if there is a vacancy in the position of ACD at the relevant time.

The Company may be wound up under the FCA Rules if:

- a) an extraordinary resolution to that effect is passed by Shareholders; or
- b) the period (if any) fixed for the duration of the Company by the Instrument of Incorporation expires, or an event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up

(for example, if the share capital of the Company is below its prescribed minimum); or

- c) on the date of effect stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company.

On the occurrence of any of the above:

- a) The parts of the FCA Rules and the Instrument of Incorporation relating to Pricing and Dealing and Investment and Borrowing will cease to apply to the Company;
- b) The Company will cease to issue and cancel shares in the Company and the ACD shall cease to sell or redeem shares or arrange for the Company to issue or cancel them for the Company;
- c) No transfer of a Share shall be registered and no other change to the register shall be made without the sanction of the ACD;
- d) Where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- e) The corporate status and powers of the Company and, subject to the provisions of paragraphs (a) and (b) above, the powers of the ACD shall remain until the Company is dissolved.

The ACD shall, as soon as practicable after the Company falls to be wound up, realise the assets and meet the liabilities of the Company and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds remaining (if any) to Shareholders proportionately to their rights to participate in the Scheme Property. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company to be realised, the ACD shall arrange for the Depositary to also make a final distribution to Shareholders (if any Scheme Property remains to be distributed) on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company.

As soon as reasonably practicable after completion of the winding up of the Company or the Company, the ACD shall notify the FCA.

On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company, will be paid into court within one month of dissolution.

Following the completion of the winding up of the Company, the ACD shall notify the Registrar of Companies and shall notify the FCA that it has done so.

Following the completion of the winding up of the Company, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The Auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the Auditors' report must be sent to the FCA, to each Shareholder and, in the case of the winding up of the Company, to the Registrar of Companies within four months of the termination of the winding up.

## **15. GENERAL INFORMATION**

### **Accounting Periods**

The annual accounting period of the Company ends each year on the last day of February (the accounting reference date). The interim accounting period of the Company ends each year on 31 August.

### **Income Allocations**

Allocations of income are made in respect of the income available for allocation in each accounting period.

Distributions of income in respect of Income Shares for the Company are paid by BACS or telegraphic transfer, on or before the annual income allocation date of 30 June and on or before the interim distribution date of 31 October.

If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Company.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the Company in respect of that period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments which the ACD considers appropriate after consulting the Auditors. The ACD does not normally adjust distributions in order to smooth the amount of interim and final distributions within any particular accounting period.

Income will be distributed as a dividend payment where the Company is deemed to be an Equity Company or as an interest payment where the Company is deemed to be a Bond Company over the relevant accounting period. The treatment of income anticipated by the ACD is given in Appendix I, although Shareholders are advised the treatment of income will depend on the composition of assets over the accounting period. Income can only be distributed as an interest payment if the Company has held the minimum Qualifying Investments over the accounting period (see Taxation for further details). Details of the treatment of income for taxation purposes over an accounting period will be given in a tax voucher sent to all Shareholders when the income is allocated.

### **Annual Reports**

An Annual report of the Company will be published within four months of each annual accounting period and a half-yearly report will be published within two months of each interim accounting period. Long reports will be available upon request.

Please refer to Appendix I for the distributions and accounting dates.

### **Documents of the Company**

The following documents may be inspected free of charge between 9.00 a.m. and 5.00 p.m. every business day at the offices of the ACD and copies may be requested from the ACD at Exchange Building, St Johns Street, Chichester, West

Sussex PO19 1UP:

- the most recent annual and half-yearly long reports of the Company;
- the Prospectus; and
- the Instrument of Incorporation (and any amending instrument of incorporation).

The ACD may make a charge at its discretion for copies of the Instrument of Incorporation.

### **Service of notices**

Any notice or document to be served on Shareholders will be duly served if it is:

- a) delivered to the Shareholder's address as appearing on the Register; or
- b) delivered by using an electronic medium in accordance with the paragraph 'Electronic Communications' set out at paragraph 5 ('Buying or Selling Shares').

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

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

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

For this purpose any form is legible form which:

- a) is consistent with the ACD's knowledge of how the recipient of the document wishes, or expects, to receive the document;
- b) is capable of being provided in a hard copy to the ACD;
- c) enables the recipient to know or record the time of receipt; and
- d) is reasonable in the context.

### **Telephone Recording**

Please note that the ACD may record telephone calls for regulatory, training or monitoring purposes and to confirm investors' instructions. 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 ACD can identify the call.

If you ask the ACD to send you a recording of a particular call, the ACD may ask for further information to help identify the exact call to which your request relates.

## **Complaints**

Complaints concerning the operation or marketing of the Company should be referred to the ACD at Exchange Building, St Johns Street, Chichester, West Sussex PO19 1UP, in the first instance. If the complaint is not dealt with satisfactorily then it can be made direct to The Financial Ombudsman Service at Exchange Tower, London E14 9SR, telephone number 0845 080 1800 or online at <https://www.financial-ombudsman.org.uk/>. A copy of the ACD's complaints handling procedure is available on request.

Making a complaint will not prejudice your rights to commence legal proceedings.

Further information regarding any compensation scheme or any other investor-compensation scheme of which the ACD or the Company is a member (including, if relevant, membership through a branch) or any alternative arrangement provided, are also available on request.

## **Best Execution**

The ACD must act in the best interests of the Company when executing decisions to deal on behalf of the Company. The ACD's order execution policy sets out the (i) systems and controls that have been put in place and (ii) the factors which the ACD expects the Investment Manager to consider when effecting transactions and placing orders in relation to the Company. This policy has been developed in accordance with the ACD's obligations under the FCA Rules to obtain the best possible result for the Company.

Details of the order execution policy are available from the ACD on request. If you have any questions regarding the policy please contact the ACD or your professional adviser.

## **Inducements and Soft Commission**

When executing orders, or placing orders with other entities for execution, that relate to Financial Instruments for, or on behalf of, the Company, an Investment Manager or the ACD (as relevant) will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party.

The Investment Manager or ACD will return to the Company as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to the Company, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

However, the Investment Manager or ACD may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the Company; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of the Company.

## **Compensation**

Under the Financial Services Compensation Scheme (FSCS), in the event of firm default your investment is protected up to the value of £50,000 per person per firm.

### **Non-accountability for profits**

Neither the Company, the ACD, the Depositary, the Investment Manager (or any Associate of the same) or the Auditor is liable to account to either each other or to Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with:

- (a) dealings in the Shares of the Company; or
- (b) any transaction in the Scheme Property of the Company; or
- (c) the supply of services to the Company.

### **Data Protection**

The personal details of each applicant for Shares and each Shareholder will be held by the ACD and/or the Administrator as its agent in accordance with Data Protection Laws for the purposes of carrying out the ACD's agreement with each Shareholder. This may include the transfer of such data to other members of the ACD's group and to other businesses providing services to the ACD (including their offices outside the UK), where the transfer is necessary for the provision of services in relation to the ACD's role as operator of the Company. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances the ACD will take steps to ensure that your privacy rights are respected. Shareholders have the right to access their personal data processed by the ACD together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons.

A copy of the ACD's Privacy Notice relating to investors is available at [www.tutman.co.uk](http://www.tutman.co.uk) or on request from [compliance@tutman.co.uk](mailto: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 Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check your identity and the source of the money invested.

The ACD 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 shares you are giving the ACD permission to ask for this information in line with Data Protection Laws.

If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the ACD with your application.

## **APPENDIX I**

### **Investment Objective, Policy and Other Details of the Company**

Investment of the assets of the Company must comply with the FCA Rules and its own investment objective and policy.

Details of the investment objective and policy are set out overleaf together with other information including available Share Classes, charges, minimum investment levels and distribution dates.

#### **Appendix II - investment and borrowing restrictions**

A detailed statement of the investment and borrowing restrictions applicable to the Company is contained in Appendix II.

#### **Appendix IV and Appendix V - eligible markets**

Lists of the eligible securities and derivatives markets on which the Company may invest are contained in Appendix IV and Appendix V.

#### **Ongoing charges**

The table below provides information regarding the ongoing charges figure (**OCF**) in respect of the Company.

The **OCF** provides investors with a clearer picture of the total annual costs in running a collective investment scheme and is based on the previous year's expenses. The **OCF** is presented as a percentage and the figure may vary from year to year. The figure excludes portfolio transaction costs (except in the case of an entry or exit (redemption) charge paid by the Company when buying or selling shares in another collective investment scheme). Further information is available from the ACD.

Where there is not enough historic data available, or when historic data will not provide a reliable indication of future costs, an estimated **OCF** will be calculated based on the most reliable information available (**OCF (Estimated)**).

### **KNOTTS INVESTMENTS FUND**

#### **Investment Objective**

The objective of the Company is to provide a return through a combination of capital growth and income, net of fees, over a rolling 5 year period.

#### **Investment Policy**

The Investment Manager adopts a flexible investment strategy and may invest in some or all sectors, including money market, in some or all world markets, (including the UK) in order to best take advantage of economic opportunities worldwide.

The Company will typically comprise between 60%-100% in equities, up to 40% in fixed income assets (which may include bonds, government and public securities) and other alternative asset classes (e.g. gold and commodities) and cash. The composition of the Scheme Property as between equities and fixed income and other alternative assets, will vary over time within the above parameters, in

response to the Investment Manager's view of the economic and market environment. In addition, the exposure to equities may fall below 60% during difficult markets.

The Company may also invest in other transferable securities, including money market instruments and warrants.

Investments may be held either directly or indirectly through collective investment vehicles (including those managed by the ACD or its associates or the Investment Manager or its associates). Alternative assets (e.g. gold and commodities) may also be held but only via permitted instruments such as collective investment vehicles, including investment trusts.

**Derivatives and forward transactions may be used for Hedging purposes using Efficient Portfolio Management style techniques. The Company's use of derivatives is expected to be limited.**

The investment policy of the Company may mean that at times, where it is considered appropriate, the Scheme Property will not be fully invested and that prudent levels of liquidity will be maintained in order to reduce risk and preserve capital. The Company will hold cash and cash equivalents to maintain liquidity.

The Investment Manager will actively manage the Company. This means the Investment Manager actively makes 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 Company uses the Investment Association Mixed Investment 40-85% Shares peer group for performance comparison purposes. This peer group is not a target benchmark and the Company 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 with the policy of the Company.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders in the Company 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.

|                                      |   |
|--------------------------------------|---|
| <b>Classes of shares available</b>   | Income Shares                                 |
| <b>Currency of denomination</b>      | Pounds Sterling                               |
| <b>Minimum initial investment</b>    | £100,000                                      |
| <b>Minimum subsequent investment</b> | None as long as minimum holding is maintained |
| <b>Minimum withdrawal</b>            | None  |
| <b>Minimum holding</b>               | £100,000                                      |

|  |   |
|--|---|
| <b>ACD's preliminary charge</b>  | 7%  |
| <b>Annual management charge</b>  | 0.14% per annum subject to a minimum of £37,000 per annum.  |
| <b>OCF</b>   | 1.25% for the year ending 28 February 2021  |
| <b>Investment Manager's fee</b>  | 0.50% per annum, subject to a minimum of £25,000 per annum.   |
| <b>Charge for investment research</b>  | None  |
| <b>Annual accounting date</b>  | last day of February  |
| <b>Interim accounting date</b>   | 31 August   |
| <b>Annual income allocation date</b>   | 30 June   |
| <b>Interim income allocation date</b>  | 31 October  |
| <b>Invest in any Securities Market of a Member State of the EU or states within the EEA on which securities are admitted to Official Listing</b> | Yes   |
| <b>Invest in Eligible Markets</b>  | As listed in Appendices IV and V  |
| <b>Income Equalisation</b>   | Yes (as set out in paragraph 12)  |
| <b>Charges taken from Income or Capital?</b>   | <b>All charges will be taken from capital. This may result in capital erosion or constrain capital growth.</b>                                      |
| <b>Income to be distributed as a dividend or interest?</b>   | The Company may distribute income in the form of a dividend or interest depending on the composition of the assets held over the accounting period. |

### **Investor Profile**

Whether an investment in the Company is appropriate for you will depend on your own requirements and attitude to risk. The Company is designed for investors who:

- want to maximise their overall investment returns (both income and capital) over the medium to longer term through investing in UK and overseas markets using the expertise of the Investment Manager
- can meet the minimum investment levels

- are able to commit to a long term investment in the Company and take the risk of losing part or all of their investment capital
- who understand and are willing to take the risks involved in investing in the Company (as detailed under "Risk Factors")

***If you have any doubts as to whether the investment is suitable for you, please contact a financial adviser.***

## **APPENDIX II**

### **Investment and Borrowing Powers of the Company**

These restrictions apply to the Company.

#### **1.1 Investment Restrictions**

The property of the Company will be invested with the aim of achieving the investment objective of the Company but subject to the limits on investment set out in the FCA Rules and the Company's investment policy. These limits apply to the Company as summarised below:

Generally the Company will invest in the instruments to which it is dedicated including approved securities which are transferable securities admitted to or dealt on a regulated market or a market in the UK or an EEA State which is regulated, operates regularly and is open to the public, units in collective investment schemes, warrants, money market instruments, deposits and derivatives and forward transactions. Eligible markets are regulated markets (as defined in the FCA Glossary) or markets established in the UK or an EEA State which are regulated, operate regularly and are open to the public; and markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the Company having regard to the relevant criteria in the FCA Rules and guidance from the FCA. Such markets must operate regularly, be regulated, recognised, open to the public, adequately liquid and have arrangements for unimpeded transmission of income and capital to or to the order of the investors. The eligible securities and derivatives markets for the Company are set out in Appendices IV and V.

New eligible securities markets may be added to the existing list in accordance with the procedure for amending the prospectus set out in the FCA Rules.

#### **1.2 Valuation**

1.2.1 The value of the Scheme Property of the Company means the net value determined in accordance with COLL 6.3, after deducting any outstanding borrowings, whether immediately due to be repaid or not.

1.2.2 When valuing the Scheme Property:

- (a) the time as at which the valuation is being carried out ("the relevant time") is treated as if it were a Valuation Point, but the valuation and the relevant time do not count as a valuation or a Valuation Point for the purposes of COLL 6.3;
- (b) initial outlay is to be regarded as remaining part of the Scheme Property; and
- (c) if the authorised fund manager, having taken reasonable care, determines that the Company will become entitled to any unrealised profit which has been made on account of a transaction in derivatives, that prospective entitlement is to be regarded as part of the Scheme Property.

#### **1.3 Transferable Securities**

Up to 10% of the value of the Company may be invested in transferable securities

which are not approved securities.

### **1.3.1 Spread: General**

(1) This paragraph 1.3.1 does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 1.3.2 (Spread: government and public securities) applies.

(2) For the purposes of this paragraph 1.3.1 companies included in the same group for the purposes of consolidated accounts as defined in accordance with s.399 of the Companies Act 2006, Directive 2013/34/EU or in the same group in accordance with international accounting standards are regarded as a single body.

(3) Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.

(4) Not more than 5% in value of the scheme property is to consist of transferable securities or approved money-market instruments issued by any single body.

(5) The limit of 5% in (4) is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not be taken into account for the purpose of applying the limit of 40%.

(5A) The limit of 5% in (4) is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a UCITS scheme invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

(6) In applying (4) and (5), certificates representing certain securities are to be treated as equivalent to the underlying security.

(7) The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property; this limit being raised to 10% where the counterparty is an Approved Bank.

(8) Not more than 20% in value of the Scheme Property is to consist of transferable securities and approved money-market instruments issued by the same group (as referred to in (2)).

(9) Not more than 20% in value of the scheme is to consist of the units of any one collective investment scheme.

(10) In applying the limits in (3),(4),(5), (6) and (7) in relation to a single body, and subject to (5A), not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:

- a) transferable securities (including covered bonds) or approved money-market instruments issued by that body; or
- b) deposits made with that body; or
- c) exposures from OTC derivatives transactions made with that body.

### **1.3.2 Spread: Government and public securities**

(1) This rule applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued or guaranteed by:

- (a) the UK or an EEA State;
- (b) a local authority of the UK or an EEA State;
- (c) a non-EEA State; or
- (d) a public international body to which the UK or one or more EEA States belong.

(2) Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

**(3) An authorised fund may invest more than 35% in value of the scheme property in such securities issued by any one body provided that:**

(a) the ACD has, before any such investment is made, consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Company;

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

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

(d) the disclosures in COLL 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made.

(4) In this rule in relation to such securities:

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

(b) 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.

(5) Notwithstanding COLL 5.2.11R (1) and subject to (2) and (3), in applying the 20% limit in COLL 5.2.11R (10) with respect to a single body, such securities issued by that body shall be taken into account.

**More than 35% of the property of the Company may be invested in such securities issued by:**

- a) the government of the UK and Northern Ireland; and**
- b) the governments of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden; or**
- c) by or on behalf of the Governments of Australia, Canada, Japan, New Zealand, Switzerland or the United States of America.**

## **1.4 Collective Investment Schemes**

1.4.1 Except where the investment policy of the Company is inconsistent with this, up to 100% in value of the Scheme Property of the Company may be invested in units in other schemes, although not more than 20% in value of the Scheme Property of the Company is to consist of the units of any one collective investment scheme. Investment may be made in another collective investment scheme

managed by the ACD or an associate of the ACD subject to the rules contained in COLL 5.2.15.

1.4.2 Provided that no more than 30% of the value of the Company is invested in a collective investment scheme ("second scheme") within (a) to (e) below, then up to 100% in value of the Scheme Property of the Company may be invested in units in a second scheme if it:

- a) is a UK UCITS or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented by the EEA; or
- b) is a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR (as set out in paragraph 1.4.7) are met); or
- c) is authorised as Non-UCITS Retail Schemes (provided the requirements of COLL 5.2.13AR (1), (3) and (4) are met); or
- d) is authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or
- e) is authorised by the competent authority of an OECD member country (other than an EEA state) which has
  - a. signed the IOSCO Multilateral Memorandum of Understanding; and
  - b. approved the scheme's management company, rules and depositary/custody arrangements

(provided the requirements of COLL 5.2.13AR are met).

1.4.3 The second scheme must comply, where relevant, with COLL 5.2.15R (Investment in associated collected investment schemes) and COLL 5.2.16R (Investment in other group schemes)

1.4.4 The second scheme must have terms which prohibit more than 10% of the Scheme Property consisting of units in other collective investment schemes.

**1.4.5 Where a substantial proportion of the Company's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged to the Company, and to the collective investment schemes in which it invests, is 2.5% per annum plus VAT where applicable.**

1.4.6 Subject to the restrictions above, investment may be made in other collective investment schemes managed by the ACD or an associate of the ACD provided that the ACD makes good to the Company certain amounts specified in COLL 5.2.16R. There is no limit on the extent of the property of the Company that may be invested in such schemes.

1.4.7 The requirements of COLL 5.2.13AR are that:

- a) the second scheme is an undertaking:
  - i. with the sole objective of collective investment in transferable securities or in other liquid financial assets, as referred to in Chapter 5 of the COLL Sourcebook, of capital raised from the public and

which operate on the principle of risk spreading; and

- ii. with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption).
- b. the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the UK, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured;
- c. the level of protection for shareholders in the second scheme is equivalent to that provided for shareholders in a UK UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and approved money market instruments are equivalent to the requirements of Chapter 5 of the COLL Sourcebook; and
- d. the business of the second scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.

1.4.8 Where the Company makes an investment in, or disposal of, units or shares of a second scheme detailed in paragraph 1.4.6, and there is a charge in respect of such investment or disposal, the ACD must pay the Company the amount referred to in either paragraph 1.4.9, or paragraph 1.4.10, within four Business Days following the date of the agreement to invest or dispose.

1.4.9 When an investment is made, the amount referred to in paragraph 1.4.8 is either:

- a) any amount by which the consideration paid by the Company for the units or shares in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units or shares been newly issued or sold by it; or
- b) if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units or shares in the second scheme.

1.4.10 When a disposal is made, the amount referred to in paragraph 1.4.8 is any charge made for the account of the authorised fund manager or operator of the second scheme or an Associate of any of them in respect of the disposal.

1.4.11 In paragraphs 1.4.9 and 1.4.10 above:

- a) any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy or dilution adjustment, is to be treated as part of the price of the units and not as part of any charge. and

- b) any charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units

### **1.5 Warrants and Nil and Partly Paid Securities**

Up to 5% in value of the Scheme Property may consist of warrants, provided that warrants may only be held if it is reasonably foreseeable that there will be no change to the Scheme Property between the acquisition of the warrant and its exercise and the rights conferred by the proposed warrant and all other warrants forming part of the Scheme Property at the time of the acquisition of the proposed warrant will be exercised and that the exercise of the rights conferred by the warrants will not contravene the FCA Rules.

Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Company at any time when the payment is required without contravening the FCA Rules.

A warrant that is an investment falling within article 80 of the Regulated Activities Order (Certificates representing certain securities) and which is akin to an investment falling within article 79 of the Regulated Activities Order (Instruments giving entitlement to investments) may not be included in the Scheme Property unless it is listed on an eligible securities market.

### **1.6 Money Market Instruments**

Up to 100% in value of the Scheme Property can consist of money market instruments, which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time provided the money market instrument is listed on or normally dealt on an eligible market; or is issued or guaranteed by one of the following: the government of the UK and Northern Ireland, the governments of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and Sweden and the governments of Australia, Canada, Japan, New Zealand, Norway, Switzerland and the United States of America; or issued by a body, any securities of which are dealt in on an eligible market; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by English or European community law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by English or European community law.

Notwithstanding the above up to 10% of the Scheme Property of the Company may be invested in money market instruments which do not meet these criteria.

### **1.7 Deposits**

**Can be invested in with no upper limit, but only up to 20% in value of the Scheme Property can consist of deposits with a single body.** The Company may only invest in deposits 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.

### **1.8 Derivatives and Forward Transactions**

**1.8.1 Derivatives and forward transactions may be used for Hedging.** The

ACD may make use of a variety of derivatives and forward transactions in accordance with the FCA Rules. **Where derivatives and transactions are used for Hedging, or in accordance with Efficient Portfolio Management<sup>1</sup> techniques, then this will not compromise the risk profile of the Company. Use of derivatives and forward transactions will not contravene any relevant investment objectives or limits.**

**1.8.2** Except as set out in 1.8.8 below there is no upper limit on the use of transactions in derivatives or forward transaction for the Company but they must fall under 1.8.2(a) and 1.8.2(b).

A transaction in a derivative or forward transaction must:

a) be an Approved Derivative; or

OTC in a future, an option or a contract for differences which must be entered into with a counterparty that is acceptable in accordance with the FCA Rules, must be on approved terms as to valuation and close out and must be capable of valuation.

b) have the underlying consisting of any or all of the following to which the Company is dedicated:

- (i) transferable securities;
- (ii) permitted money market instruments;
- (iii) permitted deposits;
- (iv) permitted derivatives;
- (v) permitted collective investment scheme units;

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<sup>1</sup> The Company may also utilise the Scheme Property to enter into transactions for the purposes of Efficient Portfolio Management ("EPM"). Permitted EPM transactions (excluding stock lending arrangements) are transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. The ACD must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in the FCA Rules. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.

Permitted transactions are those that the Company reasonably regards as economically appropriate to EPM, that is:

- (i) Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
- (ii) Transactions for the generation of additional capital growth or income for the Company by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:
  - (a) pricing imperfections in the market as regards the property which the Company holds or may hold; or
  - (b) receiving a premium for the writing of a covered call option or a cash covered put option on property of the Company which the Company is willing to buy or sell at the exercise price, or
  - (c) stock lending arrangements.

A permitted arrangement in this context may at any time be closed out.

Transactions may take the form of "derivatives transactions" (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the FCA Rules, or be a "synthetic future" (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the FCA Rules. A permitted transaction may at any time be closed out.

- (vi) financial indices;
  - (vii) interest rates;
  - (viii) foreign exchange rates; and
  - (ix) currencies.
- c) be effected on or under the rules of an eligible derivatives market, it must not cause the Company to diverge from its investment objective, must not be entered into 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 and must be with an approved counterparty.

**1.8.3** Use of derivatives and forward transactions must be supported by a risk management process maintained by the ACD which should take account of the investment objective and policy of the Company. (Please refer to paragraph 9 (**Risk Factors**) sub-paragraph **Risk Management and Risk Management Process** for information on the ACD's risk management process.)

**1.8.4** A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the scheme is or may be committed by another person is covered under 1.8.5.

**1.8.5** Exposure is covered if adequate cover from within the Scheme Property is available to meet its total exposure, taking into account the initial outlay, the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

**1.8.6** Cash not yet received into the Scheme Property, but due to be received within one month, is available as cover for the purposes of 1.8.5.

**1.8.7** The exposure relating to derivatives held in the Company may not exceed the net value of its Scheme Property.

**1.8.8** The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property. Counterparty risk exposure can be reduced by the Company receiving collateral from the counterparty. Collateral will be managed in accordance with FCA Rules and Guidelines issued from time to time by the European Securities and Markets Authority. A Collateral Management Policy will be implemented by the ACD before the Company enters into any transactions which require it to hold collateral from a counterparty.

**1.8.9 The use of derivatives or forwards for the purposes of Hedging or Efficient Portfolio Management will not materially alter the risk profile of the Company.** The use of these techniques and instruments will only be employed where the ACD and the Investment Manager consider these to be in line with the best interests of the Company.

### **Combinations of Investments**

In applying the limits in 1.3 and 1.8.8 not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following: (a) transferable securities or money market instruments issued by; or (b) deposits made with; or (c) exposures from OTC derivative transactions made with; a single

body.

### **Concentration**

The Company must not hold more than:

- 10 % of the transferable securities issued by a body corporate which do not carry rights to vote on any matter at a general meeting of that body; or
- 10% of the debt securities issued by any one issuer; or
- 10% of the money market instruments issued by a single body; or
- 25% of the units in a collective investment scheme.

The Company may only acquire transferable securities issued by a body corporate carrying rights to vote at a general meeting of that body provided that before the acquisition the aggregate number of such securities held by the Company does not allow it to exercise 20% or more of the votes cast at a general meeting of that body and the acquisition will not give the Company such power.

### **General**

Underwriting and sub-underwriting contracts and placings may not be entered into for the account of the Company.

Cash or near cash must not be retained in the Scheme Property except in order to enable the pursuit of the Company's investment objective; or for redemption of shares in the Company; or efficient management of the Company in accordance with its investment objective or for a purpose which may reasonably be regarded as ancillary to the investment objective of the Company.

### **Stock Lending**

Stock lending transactions will not be entered into on behalf of the Company.

### **Borrowing Powers**

The Company may, subject to the FCA Rules and in accordance with this paragraph, borrow money from an Eligible Institution or an Approved Bank for the use of the Company on the terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Company to comply with any restriction in the Instrument of Incorporation.

Borrowing must be on a temporary basis and must not be persistent. For this purpose the ACD must have regard, in particular, to:

- a) the duration of any period of borrowing; and
- b) the number of occasions on which it has resorted to borrowing in any period.

The ACD must ensure that no period of borrowing exceeds three months without the prior consent of the Depositary.

The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of the Scheme Property.

These borrowing restrictions do not apply to “back to back” borrowing to be cover for transactions in derivatives and forward transactions.

The Company must not issue any debenture unless it acknowledges or creates a borrowing that complies with this paragraph '**Borrowing Powers**'.

## APPENDIX III

### Historical Performance Data

The comparisons in the performance table are the percentage annual performance based on Shares for performance information over a five year period up to 31 December in each year listed.

The 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.

|                                | <b>2021</b><br>(%) | <b>2022</b><br>(%) | <b>2023</b><br>(%) | <b>2024</b><br>(%) | <b>2025</b><br>(%) |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Knotts Investments Fund</b> | 13.29              | -6.78              | 2.81               | 6.05               | 12.78              |

Source of performance data – Morningstar<sup>2</sup>

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.

**Investors should note that these figures refer to the past and past performance is not a reliable indicator of future results, growth or rates of return.**

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## **APPENDIX IV**

### **Eligible Securities Markets**

Investments may be made on each of the Eligible Securities and Derivatives Markets in order to fulfil the investment objective stated in Appendix I.

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 ACD, after consultation with, and notification to, the Depositary, determines is appropriate for the purpose of investment of, or dealing in, the Scheme Property. 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 transmission of income and capital to, or to the order of, Shareholders.

In addition, up to 10% in value of the Company may be invested in transferable securities which are not approved securities. The Company may also deal in certain of the securities markets listed below and those derivatives markets indicated in Appendix V.

| <b>Eligible Securities Markets</b> |  |
|------------------------------------|--|
| Australia                          | ASX Group  |
| Brazil                             | BM&F BOVESPA                                       |
| Canada                             | Montreal Exchange<br>Toronto Stock Exchange        |
| China                              | Shanghai Stock Exchange<br>Shenzhen Stock Exchange |
| Hong Kong                          | Hong Kong Exchanges and Clearing Company           |
| India                              | BSE Limited  |
| Indonesia                          | Indonesia Stock Exchange (IDX)                     |
| Israel                             | Tel Aviv Stock Exchange (TASE)                     |
| Japan                              | Osaka Securities Exchange                          |

| <b>Eligible Securities Markets</b> |   |
|------------------------------------|---|
|                                    | Nagoya Stock Exchange<br>Sapporo Securities Exchange<br>Tokyo Stock Exchange      |
| Korea, Republic of                 | Korea Exchange (KRX)  |
| Malaysia                           | Bursa Malaysia Securities   |
| Mexico                             | Mexican Stock Exchange (Bolsa Mexicana de Valores)                                |
| New Zealand                        | New Zealand Exchange (NZX)  |
| Peru                               | Lima Stock Exchange (Bolsa de Valores de Lima)                                    |
| Philippines                        | Philippine Stock Exchange   |
| Singapore                          | Singapore Exchange (SGX)  |
| South Africa                       | JSE Limited   |
| Switzerland                        | SIX Swiss Exchange  |
| Taiwan                             | Taiwan Stock Exchange   |
| Thailand                           | Stock Exchange of Thailand (SET)  |
| Turkey                             | Borsa Istanbul  |
| United States of America           | NASDAQ<br>NASDAQ OMX PHLX<br>New York Stock Exchange<br>NYSE Arca<br>NYSE MKT LLC |

## APPENDIX V

| Eligible Derivatives Markets |   |
|------------------------------|---|
| Australia                    | ASX Group   |
| Canada                       | Montreal Exchange<br>Toronto Stock Exchange   |
| Hong Kong                    | Hong Kong Exchanges and Clearing Company  |
| Japan                        | Osaka Securities Exchange<br>Tokyo Financial Exchange<br>Tokyo Stock Exchange   |
| Korea, Republic of           | Korea Exchange (KRX)  |
| New Zealand                  | New Zealand Exchange (NZX)  |
| Singapore                    | Singapore Exchange (SGX)  |
| South Africa                 | JSE Limited   |
| Switzerland                  | Eurex Zurich  |
| United States of America     | Chicago Board Options Exchange<br>CME Group<br>ICE Futures U.S.<br>NASDAQ<br>NASDAQ OMX Futures Exchange<br>NASDAQ OMX PHLX<br>New York Stock Exchange<br>NYSE Arca<br>NYSE MKT LLC |

## **APPENDIX VI**

Typical Investor Profile(s)

Below is an indication of the target market of the Company.

***. If you do not believe you fit the target market of this fund please seek advice from your professional adviser.***

This fund is suitable for all investor types of all levels of knowledge and experience coming into the fund from all available distribution channels.

Investors should be seeking no capital guarantee and be able to bear losses up to their full investment.

The Company seeks to increase capital and grow income over any given time period.

**Please refer to the latest EMT or KIID for the Synthetic Risk Reward Indicator (SRRI). Details are available from the ACD.**

## **APPENDIX VII**

### **List of Other Authorised Collective Investment Schemes Operated by the ACD**

#### **Authorised Open-Ended Investment Companies**

The Beamish Fund

The Cranmer Investment Fund

The Rectory Fund

The Serissa Fund

The Steelback Fund

TM Fulcrum NURS Funds

TM Fulcrum UCITS Funds

TM Opus Fund

#### **Authorised Unit Trusts**

The Mishka Fund

## APPENDIX VIII

### LIST OF SUB-CUSTODIANS

As appropriate in line with the Eligible Markets

| <b>Jurisdiction</b>  | <b>Sub-custodian</b>                                  | <b>Sub-custodian Delegate</b>  |
|--|---|--|
| <b>Argentina</b>   | Citibank N.A., Buenos Aires Branch                    |  |
| <b>Australia</b>   | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Australia Limited  |
| <b>Austria</b>   | UniCredit Bank Austria AG                             |  |
| <b>Bahrain</b>   | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited  |
| <b>Bangladesh</b>  | Standard Chartered Bank                               |  |
| <b>Belgium</b>   | The Northern Trust Company                            |  |
| <b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b> | Raiffeisen Bank International AG                      | Raiffeisen Bank Bosnia DD BiH  |
| <b>Bosnia and Herzegovina (Republic of Srpska)</b>               | Raiffeisen Bank International AG                      | Raiffeisen Bank Bosnia DD BiH  |
| <b>Botswana</b>  | Standard Chartered Bank Botswana Limited              |  |
| <b>Brazil</b>  | Citibank N.A., Brazilian Branch                       | Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM") |
| <b>Bulgaria</b>  | Citibank Europe plc, Bulgaria Branch                  |  |
| <b>Canada</b>  | The Northern Trust Company, Canada Branch             |  |
| <b>Canada</b>  | Royal Bank of Canada                                  |  |
| <b>Chile</b>   | Citibank N.A.   | Banco de Chile   |
| <b>China A Share</b>   | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited                                    |
| <b>China A Share</b>   | Industrial and Commercial Bank of China Limited       |  |
| <b>China B Share</b>   | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited                                    |
| <b>Clearstream</b>   | Clearstream Banking S.A                               |  |
| <b>Colombia</b>  | Cititrust Columbia S.A. Sociedad Fiduciaria           |  |
| <b>Costa Rica</b>  | Banco Nacional de Costa Rica                          |  |
| <b>Croatia</b>   | UniCredit Bank Austria AG                             | Zagrebacka Banka d.d.  |
| <b>Cyprus</b>  | Citibank Europe PLC                                   |  |
| <b>Czech Republic</b>  | UniCredit Bank Czech Republic and Slovenia, a.s.      |  |
| <b>Denmark</b>   | Skandinaviska Enskilda Banken AB (publ)               |  |
| <b>Egypt</b>   | Citibank N.A., Cairo Branch                           |  |

| <b>Jurisdiction</b>                       | <b>Sub-custodian</b>                                  | <b>Sub-custodian Delegate</b> |
|---|---|-------------------------------|
| <b>Estonia</b>                            | Swedbank AS   |                               |
| <b>Euroclear</b>                          | Euroclear Bank S.A/N.V                                |                               |
| <b>Finland</b>                            | Skandinaviska Enskilda Banken AB (publ)               |                               |
| <b>France</b>                             | The Northern Trust Company                            |                               |
| <b>Germany</b>                            | The Northern Trust Company                            |                               |
| <b>Ghana</b>                              | Standard Chartered Bank Ghana Limited                 |                               |
| <b>Greece</b>                             | Citibank Europe PLC                                   |                               |
| <b>Hong Kong</b>                          | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Hong Kong (Stock and Bond Connect)</b> | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Hungary</b>                            | Citibank Europe plc                                   |                               |
| <b>Iceland</b>                            | Landsbankinn hf                                       |                               |
| <b>India</b>                              | Citibank N.A.   |                               |
| <b>Indonesia</b>                          | Standard Chartered Bank                               |                               |
| <b>Ireland</b>                            | The Northern Trust Company, London                    |                               |
| <b>Israel</b>                             | Citibank, N.A., Israel Branch                         |                               |
| <b>Italy</b>                              | Citibank Europe plc                                   |                               |
| <b>Japan</b>                              | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Jordan</b>                             | Bank of Jordan Plc                                    |                               |
| <b>Kazakhstan</b>                         | Citibank Kazakhstan JSC                               |                               |
| <b>Kenya</b>                              | Standard Chartered Bank Kenya Limited                 |                               |
| <b>Kuwait</b>                             | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| <b>Latvia</b>                             | Swedbank AS   |                               |
| <b>Lithuania</b>                          | AB SEB bankas   |                               |
| <b>Luxembourg</b>                         | Euroclear Bank S.A./N.V.                              |                               |
| <b>Malaysia</b>                           | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Malaysia Berhad     |
| <b>Mauritius</b>                          | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Mexico</b>                             | Banco Citi Mexico S.A.                                |                               |
| <b>Morocco</b>                            | Citibank Maghreb S.A                                  |                               |
| <b>Namibia</b>                            | Standard Bank Namibia Ltd                             |                               |
| <b>Netherlands</b>                        | The Northern Trust Company                            |                               |
| <b>New Zealand</b>                        | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Nigeria</b>                            | Stanbic IBTC Bank Plc                                 |                               |
| <b>Norway</b>                             | Skandinaviska Enskilda Banken AB (publ)               |                               |
| <b>Oman</b>                               | First Abu Dhabi PJSC, Oman                            |                               |

| <b>Jurisdiction</b>                  | <b>Sub-custodian</b>   | <b>Sub-custodian Delegate</b>               |
|--------------------------------------|--|---|
|                                      | Branch   |   |
| <b>Pakistan</b>                      | Citibank N.A., Karachi Branch                                  |   |
| <b>Panama</b>                        | Citibank N.A., Panama Branch                                   |   |
| <b>Peru</b>                          | Citibank del Peru S.A.   |   |
| <b>Philippines</b>                   | The Hongkong and Shanghai Banking Corporation Limited          |   |
| <b>Poland</b>                        | Bank Handlowy w Warszawie S.A.                                 |   |
| <b>Portugal</b>                      | BNP Paribas SA   |   |
| <b>Qatar</b>                         | The Hongkong and Shanghai Banking Corporation Limited          | HSBC Bank Middle East Limited               |
| <b>Romania</b>                       | Citibank Europe PLC  |   |
| <b>Russia</b>                        | AO Citibank  |   |
| <b>Saudi Arabia</b>                  | The Northern Trust Company of Saudi Arabia                     |   |
| <b>Serbia</b>                        | UniCredit Bank Austria A.G.                                    | UniCredit Bank Serbia JSC                   |
| <b>Singapore</b>                     | The Hongkong and Shanghai Banking Corporation Limited          |   |
| <b>Slovakia</b>                      | Citibank Europe PLC  |   |
| <b>Slovenia</b>                      | UniCredit Banka Slovenija d.d.                                 |   |
| <b>South Africa</b>                  | The Standard Bank of South Africa Limited                      |   |
| <b>South Korea</b>                   | The Hongkong and Shanghai Banking Corporation Limited          |   |
| <b>Spain</b>                         | Citibank Europe plc  |   |
| <b>Sri Lanka</b>                     | Standard Chartered Bank  |   |
| <b>Sweden</b>                        | Skandinaviska Enskilda Banken AB (publ)                        |   |
| <b>Switzerland</b>                   | UBS AG Switzerland   |   |
| <b>Taiwan</b>                        | The Hongkong and Shanghai Banking Corporation Limited          | HSBC Bank (Taiwan) Limited                  |
| <b>Tanzania</b>                      | Standard Chartered Bank (Mauritius) Limited                    | Standard Chartered Bank Tanzania Limited    |
| <b>Thailand</b>                      | Citibank N.A., Bangkok Branch                                  |   |
| <b>Tunisia</b>                       | Union Internationale de Banques                                |   |
| <b>Turkey</b>                        | Citibank A.S.  |   |
| <b>Uganda</b>                        | Standard Chartered Bank Uganda Limited                         |   |
| <b>Ukraine (Market Suspended)</b>    | JSC "Citibank"   |   |
| <b>United Arab Emirates (ADX)</b>    | The Hongkong and Shanghai Banking Corporation Limited          | HSBC Bank Middle East Limited (DIFC) Branch |
| <b>United Arab Emirates (DFM)</b>    | The Hongkong and Shanghai Banking Corporation Limited          | HSBC Bank Middle East Limited (DIFC) Branch |
| <b>United Arab Emirates (NASDAQ)</b> | The Hongkong and Shanghai Banking Corporation Limited          | HSBC Bank Middle East Limited (DIFC) Branch |
| <b>United Kingdom</b>                | Euroclear UK and Ireland Limited (Northern Trust self-custody) |   |

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

## APPENDIX IX

### Directory

|  |   |
|--|---|
| <b>The Company and Head Office</b>   | <b>Knotts Investments Fund</b><br>Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP   |
| <b>Authorised Corporate Director</b>   | <b>TUTMAN LLP</b><br>Exchange Building, St Johns Street, Chichester, West Sussex PO19 1UP   |
| <b>Investment Manager</b>  | <b>TrinityBridge Limited</b><br>Wigmore Yard, 42 Wigmore Street, London W1U 2RY<br><a href="http://www.trinitybridge.com">www.trinitybridge.com</a> |
| <b>Depository</b><br><i>Principal Place of Business</i>  | <b>NatWest Trustee and Depository Services Limited</b><br>House A, Floor 0, Gogarburn, 175 Glasgow Road, Edinburgh EH12 1HQ                         |
| <b>Custodian</b><br><i>Principal Place of Business</i><br><br><i>Who may also act under this power through its London branch</i> | <b>The Northern Trust Company</b><br>50 South LaSalle Street, Chicago, Illinois, USA<br><br>50 Bank Street, Canary Wharf, London E14 5NT            |
| <b>Administrator, Registrar and Fund Accountant</b>  | <b>Northern Trust Global Services SE, UK branch</b><br>50 Bank Street, Canary Wharf, London E14 5NT   |
| <b>Dealing office:</b>   | <b>TUTMAN LLP</b><br>Sunderland SR43 4BN<br><br>Telephone 0333 300 0355   |
| <b>Auditors</b>  | <b>KPMG LLP</b><br>15 Canada Square, London E14 5GL   |
| <b>The Financial Conduct Authority (FCA)</b>   | 12 Endeavour Square, London E20 1JN   |