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PROSPECTUS  
of  
**LAVAUD FUND**  
A NURS  
authorised unit trust

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Prepared in accordance with the Collective Investment Schemes Sourcebook.

Valid as at and dated 26 May 2026

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

Thesis Unit Trust Management Limited

Authorised and regulated by the Financial Conduct Authority

FCA firm reference number: 186882

## CONTENTS

INTRODUCTION .....	6
THE FUND .....	11
INVESTMENT POLICY AND INVESTOR PROFILE.....	12
PERFORMANCE COMPARATOR .....	14
LIMITATIONS ON TYPE OF INVESTMENTS .....	13
BORROWING .....	21
STOCK LENDING .....	21
REPORTING, DISTRIBUTIONS AND ACCOUNTING DATES.....	22
CHARACTERISTICS OF UNITS .....	22
PAYMENT OF DISTRIBUTIONS .....	23
MEETINGS OF UNITHOLDERS, VOTING RIGHTS AND SERVICE OF NOTICES.....	23
THE MANAGER .....	27
TRUSTEE .....	30
THE REGISTRAR AND ADMINISTRATOR.....	31
INVESTMENT MANAGERS .....	32
AUDITORS .....	35
CONFLICTS.....	35
PAYMENTS OUT OF SCHEME PROPERTY.....	36
LARGE DEALS .....	39
ALLOCATION OF CHARGES .....	40
VALUATION OF FUND AND PRICING OF UNITS .....	40
HARD-TO-VALUE ASSETS.....	45
PRICING BASIS .....	46
PUBLICATION OF PRICES .....	46
INCOME EQUALISATION.....	46
BUYING UNITS .....	47
SELLING UNITS.....	48
SUSPENSION OF DEALING.....	48

RESTRICTIONS AND COMPULSORY TRANSFER AND REDEMPTION .....	49
ELECTRONIC COMMUNICATIONS .....	50
CLIENT MONEY RULES .....	50
TAXATION .....	51
RISK PROFILE MANAGEMENT .....	55
LEVERAGE .....	56
FAIR TREATMENT OF INVESTORS .....	57
RECOGNITION AND ENFORCEMENT OF JUDGMENTS .....	59
FURTHER INFORMATION .....	59
APPENDIX 1 .....	62
APPENDIX 2 .....	63
APPENDIX 3 .....	65
APPENDIX 4 .....	67

**PROSPECTUS**  
**OF**  
**LAVAUD FUND**

The Fund has been established as a Non-UCITS retail scheme. It is not intended that the Fund will be marketed outside the UK. The distribution of this Prospectus and the offering of units in the Fund may be restricted in other jurisdictions. Potential unitholders 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 units 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 units in the United States or to US Persons may constitute a violation of United States law. The Fund has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Manager has not been and will not be registered under the United States Investment Advisers Act of 1940, as amended.

The Manager, Thesis Unit Trust Management Limited, is responsible for the information contained in this Prospectus. To the best of the Manager'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 and FUND to be included in it. The Manager accepts responsibility accordingly.

The Trustee 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 Trustee in accordance with the COLL Sourcebook.

The Prospectus is based on information, law and practice at the date hereof. The Fund 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 Manager/ACD. Investors should check with the Manager that this is the most recently published version of the Prospectus.

Potential unitholders 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 units.

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

## **GENERAL WARNINGS FOR INVESTORS**

- **Collective investment schemes should be regarded as long term investments.**
- **The value of the units in the Fund is based upon the value of the underlying investments.**
- **The value of those investments and the income from them and consequently the value of the units and the income from them, can go down as well as up and is not guaranteed.**
- **Past performance is not necessarily a guide to future performance.**
- **Investors may not get back the amount originally invested.**
- **Exchange rate changes may cause the value of investments in any currency other than US dollars to rise or fall.**
- **Investors' attention is drawn to the warnings regarding derivatives in paragraphs 5.5.4 and 5.5.7.**
- **The Trustee may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint custody agents. The Trustee 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 Fund. 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 Fund may not recover all of its Financial Instruments.**
- **Infectious diseases that pose significant threats to human health may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious diseases could significantly impact the value of the Scheme Property of the Fund and the value of distributions paid to unitholders.**

## LAVAUD FUND PROSPECTUS

### 1. INTRODUCTION

1.1 This document is the Prospectus of the LAVAUD FUND (the "Fund").

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

"Act"	the Financial Services and Markets Act 2000;
"AIF"	an alternative investment fund within the scope of the UK AIFM regime;
"AIFM"	an alternative investment fund manager as defined in the FCA Glossary;
"AIFMD"	the Alternative Investment Fund Managers Directive (2011/61/EU);
"AIFMD Level 2 regulation"	as defined in the FCA Glossary;
"AIFMD UK regulation"	the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773);
"Approved Bank"	in relation to a bank account opened for the Fund:  (a) if the account is opened at a branch in the United Kingdom:  (i) the Bank of England; or  (ii) the central bank of a member state of the OECD; or  (iii) a bank; or  (iv) a building society; or  (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or  (b) if the account is opened elsewhere:  (i) a bank in (a); or  (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or  (c) a bank supervised by the South African Reserve Bank; or  (d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator,  as such definition may be updated in the FCA Glossary from time to time;

“Business Day”	a weekday being Monday to Friday (excluding any public or bank holiday in England;
“CASS”	the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook as amended or replaced from time to time;
“COLL”	the Collective Investment Schemes Sourcebook published by the FCA as part of the FCA Handbook rules made under the Act;
“Custodian”	the person who provides custodian services to the Fund, being The Northern Trust Company and its successor or successors as custodian;
“Data Protection Laws”	<p>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> <p>(a) the UK GDPR;</p> <p>(b) the Data Protection Act 2018;</p> <p>(c) any laws which implement such laws;</p> <p>(d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Agreement); and</p> <p>(e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws;</p>
“Dealing Day”	a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value (unless stated otherwise in this Prospectus) and any such other day as the Manager may decide from time to time and agree with the Trustee;
“Depositary Agreement”	the agreement between the Manager and the Trustee regarding the appointment of the Trustee as depositary;
“EEA”	the European Economic Area;
“EEA State”	a member state of the European Union and any other state which is within the EEA;
“Eligible Institution”	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; and
- (b) they are entered into for one or more of the following specific aims:
  - a. reduction of risk;
  - b. reduction of cost; and/or
  - c. generation of additional capital or income for the relevant scheme with a risk level which is consistent with the risk profile of the relevant scheme and the risk diversification rules laid down in the FCA Rules;

"EMIR"	as defined in the FCA Glossary;
"FATCA"	means the Foreign Account Tax Compliance Act (US);
"FCA"	the Financial Conduct Authority (whose address is set out in Appendix 4) or any successor regulatory body;
"FCA Glossary"	the glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time;
"FCA Handbook"	the FCA handbook of rules and guidance, including COLL and FUND, as amended from time to time;
"FCA Rules"	the rules contained in COLL and FUND but, for the avoidance of doubt, not including guidance or evidential requirements contained in either sourcebook;
"Financial Instrument"	as defined in the FCA Glossary;
"FUND"	the rules contained in the Investment Funds sourcebook published by the FCA as part of the FCA Handbook made under the Act as it may be amended, supplemented or replaced from time to time;
"Fund Accountant"	the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch and its successor or successors as fund accountant;
"Home State"	as defined in the FCA Glossary;
"International Tax Compliance Regulations"	The International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time;
"Investment Manager"	each of the investment managers retained by the Manager pursuant to the FCA Rules, being Thesis Asset Management Limited, DB UK Bank Limited trading as Deutsche Bank Wealth Management,

	W1M Wealth Management Limited, Julius Baer International Limited and J.P. Morgan SE, London Branch and their respective successor or successors as investment managers to the Fund;
"Manager"	the manager holding office as such from time to time pursuant to the Rules, being Thesis Unit Trust Management Limited and its successor or successors as manager of the Fund;
"Non-UCITS Retail Scheme" or "NURS"	an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund;
"OECD"	the Organisation for Economic Co-operation and Development;
"PRA"	the Prudential Regulation Authority of Threadneedle Street, London, EC2R 8AH (or any successor regulatory body);
"Register"	the register of unitholders of the Fund;
"Registrar"	the person who maintains the Register, being Northern Trust Global Services SE, UK branch and its successor or successors as registrar;
"Rules"	the FCA Rules and any other regulations that may be made under sections 247 and 248 of the Act and for the time being in force;
"Scheme Property"	the property of the Fund to be given to the Trustee for safekeeping, as required by the FCA Rules;
"Trust Deed"	the deed dated 25 <sup>th</sup> April 2006 between the Manager and the Trustee constituting the Fund as may be amended, varied or supplemented from time to time;
"Trustee"	the person to whom is entrusted the safekeeping of all of the Scheme Property of the Fund (other than certain Scheme Property designated by the FCA Rules), being NatWest Trustee and Depositary Services Limited and its successor or successors as trustee;
"UCITS Directive"	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC), as amended;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"UK AIF"	as defined in the FCA Glossary;
"UK AIFM"	an AIFM established in the UK and with a permission under Part 4A of the Act to carry on the regulatory activity of managing an AIF;

"UK AIFM regime"	means:  (a) the AIFMD UK regulation;  (b) the AIFMD Level 2 regulation; and  (c) all other UK law and regulation (including the FUND) which, when made, implemented AIFMD in the UK;
"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 (Amendment etc) (EU Exit) Regulations 2019;
"UK UCITS"	as defined in the FCA Glossary;
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
"US Persons"	a person who is in either of the following two categories:  <ol style="list-style-type: none"> <li>1. a person included in the definition of "US person" under Rule 902 of Regulation S under the 1933 Act;</li> <li>2. a person excluded from the definition of a "Non-United States person" as used in the Commodity Futures Trading Commission ("CFTC") Rule 4.7;</li> </ol> <p>For the avoidance of doubt, a person is excluded from this definition of US Person only if they are outside both the definition of "US person" in Rule 902 and the definition of "Non-US person" under CFTC Rule 4.7;</p>
"VAT"	value added tax;
"1933 Act"	the United States Securities Act of 1933 (as may be amended or re-enacted).

- 1.3 Headings used in this Prospectus are for convenience only and shall not affect their meaning or legal effect.
- 1.4 References in the main body of this body of this Prospectus to paragraphs mean paragraphs in the main body of this Prospectus unless otherwise stated. Similarly, references in an Appendix to paragraphs mean paragraphs in the relevant Appendix unless otherwise stated.
- 1.5 References to the plural shall include the singular and vice versa.
- 1.6 Unless otherwise defined in paragraph 1.2 above or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the Act or the FCA Handbook shall bear the same meanings in this Prospectus.

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

## 2. **THE FUND**

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

2.2 The Fund has been established as a Non-UCITS Retail Scheme. It is not intended that the Fund will be marketed outside the UK. The Fund is a UK AIF for the purposes of FUND and the UK AIFM regime.

2.3 The Fund was authorised by the Financial Services Authority pursuant to an authorisation order dated 26<sup>th</sup> April 2006. The Fund was launched on 5 May 2006 and the FCA's product reference number is 450059.

2.4 The Financial Services Authority was superseded by the FCA and the PRA.

2.5 The base currency of the Fund is the United States dollar ("US\$").

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

2.7 Historical performance figures for the Fund are given at Appendix 1.

2.8 Unitholders are not liable for the debts of the Fund.

### 2.9 **Winding-up of the Fund**

2.9.1 The Fund will continue until wound up in accordance with the Rules. The Trustee shall proceed to wind up the Fund:

- (a) if the authorisation order declaring the Fund to be an authorised unit trust scheme is revoked;
- (b) if alterations to the Fund's Trust Deed and Prospectus are required to take effect in accordance with section 251 of the Act;
- (c) if an extraordinary resolution is passed to wind-up the Fund and the FCA's prior consent to the resolution has been obtained by the Manager or the Trustee;
- (d) if the Manager or the Trustee requests the FCA to revoke the authorisation order and the FCA has agreed (provided no material change in any relevant factor occurs) that on the conclusion of winding-up of the Fund, the FCA will agree to that request;
- (e) on the effective date of a duly approved scheme of arrangement which results in all the property of the Fund that is subject to the scheme of arrangement being left with no property; or
- (f) on the expiry of any period specified in the Trust Deed as the period at the end of which the Fund is to be wound up.

- 2.9.2 If any of the events set out in paragraph 2.9 above occur, the FCA Rules concerning pricing and dealing and investment and borrowing powers respectively, will cease to apply, the Trustee shall cease the issue and cancellation of units and the Manager will cease issuing, redeeming, buying and selling units.
- 2.9.3 In the case of a scheme of arrangement referred to in paragraph 2.9.1(e) above the Trustee shall wind up the Fund in accordance with the approved scheme of arrangement.
- 2.9.4 In any other case, the Trustee shall, as soon as practicable after the Fund falls to be wound up, realise the property of the Fund and, after paying all liabilities properly payable and retaining provision for the costs of the winding-up distribute the proceeds to the unitholders and the Manager proportionately to the size of the holdings.
- 2.9.5 Any unclaimed net proceeds or other cash held by the Trustee after twelve months from the date the proceeds became payable, shall be paid by the Trustee into court, although the Trustee will have the right to retain any expenses incurred in making that payment. On completion of the winding-up, the Trustee shall notify the FCA in writing of that fact and the Trustee or the Manager shall request the FCA to revoke the authorisation order.

### **3. INVESTMENT OBJECTIVE AND INVESTMENT POLICY**

#### **3.1 Investment Objective**

The Fund aims to provide growth of capital and income, net of fees, over 5 year rolling periods.

#### **3.2 Investment Policy**

To achieve the objective, the Fund will have exposure to a geographically diversified portfolio which will typically comprise at least 80% equities. The exposure to equities may fall below 80% where equity markets are considered as over valued by the Investment Managers or other asset classes can provide a better risk adjusted return.

The above exposure may be gained directly or through the use of regulated and unregulated collective investment vehicles, which may include permitted closed-ended investment funds, such as investment trusts, and which may be actively or passively managed. Such collective investment vehicles can include those managed or operated by the Manager or its associates or the Investment Managers or their associates.

The assets in which the Fund may also invest will be fixed income investments (including government and public securities), other transferable securities (including warrants), money market instruments, deposits and cash or near cash investments. The Fund may invest in alternatives (i.e. infrastructure and hedge funds) which will be held indirectly via permitted investments such as collective investment vehicles, including permitted closed-ended investment funds.

Derivatives may be used for the purpose of hedging against risk (principally currency risk), although use is expected to be limited.

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

The Manager has appointed multiple Investment Managers with different investment styles to achieve the investment objective. Allocations to the Investment Managers are

subject to change in order to meet the Fund's investment objective and further details regarding the allocations are available upon request from the Manager.

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

3.3 Details of the Investment Managers, and their respective mandates, are set out in paragraph 15 below.

#### 4. **Performance Comparator**

The Fund uses the Investment Association Global peer group for performance comparison purposes only. This peer group is not a target benchmark and the Fund is not constrained by it. The peer group has been selected as a comparator for performance because the parameters for this peer group of at least 80% exposure to equities are closely aligned with the policy of the Fund.

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

#### 4.1 **Investor profile**

The Fund is suitable for any investor type wishing to invest in a US\$ – denominated fund, including those who are not interested in or informed about capital market topics, but who see investment funds as a convenient "savings" product. It is also suitable for more experienced investors wishing to attain defined investment objectives. The investor must be able to accept high losses, thus the Fund is suitable for investors who can afford to set aside capital for at least five to ten years. For investors holding a portfolio of securities, it can play the role of a core position.

#### 5. **LIMITATIONS ON TYPE OF INVESTMENTS**

- 5.1 All the property of the Fund must be invested in any or all of the following assets: transferable securities, money-market instruments, derivatives and forward transactions, deposits and units in collective investment schemes, except that cash or near cash may be held for the pursuit of the Fund's investment objectives or redemption of units or for the efficient management of the Fund in accordance with its investment objectives or any other purpose reasonably regarded as ancillary to the investment objectives of the Fund. From time to time the Fund may have a higher than usual level of liquidity if the Manager considers that to be in the interests of unitholders.
- 5.2 The investment objectives and policy set out in paragraphs 3 and 4 are subject to the limits on investment under the FCA Rules and as set out in this Prospectus. These limits are summarised below. Subject to those limits, there is no restriction on the proportion of the assets of the Fund which may consist of assets of any of the descriptions set out in paragraph 5.1.
- 5.3 The Fund will not maintain an interest in immovable property or tangible movable property.
- 5.4 Normally, the Scheme Property will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of units) and efficient management of the Fund both generally and in relation to its investment objectives and policy. This amount will vary depending upon prevailing circumstances and although it would normally not exceed 30% of the total value of the Scheme Property, there may be times when the Manager considers stock markets to be overpriced or that a period of

instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased.

## 5.5 **Permitted types of Scheme Property**

Investments permitted for the Fund are as follows:

### 5.5.1 Approved securities

The Scheme Property may be invested in approved securities. An approved security is a transferable security that is admitted to an official listing in the UK or an EEA State or is traded on or under the rules of an eligible securities market (otherwise than by the specific permission of the market authority). An eligible market is a regulated market that is regulated, open to the public and operates regularly; further details are set out in sub-paragraph 5.5.10 below.

Recently issued transferable securities may also be treated as approved securities provided that:

- (a) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
- (b) such admission is secured within a year of issue.

### 5.5.2 Transferable securities

- (1) Transferable securities are, in general terms, shares, debentures, alternative debentures, government and public securities, warrants or certificates representing certain securities. Not more than 20% in value of the Scheme Property can be invested in transferable securities which are not approved securities.
- (2) The Scheme Property may be invested in transferable securities on which any sum is unpaid only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at the time when payment is required, without contravening the rules in COLL 5.
- (3) The Fund may invest in a transferable security only to the extent that the security fulfils the following criteria:
  - (a) the potential loss which the Fund may incur with respect to holding the security is limited to the amount paid for it;
  - (b) its liquidity does not compromise the Manager's ability to comply with its obligation to redeem units at the request of any qualifying unitholder;
  - (c) reliable valuation is available for it as specified in COLL;
  - (d) appropriate information is available for it as set out in COLL;
  - (e) it is negotiable; and
  - (f) its risks are adequately captured by the Manager's risk management process.

- (4) Unless there is information available to the Manager that would lead to a different determination, a security which is admitted to or dealt in on an eligible market shall be presumed to satisfy criteria (b) and (e) in paragraph (3) above.
- (5) A unit in a closed ended fund shall be taken to be a transferable security for the purposes of investment by the Fund provided it fulfils criteria (a) to (f) in paragraph (3) above, and either:
  - (a) where the closed ended fund is constituted as an investment company or a unit trust:
    - (i) it is subject to corporate governance mechanisms applied to companies; and
    - (ii) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
  - (b) where the closed ended fund is constituted under the law of contract:
    - (i) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
    - (ii) it is managed by a person who is subject to national regulation for the purpose of investor protection.
- (6) The Fund may invest in an investment which shall be taken to be a transferable security provided it:
  - (a) fulfils the criteria for transferable securities set out in paragraphs (a) to (f) in paragraph (3) above; and
  - (b) is backed by or linked to the performance of other assets, which may differ from those in which the Fund can invest.

However, where such an investment contains an embedded derivative component, the requirements of COLL with respect to derivatives and forwards will apply to that component.

### 5.5.3 Money-market instruments

The Scheme Property may be invested in approved money market instruments.

- (1) An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.
- (2) A money-market instrument is regarded as normally dealt in on the money market if it:
  - (a) has a maturity at issuance of up to and including 397 days;
  - (b) has a residual maturity of up to and including 397 days;
  - (c) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or

- (d) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in (a) or (b) above or is subject to yield adjustments as set out in (c) above.
- (3) A money-market instrument is regarded as liquid if it can be sold at limited cost in an adequately short timeframe, taking into account the obligation of the Manager to redeem units at the request of any qualifying unitholder.
- (4) A money-market instrument is regarded as having a value which can be accurately determined at any time if accurate and reliable valuation systems, fulfilling criteria set out in COLL, are available.
- (a) enabling the Manager to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  - (b) based either on market data or on valuation models including systems based on amortised costs.
- (5) A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market is presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager which would lead to a different determination.
- (6) Not more than 20% in value of the Scheme Property is to consist of approved money market instruments which do not fulfil the following criteria:
- (a) the instrument is listed on or normally dealt in on an eligible market; or
  - (b) liquid and whose value can accurately be determined at any time, provided the money-market instrument is:
  - (c)
    1. the issue or the issuer is regulated for the purpose of protecting investors and savings, and the instrument is:
    2. issued or guaranteed by a central, regional or local authority of the UK or an EEA State (or, if the EEA State is a federal state, one of the members making up the federation), the Bank of England, a central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State (or, in the case of a federal state, by one of the members making up the federation), or by a public international body to which the UK or one or more EEA States belong; or
    3. issued by a body, any securities of which are dealt in on an eligible market; or
    4. issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by UK or European Union 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 UK or EU law.

#### 5.5.4 Derivatives

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

- (a) the transaction is of a kind specified in COLL 5.6.13R, as summarised below; and
- (b) the transaction is covered, as required by COLL 5.3.3AR.

Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in COLL 5.6.7R and COLL 5.6.8R except as provided in COLL 5.6.12R(4).

Where a transferable security or money-market instrument embeds a derivative, this must be taken into account for the purposes calculating any limits in the paragraph 5.5.4.

Where the Fund invests in an index-based derivative, provided the relevant index falls within the relevant requirements of COLL 5.6.23R, the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.6.7R and COLL 5.6.8R, subject to the Manager taking account of COLL 5.6.3R in relation to the prudent spread of risk.

A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

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

A transaction in a derivative 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.

Any forward transaction must be made with an Eligible Institution or an Approved Bank.

The Fund may not undertake transactions in derivatives on commodities.

No agreement by or on behalf of the Fund to dispose of property or rights may be made:

- (a) unless the obligation to make the disposal and any other similar obligations could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and
- (b) the property and rights at (a) are owned by the Fund at the time of the agreement.

This requirement does not apply to a deposit.

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

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

**Approved derivatives transactions are used for the purpose of both hedging and meeting the investment objectives of the Fund. It is, therefore, anticipated that one outcome of the use of derivatives would be principally to hedge against currency risks. Movements in currencies may, however, render such hedging ineffective. If derivatives are used for investment purposes, the net asset value of the Fund may in consequence be highly volatile at times. This would also be the case if the Fund uses warrants as described below. However, it is the Manager's intention that the Fund, owing to its portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of its underlying investments.**

#### 5.5.5 Deposits

**The Fund may invest in deposits only with an Approved Bank with a rating of not less than A and which are repayable on demand or have the right to be withdrawn and maturing in no more than 12 months.**

#### 5.5.6 Collective investment schemes

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

- (a) the second scheme
  - (i) is a UK UCITS or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
  - (ii) is a recognised scheme (as defined in the FCA Glossary); or
  - (iii) is authorised as a Non-UCITS Retail Scheme; or
  - (iv) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS Retail Scheme; or
  - (v) is a scheme not falling within (i) to (iv) and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested;
- (b) the second scheme operates on the principle of the prudent spread of risk;
- (c) the second scheme is prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes (unless COLL 5.6.10AR applies);
- (d) the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price:
  - (i) related to the net value of the property to which the units relate; and
  - (ii) determined in accordance with the scheme; and

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

Subject to the restrictions above, investment may be made in (and the Scheme Property of the Fund may include) units of other collective investment schemes managed or operated by the Manager or an associate of the Manager, provided that the Manager makes good to the Fund certain amounts specified in COLL 5.2.16R.

#### 5.5.7 Warrants

The Fund may invest in warrants but the exposure created by the exercise of the rights conferred by those warrants must not exceed the limits set out in COLL 5.6.7R and COLL 5.6.8R.

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

#### 5.5.8 Spread: General

- (a) This paragraph 5.5.8 does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 5.5.9 applies:
- (b) The specific limits are set out as follows:
  - (i) not more than 20% in value of the Scheme Property is to consist of deposits with a single body;
  - (ii) not more than 10% in value of the Scheme Property is to consist of transferable securities or money-market instruments issued by any single body subject to COLL 5.6.23R (except that the limit of 10% is raised to 25% in value of the Scheme Property in respect of covered bonds); and
  - (iii) not more than 35% in value of the Scheme Property is to consist of the units of any one collective investment scheme.
- (c) In applying the limit under paragraph (b)(ii) above, certificates representing certain securities are to be treated as equivalent to the underlying security.
- (d) For the purposes of this rule a single body is:
  - (i) in relation to transferable securities and money-market instruments, the person to whom they are issued; and
  - (ii) in relation to deposits, the person with whom they are placed.

#### 5.5.9 Spread: Government and Public Securities

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

- (i) the UK or an EEA State;
  - (ii) a local authority of the UK or an EEA State;
  - (iii) a non-EEA State; or
  - (iv) a public international body to which the UK or one or more EEA States belong.
- (b) Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- (c) **The Fund may invest more than 35% in value of the Scheme Property in such securities issued or guaranteed by any one body, provided that:**
- (i) **the Manager has before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund;**
  - (ii) **no more than 30% in value of the Scheme Property consists of such securities of any one issue;**
  - (iii) **the Scheme Property includes such securities issued by that or another issuer, of at least six different issues; and**
  - (iv) **the disclosures in COLL 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made in the most recently published version of this Prospectus.**
- (d) In relation to such securities:
- (i) issue, issued and issuer include guarantee, guaranteed and guarantor; and
  - (ii) an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue;
  - (iii) Notwithstanding paragraph 5.5.8(a) and subject to paragraph 5.5.8(b)(i) in applying the 20% limit in paragraph 5.5.8(b)(i) with respect to a single body, such securities issued by that body shall be taken into account.
- (e) **More than 35% in value of the Scheme Property may be invested in such securities issued or guaranteed by:**
- (i) **the Government of the United Kingdom; or**
  - (ii) **the Government of the United States of America.**

#### 5.5.10 Eligible markets

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

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

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

- a) is regulated;
- b) operates regularly;
- c) is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator;
- d) is open to the public
- e) is adequately liquid; and
- f) has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

#### 5.5.11 General

- (a) The Fund may not acquire any investment which has an actual contingent liability attached unless the maximum amount of such liability is ascertainable at the time of acquisition.
- (b) The restrictions on investment set out above are tighter than those imposed by the FCA Rules in the following respect:

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

## 6. **BORROWING**

- 6.1 The Trustee may, in accordance with the FCA Rules and with the instructions of the Manager, borrow sums of money for the use of the Fund on terms that the borrowing is repayable out of the Scheme Property.
- 6.2 Borrowings must not exceed 10% of the value of the Scheme Property.
- 6.3 Borrowing may be made from the Trustee or an associate of it at a normal commercial interest rate.
- 6.4 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes, i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates.

## 7. **STOCK LENDING**

- 7.1 The Manager may request the Trustee to enter into stock lending transactions in respect of the Fund. The purpose of the stock lending transaction must be for the generation of capital or income for the Fund with no, or an acceptably low, degree of risk.
- 7.2 Briefly, such transactions are those where the Trustee delivers the securities which are the subject of the transaction, in return for which it is agreed that securities of the same kind and amount should be re-delivered at a later date. The Trustee at the time

of delivery of the securities receives assets as collateral to cover the risk that the securities are not returned. Such transactions must always comply with the relevant requirements of the Taxation of Chargeable Gains Act 1992 and the FCA Rules. There is no limit on the value of the Scheme Property which may be the subject of stock lending transactions.

## **8. REPORTING, DISTRIBUTIONS AND ACCOUNTING DATES**

8.1 The Fund's accounting reference date, accounting periods and income allocation dates are:

Accounting reference date	31 March
Interim accounting reference date	30 September
Annual income allocation date	31 May
Interim income allocation date	30 November

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

8.3 Each holder of income units is entitled, on the interim income allocation date and the annual income allocation date, to the income attributable to their holding.

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

8.5 Any distribution that remains unclaimed for a period of six years after the distribution became due for payment will be forfeited and shall revert to the Fund.

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

8.7 On the income allocation dates, an amount, as determined by the Manager as described above, is paid to those unitholders who are entitled to the distribution by reference to their holding on the Register at the previous accounting date. Payments will be made by means of direct credit to the unitholders' nominated bank account.

8.8 Copies of the annual reports for the Fund will be published, and made available, no later than 1 June and 1 December in each year.

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

## **9. CHARACTERISTICS OF UNITS**

9.1 The Fund will issue income and accumulation units of each class.

9.2 Income receivable in respect of income units is distributed to unit holders. An income unit represents one undivided share in the capital property of the Fund. An accumulation unit represents one undivided share in the capital property plus further shares relating to income retained. Each unit ranks *pari passu* with the other units in the Fund. The nature of the right represented by units is that of a beneficial interest under a trust. Holders of accumulation units are not entitled to be paid the income

attributable to such units, but that income is automatically transferred to (and retained as part of) the capital assets of the Fund at the end of the relevant distribution period and is reflected in the price of an accumulation unit.

- 9.3 No certificates are issued to unitholders. The units are not listed or traded on any investment exchange.
- 9.4 Title to units is evidenced by the entry on the Register; unitholders may but need not support an instruction to the Manager by enclosing the contract note or the most recent annual statement or copies of such documents.
- 9.5 Units may be bought and sold in US\$ or pounds Sterling: paragraph 21.1 sets out details of how the Manager calculates the price of units.

## 10. **PAYMENT OF DISTRIBUTIONS**

- 10.1 The income available for distribution is determined with COLL. It comprises all income received or receivable for the account of the Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Manager considers appropriate, after consulting with the Fund's Auditors, in accordance with COLL, in relation to taxation and other matters.
- 10.2 Income on accumulation units is not distributed but is accumulated, being automatically reinvested after the annual accounting reference date and half yearly accounting dates. This is reflected in the price of an accumulation unit.
- 10.3 The Manager reserves the right to change or create additional accounting and income distribution dates, usually as a result of accounting or taxation changes.
- 10.4 On the income allocation dates, an amount, as determined by the Manager in accordance with the Trust Deed, is either paid, reinvested or accumulated to those unitholders who are entitled to the distribution by evidence of their holding on the Register at the previous accounting date. Payments will be made by means of direct credit to the unitholder's nominated bank account. If the income allocation date is a non-Business Day payment will be made on the next Business Day.

## 11. **MEETINGS OF UNITHOLDERS, VOTING RIGHTS AND SERVICE OF NOTICES OR DOCUMENTS**

- 11.1 For the purposes of this paragraph 11:
  - 11.1.1 a "physical meeting" is a general meeting convened at a physical location where unitholders, or their proxy, must be physically present;
  - 11.1.2 a "hybrid meeting" is a general meeting which allows unitholders, or their proxy, to be physically present at the location where the meeting is convened, or to attend and vote remotely; and
  - 11.1.3 a "virtual meeting" is a general meeting where all unitholders, or their proxy, attend and vote remotely.
- 11.2 The provisions below, unless the context otherwise requires, apply to class meetings as they apply to general meetings of unitholders.
- 11.3 The Manager and the Trustee may convene a general meeting of unitholders at any time in accordance with the FCA Rules. The Manager may hold a virtual meeting or a hybrid meeting as this is not inconsistent with any provisions in the Trust Deed.

- 11.4 Unitholders may request the convening of a general meeting by a requisition which must:
- 11.4.1 state the objective of the meeting;
  - 11.4.2 be dated;
  - 11.4.3 be signed by unitholders who, at that date, are registered as the unitholders of units representing not less than one-tenth in value of all of the units then in issue; and
  - 11.4.4 be deposited with the Trustee.
- 11.5 Any unitholder 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 unitholder who is physically present at the meeting.
- 11.6 Any unitholder 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 unitholder would have at a physical meeting.
- 11.7 Any unitholder 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.
- 11.8 A meeting of unitholders 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.
- 11.9 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 unitholders.
- 11.10 Except where an extraordinary resolution is specifically required or permitted, any resolution of unitholders is passed by a simple majority of the votes validly cast.
- 11.11 A meeting of unitholders has no powers other than those contemplated by the FCA Rules.
- 11.12 Where a meeting of unitholders is convened by the Manager or the Trustee, unitholders 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:
- 11.12.1 whether the meeting is to be a physical meeting, a hybrid meeting or a virtual meeting;
  - 11.12.2 if the meeting is a physical meeting or a hybrid meeting, the place of the meeting;
  - 11.12.3 if the meeting is a hybrid meeting or a virtual meeting, the means by which a unitholder may participate, including any requirements for unitholders to register before the meeting begins or to provide proof of their right to attend, and an explanation of how participating unitholders may vote in a show of hands or in a poll, if they do not appoint a proxy;
  - 11.12.4 the day and hour of the meeting;
  - 11.12.5 the terms of the resolutions to be proposed; and

- 11.12.6 the address of the website where the minutes of the meeting will subsequently be published.
- 11.13 Where the notice is served by the Manager a copy shall be sent to the Trustee.
- 11.14 The accidental omission to give notice to, or the non-receipt of notice by any unitholder will not invalidate the proceedings at any meeting.
- 11.15 Notice of an adjourned meeting of unitholders must be given to each unitholder, stating that while two unitholders 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 unitholders not be present after a reasonable time of convening of the meeting.
- 11.16 Where the meeting is a hybrid meeting or a virtual meeting, the Manager shall take reasonable care to ensure that the necessary supporting technology to enable unitholders to attend and vote is in place at the start of the meeting and operates adequately throughout its proceedings, so that unitholders who attend or vote remotely are not unfairly disadvantaged.
- 11.17 The quorum at a meeting of unitholders shall be two unitholders 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:
- 11.17.1 if convened on the requisition of unitholders, must be dissolved; and
- 11.17.2 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; and
- (b) in the case of a physical meeting or a hybrid meeting, a place to be appointed by the chair.
- 11.17.3 If, at an adjourned meeting under 11.17.2, 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.
- 11.17.4 The chair of a meeting which permits unitholders to attend and vote remotely shall take reasonable care to give such unitholders:
- (a) an adequate opportunity to be counted as present in the quorum; and
- (b) sufficient opportunities to participate fully in the proceedings of the meeting, in particular when a vote is taken on a show of hands or by poll.
- 11.18 In the case of an equality of votes cast, the chair is entitled to a casting vote.
- 11.19 At any meeting of unitholders, on a show of hands every unitholder who is present in person or who attends the meeting remotely using the means specified in the notice, shall have one vote.
- 11.20 On a poll, votes may be given either personally or by proxy or in another manner permitted by the Trust Deed. The voting rights for each Unit must be the proportion of the voting rights attached to all of the units in issue that the price of the units bears to the aggregate price or prices of all of the units in issue at a cut-off date selected by the Manager which is a reasonable time before notice of the meeting is sent out. A unitholder 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 unitholders, the vote of the first

unitholder, or the proxy of the first unitholder, stated in the Register will be accepted to the exclusion of the votes of other joint unitholders.

- 11.21 In the context of despatch of notice, "unitholders" means the persons who were entered in the Register seven days before the notice of meeting was given but excluding persons who are known not to be entered on the Register at the date of despatch of the notice.
- 11.22 To be included in the quorum and entitled to vote at the meeting, "unitholders" means the persons entered on the Register at a time determined by the Manager and stated in the notice of the meeting, which must not be more than 48 hours before the time fixed for the meeting.
- 11.23 The Manager is not entitled to vote at or be counted in a quorum at a meeting of unitholders in respect of units held or deemed to be held by the Manager, except where the Manager holds units on behalf of, or jointly with, a person who, if themselves the sole registered unitholder would be entitled to vote, and from whom the Manager has received voting instructions. Associates of the Manager are entitled to be counted in a quorum and, if they hold units on behalf of a person who would have been entitled to vote if they had been a registered unitholder and they have received voting instructions from that person, may vote in respect of such units pursuant to such instructions.
- 11.24 The Manager will publish the minutes on a website accessible to the general public without charge, no later than 5 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 5 Business Days after the adjourned meeting has taken place).
- 11.25 Any notice or document to be served upon a unitholder will be duly served if it is:
- 11.25.1 delivered to the unitholder's address as appearing in the Register; or
  - 11.25.2 sent using an electronic medium in accordance with paragraph 30.
- 11.26 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.
- 11.27 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.
- 11.28 Any notice or document served by post on one joint unitholder is deemed to also have been served on each other joint unitholder whose address, as appearing on the Register, is the same address to which the notice or document was sent.
- 11.29 Any document or notice to be served on or information to be given to a unitholder, must be in legible form. For this purpose, any form is legible form which:
- 11.29.1 is consistent with the Manager's knowledge of how the recipient of the document wishes or expects to receive the document;
  - 11.29.2 is capable of being provided in hard copy by the Manager;
  - 11.29.3 enables the recipient to know or record the time of receipt; and
  - 11.29.4 is reasonable in the context.
- 11.30 Any requirement that a document be signed may be satisfied by an electronic signature or electronic evidence of assent. Where transfer of title to Units is to be effected on the authority of an electronic communication, the Manager must take reasonable steps to ensure that any electronic communication purporting to be made by the unitholder or their agent is in fact made by that person.

- 11.31 Changes to the Fund are classified as fundamental, significant or notifiable.
- 11.32 The Manager must obtain the prior approval of unitholders by extraordinary resolution for any proposed change to the Fund which constitutes a "fundamental" change. This is a change or event which:
- 11.32.1 changes the purpose or nature of the Fund;
  - 11.32.2 may materially prejudice a unitholder;
  - 11.32.3 alters the risk profile of the Fund; or
  - 11.32.4 introduces a new type of payment out of the Scheme Property.
- 11.33 The Manager must give prior written notice to unitholders of any proposed change which constitutes a "significant" change. This is a change or event which is not fundamental, but which:
- 11.33.1 affects a unitholder's ability to exercise their rights in relation to their investment;
  - 11.33.2 would reasonably be expected to cause the unitholder to reconsider their participation in the Fund;
  - 11.33.3 results in any increased payments out of the Scheme Property to the Manager or an associate of the Manager; or
  - 11.33.4 materially increases other types of payment out of the Scheme Property.
- The notice period must be of a reasonable length, and must not be less than 60 days.
- 11.34 The Manager must inform unitholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Fund. This is a change or event, other than a fundamental or significant change, which a unitholder must be made aware of unless the Manager concludes the change is insignificant. The appropriate manner and timescale of notification will depend on the nature of the change or event. An appropriate manner of notification could include the information being included in the next report of the Fund.
- 11.35 Changes to the investment objective and policy will normally require approval by unitholders at an extraordinary general meeting if the change alters the nature or risk profile of the Fund, or on giving 60 days' notice to unitholders where the changes do not alter the nature or risk profile of the Fund. In exceptional circumstances, changes may be made to the investment objective and policy of the Fund with no minimum period of notice where these are for clarification purposes only. In all cases, changes may only be made to the investment objective and policy following notification to the FCA pursuant to the Act and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Fund.

## 12. **THE MANAGER**

- 12.1 The Manager is Thesis Unit Trust Management Limited, a private company limited by shares, incorporated in England and Wales under the Companies Act 1985 on 6 February 1998, with company number 3508646.
- 12.2 The Manager is the AIFM for the purpose of the UK AIFM regime and, for the purposes of COLL, an authorised fund manager.

Registered office and head office: Exchange Building  
St John's Street  
Chichester  
West Sussex  
PO19 1UP  
  
Telephone 01243 531234

Share Capital issued and paid up: £5,673,167

12.3 The directors of the Manager are:

D W Tyerman	Chief Executive Officer
S R Mugford	Finance Director
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
S Macdonald	Independent Non-Executive Director
L R Robinson	Independent Non-Executive Director
C J Willson	Independent Non-Executive Director
N C Palios	Non-Executive Chair

12.4 S R Mugford is also a director of Tutman Fund Solutions Limited and a member of the governing body of TUTMAN LLP, both authorised fund managers within the same group as the Manager, 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 Manager.

12.5 D W Tyerman is also a member of the governing body of TUTMAN LLP, an authorised fund manager within the same group as the Manager, 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 Manager.

12.6 S E Noone is also a member of the governing body of TUTMAN LLP, an authorised fund manager within the same group as the Manager, performing a senior management function.

12.7 N C Palios is also a director of Tutman Fund Solutions Limited and a member of the governing body of TUTMAN LLP, both authorised fund managers within the same group as the Manager, 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 Manager.

12.8 D K Mytnik and V R Smith also hold non-executive directorships of other companies within the Thesis group and are members of the governing body of TUTMAN LLP, an authorised fund manager within the same group as the Manager.

12.9 C J Willson and C A E Lawson are also independent non-executive directors of Tutman Fund Solutions Limited and members of the governing body of TUTMAN LLP, both authorised fund managers within the same group as the Manager. They are not engaged in other business activities that are of significance to the Fund.

12.10 S Macdonald and L R Robinson are also independent non-executive directors of Tutman Fund Solutions Limited, an authorised fund manager within the same group as the Manager. They are not engaged in other business activities that are of significance to the Fund.

12.11 The Manager is authorised and regulated by the FCA and is authorised to carry on certain permitted regulated activities in the United Kingdom in accordance with the Act.

The Manager acts as the authorised fund manager of other regulated collective schemes. As at the date of this Prospectus, details of these schemes are set out in Appendix 2.

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

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

12.8.1 loss of documents evidencing title of assets of the Fund;

12.8.2 misrepresentations or misleading statements made to the Fund or its investors;

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

(a) legal and regulatory obligations;

(b) duty of skill and care towards the Fund and its investors;

(c) fiduciary duties;

(d) obligations of confidentiality;

(e) the terms of the Trust Deed;

(f) terms of appointment of the Manager by the Fund;

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

12.8.5 improperly carried out valuation of assets or calculation of unit prices; and

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

12.9 Subject to the FCA rules, the Manager may delegate certain of its functions. Accordingly:

12.9.1 the Manager has delegated the provision of investment management services to the Investment Managers; and

12.9.2 the Manager has delegated certain administrative functions to the Registrar, the Administrator and the Fund Accountant.

## 13. **TRUSTEE**

### **General**

The Trustee and depositary of the Fund 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 Trustee is NatWest Group plc, which is incorporated in Scotland.

The Trustee's registered and head office address is 250 Bishopsgate, London EC2M 4AA. The address of its office which handles matters relating to the Fund is set out in Appendix 4.

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

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

### **Duties of the Trustee**

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

### **Terms of Appointment**

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

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

Under the Depositary Agreement the Trustee has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Trustee has delegated custody of the scheme property to The Northern Trust Company (the 'Custodian'). Contact details for the Custodian are set out in Appendix 4. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Fund may invest to various sub-delegates ("sub-custodians").

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

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

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

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

Other than to exercise the rights of lien or set off over the scheme property in relation to unpaid fees and expenses in relation to the proper performance of services under the Depositary Agreement or sub-custody agreement and unless otherwise agreed by the Manager on behalf of the Fund, the Trustee shall not be entitled to, and no sub-custodian of the Trustee shall be authorised by the Trustee to, transfer or re-use for its own purpose and benefit any of the scheme property it has been entrusted with.

Details of the fees payable to the Trustee are set out in the "Trustee's Fees" section of this Prospectus at paragraph 18.4.

### **Conflicts of Interest**

The Trustee 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 Trustee and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Fund, one or more unitholders, the Manager and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of unitholders collectively so far as practicable, having regard to its obligations to other clients.

As the Trustee operates independently from the Fund, unitholders, the Manager and the Custodian, the Trustee does not anticipate any conflicts of interest arising between it and any of the aforementioned parties and has confirmed that it is not aware of any conflict of interest arising from its delegation of custody of the scheme property to the Custodian. Should any such conflict arise, the Trustee shall notify the Manager and take necessary steps to address the conflict.

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

#### **14. THE REGISTRAR, ADMINISTRATOR AND FUND ACCOUNTANT**

The Manager has delegated the function of Registrar, Administrator and Fund Accountant to Northern Trust Global Services SE, UK branch. The address for Northern Trust Global Services SE, UK branch is set out in Appendix 4.

The duties of the Registrar and Administrator include:

- (a) maintaining the Register;

- (b) receiving and processing requests for subscriptions for, or redemptions of, units in the Fund;
- (c) administrating the payment of distributions to unitholders in the Fund;
- (d) dealing with certain regulatory reporting requirements on behalf of the Fund and the Manager;
- (e) maintaining the accounting records of the Fund;
- (f) assisting in calculating the Net asset value of the Fund, as well as to provide fund accounting services in respect of the Fund.

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

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

### **The Register**

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

## **15. INVESTMENT MANAGERS**

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

**Thesis Asset Management Limited** a private limited company incorporated in England and Wales with number 1802101 (also referred to as "Thesis"). Thesis Asset Management Limited is the only Investment Manager connected with the Manager, as it is in the same group as the Manager.

**W1M Wealth Management Limited** a private limited company incorporated in England and Wales with number 02080604 ("W1M").

**Deutsche Bank Wealth Management** is the trading name of DB UK Bank Limited, a private limited company incorporated in England and Wales with number 00315841.

**Julius Baer International Limited** a private limited company incorporated in England/Wales on 28 June 1973 with company number 01120330 ("Julius Baer").

**J.P. Morgan SE, London Branch** is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA, under FCA FRN 755066.

- 15.2 J.P. Morgan SE is regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) and is jointly supervised by the European Central Bank (ECB), BaFin and Deutsche Bundesbank. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the FCA's website.
- 15.3 Thesis, W1M and Julius Baer are authorised to carry on investment business by virtue of their authorisation and regulation by the FCA.
- 15.4 Deutsche Bank Wealth Management is authorised by the PRA, and regulated by the FCA and the PRA, and is authorised to act as an investment manager in relation to an authorised fund in accordance with the FCA Rules.

- 15.5 The registered office and principal place of business addresses for each of the Investment Managers are set out in Appendix 4.
- 15.6 No commission is payable to any Investment Manager under its agreement with the Manager for any deal done or which could be done on behalf of the Fund.
- 15.7 Thesis is appointed as Investment Manager to manage with a broad discretionary mandate to achieve both growth in income and capital from a diversified portfolio of assets.
- 15.8 In order to provide further diversity of risk, the Fund has appointed Deutsche Bank Wealth Management, W1M Wealth Management Limited and J.P. Morgan SE, London Branch as Investment Managers, and may spread manager risk further by retaining a series of Investment Managers who will manage the property of the Fund according to differing specialist remits. In that event, Thesis will also be responsible for providing or procuring overall asset allocation and investment selection advice for the Fund in order to achieve exposure globally in a range of asset classes.
- 15.9 Thesis may, from time-to-time, compliment the style and strategy of any additional Investment Managers with investment selections of its own aimed at increasing returns or varying the risk profile of the Fund's overall investment portfolio.
- 15.10 The appointment of the Investment Managers has been made under agreements between the Manager and the respective Investment Manager. Each Investment Manager has full discretionary powers over the investment of the property of the Fund subject to the overall responsibility and right of veto of the Manager. Each agreement between the Manager and an Investment Manager may be terminated immediately by the Manager if it is in the interest of unitholders, and on three months' notice by the Investment Manager. The Investment Managers may only sub-delegate their functions with the prior consent of the Manager.
- 15.11 Deutsche Bank Wealth Management has sub-delegated discretionary portfolio management to Deutsche Bank Luxembourg S.A. The investment management delegation agreement may be terminated with immediate effect if Deutsche Bank Wealth Management believes this is in the best interest of the investors. Deutsche Bank Luxembourg S.A. is subject to the direct prudential supervision by the European Central Bank. In Luxembourg, Deutsche Bank Luxembourg S.A. is supervised by the Commission de Surveillance du Secteur Financier.
- 15.12 The principal activities of Thesis are fund management and investment advice.
- 15.13 The principal activities of W1M Investment Management Limited and Deutsche Bank Wealth Management are discretionary investment management.
- 15.14 J.P. Morgan is a global leader in financial services to corporations, governments, for-profit and not-for-profit institutions, and wealthy individuals. Through its private banking franchise, the firm delivers customised wealth management advice and solutions to wealthy individuals and their families, leveraging its broad capabilities in investing, estate planning, family office management, philanthropy, credit, fiduciary services, and special advisory services to help its clients advance toward their goals. The principal activities of J.P. Morgan SE, London Branch are private banking services. Each Investment Manager is authorised to deal on behalf of the Fund.
- 15.15 Each Investment Manager is required to comply with its own execution policy. A copy of each Investment Manager's policy, or summary of it, is available on request from the Manager or may be available from each Investment Manager's website (listed in Appendix 4).
- 15.16 The agreements contain provisions to the following effect:

- 15.16.1 the Manager will indemnify the Investment Managers against certain losses incurred by the Investment Managers but, in the absence of fraud, the Manager's liability will be limited to the assets of the Fund available to meet such a claim;
  - 15.16.2 the Investment Managers will be liable for certain losses suffered by the Manager or the Fund, subject, in the absence of fraud, to certain limitations on the Investment Managers' liability;
  - 15.16.3 the Investment Managers shall not be liable for non-performance of its obligations due to causes beyond its control; and
  - 15.16.4 the agreements are governed by English law and the parties submit to the exclusive jurisdiction of the English courts.
- 15.17 The main legal implications of the contractual relationship entered into for the purpose of investment in the Fund are as follows:
- 15.17.1 By investing in the Fund through 'Electronic Communications', by telephone or by submitting an application form to the Administrator, the investor makes an offer to subscribe for units which, once it is accepted by the Manager, or the Administrator on its behalf, has the effect of a binding contract to subscribe for units.
  - 15.17.2 The provisions of the scheme documents made between the Manager and the Trustee by way of which the Fund is constituted, as the same may be amended from time to time are binding on each of the unitholders (who are taken to have notice of them) as if that unitholder was a party to it with effect on and from the date that any person has become a unitholder.
  - 15.17.3 The property of the Fund will be beneficially owned by the Trustee on behalf of the holders of units of the Fund and may not be used to discharge any liabilities of, or meet any claim against, any person other than the holders of units of the Fund.
  - 15.17.4 The scheme documents and the application form are each made under and governed by and shall be construed in accordance with the laws of England and Wales. The Fund, the Manager and unitholders of the Fund will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of, or in connection with, a unitholder's investment in the Fund or any related matter.
  - 15.17.5 The scheme documents may be amended by agreement between the Manager and the Trustee.
  - 15.17.6 Absent a direct contractual relationship between a unitholder and the relevant service provider, unitholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a unitholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Fund by the relevant service provider is, prima facie, the Fund itself or the Manager acting on behalf of the Fund, as the case may be.
  - 15.17.7 The Investment Managers may hold or trade in securities and instruments of the same type as the securities and instruments held or traded in by the funds and fund managers; they may also utilise the same or similar strategies as those adopted by the fund managers. The Investment Managers may therefore trade and compete with fund managers and funds

on an arm's length basis. In addition, the Investment Managers may make investments in other funds managed or advised by it.

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

## 16. **AUDITORS**

- 16.1 The Auditors of the Fund are Grant Thornton UK LLP whose address is set out in Appendix 4.

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

16.2.1 whether, in the Auditor's opinion, the accounts have been properly prepared in accordance with the relevant Statement of Recommended Practice, the rules in COLL, and the Trust Deed constituting the Fund;

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

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

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

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

## 17. **CONFLICTS**

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

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

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

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

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

17.1.5 the delegate receives or will receive from a person other than the Manager an inducement in relation to the collective portfolio management activities provided

to the Manager and the Fund in the form of monies, goods or services other than the standard commission or fee for that service.

- 17.2 The Manager has a policy and procedures in place to monitor the conflicts of interest that may arise in the context of its delegation of certain of its functions. To the extent any actual conflicts of interest are determined to have arisen, the Manager will manage such conflicts to minimise any impact on the investment performance, and will also seek to prevent them from reoccurring. Certain activities may be required to be modified or terminated to minimise conflicts of interest which may be identified from time to time.
- 17.3 Although conflicts of interest can also arise where the delegate and the Manager are members of the same group or have any other contractual relationship and the delegate controls the Manager or has the ability to influence its actions, it is not currently considered that there are material existing conflicts of interest between the Manager and Thesis (as an investment manager to the Fund and the Manager is in the same group as Thesis).

## 18. **PAYMENTS OUT OF SCHEME PROPERTY**

### 18.1 **Preliminary charge**

The Manager may receive, or waive in part or in whole, a preliminary charge upon the sale or purchase of units. The current rate is 6% of the price of a unit and is the same in respect of all classes of units. If not waived, the preliminary charge will be charged upon the sale or purchase of units.

### 18.2 **Periodic charge**

The Manager receives a periodic charge for managing the Fund at a rate per annum of the value of the property of the Fund accruing daily and payable out of the property of the Fund. The current rate of the periodic charge is up to 1% (currently 0.91%) per annum and is the same in respect of all classes of units. The Manager may increase the rate of such charge 60 days' notice to unitholders and amending this Prospectus.

The periodic charge in respect of the Fund will be treated as an income charge and will be paid monthly in arrears.

### **Investment Managers' fees**

The Manager is responsible for the payment of the fees of the Investment Managers and those of any sub-advisers. Research costs will be paid for by each of the Investment Managers out of their fee and shall not be borne by the Fund.

### 18.3 **Redemption charge**

The Trust Deed contains a provision for the Manager to make a redemption charge. At present there are no plans to impose such a charge.

The Manager must not introduce a redemption charge, or change the rate or method of calculation of a current redemption charge, unless at least 60 days before the introduction or change, the Manager:

- (a) gave notice in writing of that introduction or change and of the date of its commencement, to the Manager to have made an arrangement for the purchase of units at regular intervals; and

- (b) has revised the prospectus to reflect the introduction or change and the date of its commencement and has made the revised prospectus available.

#### 18.4 **Trustee's fees**

##### **Periodic fee**

The Trustee is paid a monthly periodic fee (plus VAT) from the property of the Fund in remuneration for its services. The Trustee's fee is calculated, accruing and payable on the same basis as the Manager's periodic charge.

0.0275% p.a.	on the first £50 million value of the property of the Fund;
0.025% p.a.	on the next £50 million value of the property of the Fund;
0.020% p.a.	on the next £100 million value of the property of the Fund
0.015% p.a.	thereafter

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

##### **Transaction and Custody charges**

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

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

Transaction charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Trustee and the Manager. Custody charges accrue and are payable as agreed from time to time by the Manager and the Trustee.

Where relevant, the Trustee makes a charge for, or otherwise benefits 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 Fund and may purchase or sell or deal in the purchase or sale of the Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Rules.

The Trustee will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Trust Deed, the Depositary Agreement, the FCA Rules or by the general law.

On a winding up of the Fund the Trustee will be entitled to its *pro rata* fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate)

and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

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

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

## 18.5 **Administration and Registration fees**

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

The current administration fee is 9 basis points (0.09%), minimum fee £10,000.

The current registration fee is £2,000 per annum.

## 18.6 **Other expenses and fees**

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

- (a) broker's commission (excluding costs for research), fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessary to be incurred in effecting transactions for the Fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- (b) any costs incurred by the Fund in publishing the price of the units;
- (c) any costs incurred in producing and dispatching any payments made by the Fund, or the periodic reports of the Fund;
- (d) any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Fund, which are currently carried on by the Registrar;
- (e) any fees or costs associated with any CASS related support activity incurred by the Registrar;
- (f) any fees, expenses or disbursements of any legal or other professional adviser of the Fund;
- (g) any costs incurred in taking out and maintaining an insurance policy in relation to the Fund;
- (h) any costs incurred in respect of meetings of unitholders convened for any purpose including those convened on a requisition by unitholders not including the Manager or an associate of the Manager;
- (i) liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Fund in consideration for the issue of units as more fully detailed in COLL;

- (j) interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- (k) taxation and duties payable in respect of the property of the Fund or the issue or redemption of units;
- (l) the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- (m) the fees of the FCA as prescribed in the Fees Manual published by the FCA as part of their Handbook, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which units in the Fund are or may be marketed;
- (n) the Trustee will also be reimbursed out of the property of the Fund expenses incurred in performing the following activities and duties:
  - delivery of stock to the Trustee or custodian;
  - custody of assets;
  - collection of income and capital;
  - submission of tax returns;
  - handling tax claims;
  - preparation of the Trustee's annual report;
  - arranging insurance;
  - calling unitholders' meetings and otherwise communicating with unitholders
  - dealing with distribution warrants;
  - taking reasonable professional advice;
  - conducting legal proceedings;
  - such other duties as the Trustee is permitted or required by law to perform;
- (o) the total amount of any cost relating to the application for authorisation of the Fund and of its initial offer or issue of units;
- (p) any expenses properly incurred by the manager in the performance of its duties as Manager of the Fund;
- (q) any costs incurred in modifying the Trust Deed constituting the Fund;
- (r) any payments otherwise due by virtue of COLL; and
- (s) any value added or similar tax relating to any charge or expense set out herein.

## 19. **LARGE DEALS**

A "large deal" is a transaction (or series of transactions in one dealing period) by any person to buy, sell or exchange units at a total value of US\$150,000 or more.

## 20. **ALLOCATION OF CHARGES**

The Manager and the Trustee have agreed that all, or part, of any expense payment be treated as a charge against the income of the Fund. If there is insufficient income to meet the fees, then all or part of those fees may be treated, at the request of the Manager, as a charge against the capital of the Fund.

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

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

## 21. **VALUATION OF FUND AND PRICING OF UNITS**

21.1 The valuation of the Fund will take place at daily intervals at 12.00 noon (the Valuation Point). The valuation determines the net asset value of the Fund.

21.2 The Fund will value the Scheme Property using the dual pricing method, as set out below.

The Manager calculates prices at which you buy and sell units. The basis of the calculation is the value of the underlying assets of the Fund. The Fund is valued either on a bid basis or on an offer basis, as appropriate. The maximum permitted spread is wider than the spread the Manager normally quotes for dealing, but the Manager may deal at any prices calculated in accordance with the provisions set out below and notified to the Trustee. The maximum offer price may not be more than the issue price plus any preliminary charge and the maximum bid price may not be less than the cancellation price. The Fund is valued on each Business Day. Units will be priced in US\$.

The issue price is the price for each unit payable by the Manager to the Trustee on the issue of new units by the Trustee.

The issue price is calculated as follows:

- (a) take the proportion, attributable to the units of the class in question, of the value on the issue basis of the Scheme Property by reference to the most recent valuation of the Scheme Property;
- (b) compute the number of units of the relevant class in issue immediately before the valuation in (a);
- (c) divide the total at (a) by the number of units at (b); and
- (d) express the price in a form that is accurate to at least four significant figures.

The cancellation price is the price for each unit payable by the Trustee to the Manager on the cancellation of a unit by the Trustee.

The cancellation price is calculated as follows:

- (a) take the proportion, attributable to the units of the class in question, of the value on the cancellation basis of the Scheme Property by reference to the most recent valuation of the Scheme Property;
- (b) compute the number of units of the relevant class in issue immediately before the valuation in (a);
- (c) divide the total at (a) by the number of units at (b); and

- (d) express the price in a form that is accurate to at least four significant figures.

The Manager may suspend dealing in the Fund if it cannot obtain prices on which to base a valuation. The Manager may, with the Trustee's prior agreement, or if the Trustee requires it, temporarily suspend the repurchase of units if either the manager or the Trustee considers that it is in the best interests of unitholders.

Further details on suspension of dealing are set out in paragraph 28 below.

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

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

- 21.3 Fund will be valued on a net asset value basis to determine the price of the units ('NAV price'). Units will be redeemed at the NAV price and purchased at a price that includes a preliminary charge at the rate applying to the Fund (see paragraph 18.1 above). Out of the preliminary charge, the Manager may pay commission to qualifying intermediaries.

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

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

- (a) select a rate of exchange which represents the average of the highest and lowest rates quoted at the relevant time for conversion of that currency into base currency on the market on which the Manager would normally deal if it wished to make such a conversion; or
- (b) invite the Trustee to agree that it is in the interests of unitholders to select a different rate, and, if the Trustee so agrees, use that other rate.

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

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

- (i) if the Trustee has been instructed to issue or cancel units, assume (unless the contrary is shown) that:
  - (a) it has done so;
  - (b) it has paid or been paid for them; and
  - (c) all consequential action required by these provisions or by the trust deed has been taken;
- (ii) if the Trustee has issued or cancelled units but consequential action as at (i)(c) is outstanding, assume that it has been taken;
- (iii) if agreements for the unconditional sale or purchase of property are in existence but uncompleted, assume:
  - (a) completion; and
  - (b) that all consequential action required by their terms has been taken;
- (iv) do not include in (iii) any agreement which is:

- (a) a future or contract for differences which is not yet due to be performed; or
  - (b) an unexpired option written or purchased for the Fund which has not yet been exercised;
- (v) include in (iii) any agreement the existence of which is, or could reasonably be expected to be, known to the person valuing the property, assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the marking of any agreement;
- (vi) deduct an estimated amount for anticipated tax liabilities;
- (a) on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property;
  - (b) on realised capital gains in respect of previously completed and current accounting periods;
  - (c) on income where the liabilities have accrued;
  - (d) including stamp duty reserve tax and any other fiscal charge not covered under this deduction;
- (vii) deduct:
- (a) an estimated amount for any liabilities payable out of the Scheme Property and any tax on it (treating any periodic items as accruing from day to day);
  - (b) the principal amount of any outstanding borrowings whenever payable;
  - (c) any accrued but unpaid interest on borrowings;
  - (d) the value of any option written (if the premium for writing the option has become part of the Scheme Property); and
  - (e) in the case of a margined contract, any amount reasonably anticipated to be paid by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then payable, and the price of the contract at the Valuation Point);
- (viii) add an estimated amount for accrued claims for repayment of taxation levied:
- (a) on capital (including capital gains); or
  - (b) on income;
- (ix) add:
- (a) any other credit due to be paid into the Scheme Property;
  - (b) in the case of a margined contract, any amount reasonably anticipated to be received by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then receivable, and the price of the contract at the Valuation Point);
  - (c) any SDRT provision anticipated to be received.

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

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

### Notes

1. The issue price is taken, instead of the maximum sale price, if the Manager of the fund whose Scheme Property is being valued is also the Manager, or an associate of the Manager, of the fund whose units form part of that property.
2. "Dealing costs" means any fiscal charges, commission or other charges payable in the event of the fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the fund are the least that could reasonably be expected to be paid in order to carry out the transaction. On the issue basis, dealing costs exclude any preliminary charge on sale of units in a fund.
3. Dealing costs under Note 2 include any dilution levy or SDRT provision which would be added in the event of a purchase by the fund of the units in question but, if the Manager of the fund being valued, or an associate of the Manager, is also the Manager of the fund whose units are held by the fund, must not include a preliminary charge which would be payable in the event of a purchase by the fund of those units.

4. The buyer's price is the consideration which would be paid by a buyer for an immediate transfer or assignment (or, in Scotland, assignation) to them at arm's length.
5. Estimate the premium on writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded; but deduct dealing costs.
6. Estimate the amount of profit or loss receivable or incurable by the fund on closing out the contract. Deduct minimum dealing costs in the case of profit and add them in the case of loss.
7. Estimate the amount of margin (whether receivable or payable by the fund on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded. If that amount is receivable (for example, the contract is "in the money") deduct minimum dealing costs. If, however, that amount is payable (for example, the contract is "out of money") then add minimum dealing costs to the margin and the value is that figure as a negative sum.
8. If the property is an OTC transaction in derivatives, use the valuation based on the pricing model agreed between the Manager and the Trustee, or some other reliable basis reflecting an up-to-date market value which has been so agreed.

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

Property		To be valued at
(a)	Cash	nominal value
(b)	Amounts held in current deposit and loan accounts	nominal value
(c)	Property which is not within (a), (b) or (d):	
	(i) if units in a dual-priced authorised fund	except where Note 1 applies, the most recent minimum redemption price (less dealing costs as set out in Further Note 2)
	(ii) if units in a single-priced authorised fund	the most recent price (less dealing costs as set out in Notes 2 and 3)
	(iii) if any other investment	best available market dealing bid price on the most appropriate market in a standard size (less dealing costs as set out in Further Notes 2 and 4)
(d)	Property which is a derivative under the terms of which there may be liability to make, for the account of the Fund, further payments (other than charges, and whether or not secured by margin) when the transaction in the derivative falls to be completed or upon its closing out.	
	(i) if a written option	to be deducted at a net valuation of premium (see Notes 5 and 8)
	(ii) if an off-exchange future	net value of closing out (see Further Note 8)

Property		To be valued at
	(iii) if any other such property	net value of margin on closing out (whether as a positive or negative figure) (see Further Notes 6 and 8)

### Further Notes

1. The cancellation price is taken instead of the minimum redemption price if the property, if sold in one transaction, would amount to a large deal (please see paragraph 23).
2. "Dealing costs" has the meaning set out in Note 2 above in respect of the issue price. Dealing costs include any charge payable on redemption of units in a fund (taking account of any expected discount), except where the Manager of the fund whose property is being valued is also the Manager, or an associate of the Manager, of the fund whose units form part of that property.
3. Dealing costs under Further Note 2, include any dilution levy or SDRT provision which would be deducted in the event of a sale by the fund of the units in question and, except when the Manager of the fund being valued, or an associate of the Manager, is also the Manager of the fund whose units are held by the fund, include any charge payable on the redemption of those units (taking account of any expected discount).
4. The seller's price is the consideration which would be received by a seller for an immediate transfer or assignment (or, in Scotland, assignation) from them at arm's length, less dealing costs.
5. Estimate the premium on writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded, and add dealing costs.
6. For off-exchange futures, see Note 6 above in respect of the issue price.
7. For net value of margin see Note 7 above in respect of the issue price.
8. For over the counter transactions in derivatives, see Note 8 above in respect of the issue price

### 22. **HARD-TO-VALUE ASSETS**

- 22.1 Where the Manager has reasonable grounds to believe that the price obtained is unreliable or the most recent price available does not reflect the Manager's best estimate of the value of the relevant investment at the relevant Valuation Point or no price or no recent price exists, the Manager may use a price which, in the opinion of the Manager, reflects a fair and reasonable price for that investment (the fair value price). In calculating any value, the Manager shall be entitled to rely on any valuations provided or attributed to any asset or liability by the Investment Managers.
- 22.2 The circumstances which may give rise to a fair value price being used include:
  - 22.2.1 no recent trade in the security concerned; or
  - 22.2.2 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.
- 22.3 In 22.2.2, a significant event is one that means the most recent price of a security or a basket of securities is materially different to the price that it is reasonably believed would exist at the Valuation Point had the relevant market been open.

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

22.4.1 the type of authorised fund concerned;

22.4.2 the securities involved;

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

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

## 23. **PRICING BASIS**

23.1 The Manager currently elects to deal on a forward basis, being the price calculated by reference to the Valuation Point next following the Manager's agreement to sell, or as the case may be, to redeem the units in question. The Manager may, subject to certain conditions and with the agreement of the Trustee, change the basis of dealing. In general the rules are as follows:

23.1.1 If the Manager's choice is forward, all deals must be at a forward price and the election lasts until the end of the dealing period.

23.1.2 The Manager may at any time elect for forward only for the rest of the then current period.

23.1.3 Redemptions must be on the same basis as issues.

23.1.4 Where at any time during a dealing day the Manager knows or has reason to believe, that the property of the Fund has increased or decreased by 2% or more since the last valuation, they must perform a special valuation or else elect for forward dealing only.

23.1.5 An applicant may always request to deal on a forward basis.

23.1.6 The Manager may elect to deal on a forward basis in the case of a large deal. For the purpose of the FCA Rules, a large deal will be a deal in respect of units exceeding the sum of US\$150,000 in value.

23.1.7 Postal deals are dealt on a forward basis.

## 24. **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 Manager, these may not necessarily be the current prices. The cancellation price last notified to the Trustee is available from the Manager upon request.

## 25. **INCOME EQUALISATION**

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

## **Grouping**

Grouping periods are consecutive periods within each annual accounting period, being the interim accounting periods (including the period from the end of the last interim accounting period in an annual accounting period to the end of that annual accounting period) as specified in paragraph 8 above. If there are no interim accounting periods the periods for grouping of units will be annual accounting periods. Grouping is permitted by the Trust Deed for the purposes of equalisation.

### **26. BUYING UNITS**

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

In making a request to buy or sell units, a unitholder shall elect whether to pay for, or receive the redemption proceeds of, units in US\$ or pounds Sterling.

Units may be purchased by sending a completed application form, by clear written instructions to Thesis Unit Trust Management Limited at the dealing office of the Administrator, or through the means of electronic communications (as set out in the paragraph 30). Application forms may be obtained by telephoning the Manager's Customer Enquiry Line on 0333 300 0375.

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

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

#### **Minimum initial subscription**

The Manager will not accept a lump sum application for an initial investment in units to the value of less than US\$15,000: the minimum subsequent investment is US\$1. The only restriction on holdings is the value of the holding; there is no minimum number of units which any unitholder need hold. The Manager reserves the right to reduce or waive minimum investment levels.

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

### **26.2 Issue of units in exchange for in specie assets**

The Trustee may, on the instruction of the Manager, arrange for the Fund to issue units in exchange for assets other than cash, but will only do so where the Trustee has taken reasonable care to determine that the Fund's acquisition of those assets in exchange for the units concerned is not likely to result in any material prejudice to the interests of unitholders. The Trustee will ensure that the beneficial interest in the assets is transferred to the Fund with effect from the issue of the units.

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

## 27. **SELLING UNITS**

27.1 At any time during a dealing day when the Manager is willing to issue units it must also be prepared to redeem units. The Manager may refuse to redeem a certain number of units if the redemption will mean the unitholder is left holding units with a value of less than the minimum initial subscription of US\$15,000.

Requests to redeem units in the Fund may be made to the Administrator by telephone on the number stated above (paragraph 26.1), through the means of electronic communications (paragraph 30), or by sending clear written instructions.

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

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

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

The Trustee may, on the instruction of the Manager, pay out of the Scheme Property, assets other than cash as payment for the redemption of units, but will only do so where the Trustee has taken reasonable care to determine that the payment out of the assets concerned is not likely to result in any material prejudice to the interests of unitholders in the Fund. The Manager will select the property to be transferred or sold in consultation with the Trustee. They must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the unitholder requesting the redemption than to the continuing unitholders.

## 28. **SUSPENSION OF DEALING**

28.1 The Manager may if the Trustee agrees, or shall if the Trustee so requires temporarily suspend the issue and redemption of units if the Manager or Trustee (in the case of any requirement by the Trustee), believes that, due to exceptional circumstances, it is in the interests of unitholders.

28.2 On suspension the Manager and Trustee must, or the Trustee if the Trustee has required the Manager to suspend dealing, immediately inform the FCA stating the reasons for its actions and, as soon as possible, give written confirmation of the suspension, and reasons for it, to the FCA.

28.3 The Manager must ensure that a notification of the suspension is made to unitholders as soon as practicable after the suspension commences, drawing the unitholders' attention to the exceptional circumstances resulting in the suspension.

28.4 Notification of the suspension to unitholders must be clear, fair and not misleading. Unitholders will be kept informed in writing about updates on the suspension.

- 28.5 The Manager must inform the FCA of the proposed restart of dealing, and immediately after the restart, must confirm in writing to the FCA. The Manager may agree, during the suspension, to deal in units in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealing.
- 28.6 The Manager and Trustee must formally review any such suspension at least every 28 days and inform the FCA of the results of their review. Any such suspension may only continue so long as it is justified having regard to the interest of the unitholders and must cease as soon as practicable after the exceptional circumstances have ceased.
- 28.7 Re-calculation of creation and cancellation prices will commence on the Business Day immediately following the end of the suspension, at the relevant Valuation Point.
- 28.8 In addition, the FCA Rules may require the Manager to temporarily suspend the issue, cancellation, sale and redemption of units in certain circumstances (for example, where the Fund is invested in other authorised funds which are themselves suspended).

29. **RESTRICTIONS AND COMPULSORY TRANSFER AND REDEMPTION AND MANDATORY CONVERSION**

29.1 The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no units are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Fund incurring any liability to taxation which the Fund is not able to recoup itself or suffering any other adverse consequence. In this connection, the Manager may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of units.

29.2 If it comes to the notice of the Manager that any units ("affected units"):

- 29.2.1 are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- 29.2.2 would result in the Fund incurring any liability to taxation which the Fund would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- 29.2.3 are held in any manner by virtue of which the unitholder or unitholders in question is/are not qualified to hold such units or if it reasonably believes this to be the case;

the Manager may give notice to the unitholder(s) of the affected units requiring the transfer of such units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such units in accordance with COLL. If any unitholder upon whom such a notice is served does not within 30 days after the date of such notice transfer their affected units to a person qualified to own them or submit a written request for their redemption to the Manager or establish to the satisfaction of the Manager (whose judgement is final and binding) that they or the beneficial owner is qualified and entitled to own the affected units, they shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of all the affected units.

A unitholder who becomes aware that they are holding or owns affected units shall immediately, unless they have already received a notice as set out above, either

transfer all their affected units to a person qualified to own them or submit a request in writing to the Manager for the redemption of all their affected units.

Where a request in writing is given or deemed to be given for the redemption of affected units, such redemption will (if effected) be effected in the same manner as provided for in COLL.

### 29.3 **In specie redemptions**

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

### 29.4 **Mandatory conversion**

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

## 30. **ELECTRONIC COMMUNICATIONS**

30.1 The Manager will accept instructions to transfer or renunciation of title to units on the basis of an authority communicated by electronic means and sent by the unitholder, or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

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

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

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

30.3 assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the unitholder.

## 31. **CLIENT MONEY RULES**

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

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

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

31.2 Where money is received in either of the circumstances set out in 31.1.1 or 31.1.2 above, the Manager must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Trustee or the client as applicable.

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

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

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

## 32. TAXATION

### 32.1 General

**The following summary is based on current UK law and HM Revenue & Customs practice. It summarises the UK tax position of Authorised Unit Trusts ("AUTs") and unitholders who are UK tax resident. However, it should not be regarded as 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.**

### 32.2 Taxation of the Fund

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

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

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

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

income tax. The rate of corporation tax applicable to the Fund is equal to the basic rate of income tax.

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

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

### **(B) Capital gains**

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

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

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

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

## **32.3 Taxation of unitholders**

### **(A) Income**

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

The distribution accounts of the Fund for any of its distribution periods may show income available for distribution as either (x) an interest distribution or (y) 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 Fund.

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

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

## **Interest distributions**

### UK resident individuals

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

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

Basic rate taxpayers are entitled to a personal savings allowance, higher rate taxpayers are entitled to a reduced personal savings allowance, and additional rate 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 unitholders

If, at any point in an accounting period of a UK corporate unitholder, the Fund fails to satisfy the "qualifying investment" test, units held by UK corporate unitholders in respect of the Fund are treated as if the units in respect of such a corporate's accounting period (including gains, profits and losses) are rights under a creditor loan relationship and will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a corporate unitholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of units (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of units). The Fund will fail to satisfy the "qualifying investments" test at any time when more than 60% of its assets by market value comprise government and corporate debt securities, cash on deposit, certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "qualifying investments" test, or other interest bearing securities.

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

## **Dividend distributions**

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

### UK resident individuals

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

### UK corporate unitholders

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

## **(B) Chargeable gains**

### UK resident individuals

Unitholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including a redemption of units in the Fund. Gains will be tax-free if after deduction of allowable losses they fall within an individual's annual capital gains exemption.

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

### UK corporate unitholders

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

## **The Manager reserves the right to redeem the units of any unitholder who jeopardises the tax status of the Fund.**

### **32.4 Income equalisation – tax implications**

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

### **32.5 UK information reporting regime**

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

### **32.6 Tax Elected Fund ("TEF") regime**

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

### **32.7 International Tax Compliance**

The Fund 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 Fund must collect information about each unitholder's tax residence and, in certain circumstances, provide information about unitholders' holdings in units to HMRC. HMRC may in turn share this information with overseas tax authorities. Such tasks may be delegated to the Administrator.

**Unitholders should note that:**

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

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

**33. RISK PROFILE MANAGEMENT**

- 33.1 The Manager, in consultation with the Investment Managers, has adopted a risk management process in respect of the Fund enabling it to monitor and measure the risk of the Fund's portfolio and contribution of the underlying investments to the overall risk profile of the Fund.
- 33.2 The Manager operates a liquidity risk management policy with a view to ensuring that unitholders are able to realise their units in accordance with this Prospectus and the requirements of the FCA Rules. This Prospectus provides information in relation to liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors.
- 33.3 Liquidity risk is the risk that the Fund is unable to meet its obligations as they fall due. Examples include insufficient cash to meet redemption requests or make margin payments requirements and the risk that a particular derivative position cannot be easily unwound or offset due to insufficient market depth or market disruption or that the Fund's financial obligations arising from the derivative activity (such as margin calls) will not be able to be met. It is controlled for through monitoring of the liquidity of all instruments used, including derivatives, in the context of the investment objectives and liquidity requirements of each scheme or client account. Cash positions are monitored and reported to ensure that the Fund has sufficient capacity to meet obligations arising from any derivative positions.

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

34. **LEVERAGE (as defined by the UK AIFM regime)**

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

34.1.1 set a maximum level of leveraging which it may employ on behalf of the Fund; and

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

34.2 For the Fund, the Manager has set the following limits:

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

\*NOTES

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

1. the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the Fund that are readily convertible to an amount of cash, subject to an

insignificant risk of change in value and which provide a return no greater than the rate of a three month high quality government bond is excluded;

2. derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;
3. cash borrowings that remain in cash or cash equivalents and where the amounts payable are known are excluded;
4. exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed are included; and
5. positions within repurchase or reverse repurchase transactions and securities lending or borrowing or other similar arrangements are included.

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

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

1. derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;
2. netting and hedging arrangements are applied, subject to specified conditions;
3. the exposure created through the reinvestment of borrowings where such reinvestment increases the exposure of the Fund is calculated;
4. derivative instruments used for currency hedging purposes are excluded.

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

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

## 35. **FAIR TREATMENT OF INVESTORS**

- 35.1 The Manager ensures fair treatment of investors by its compliance with the applicable rules in COLL and FUND and with the rules contained in the FCA Handbook.
- 35.2 The Manager is required, under the FCA Handbook, to treat its customers fairly, when they become, remain or as they cease to be unitholders. The Manager complies with the rules in the FCA Handbook, and has adopted a series of policies and procedures (including a Conflict of Interest policy) which are designed to achieve this outcome.
- 35.3 The Manager and the Investment Managers may in certain circumstances grant preferential treatment to investors. This may include, for example, access to certain unit classes, a waiver or reduction of certain charges, the payment of rebates, or access

to individuals within the Manager or the Investment Managers. If such rights are granted, this would typically be to investors who invest significant amounts in the Fund. Such investors would not typically be legally or economically linked to the Manager.

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

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

**35.5.1 Disclosure / Reporting:**

- (a) notification of (A) certain 'key man' events and/or (B) certain changes to the organisation of the Fund and/or (C) the issue of units on more favourable terms to those described herein (as amended by the relevant side letter and/or other arrangement) and/or (D) certain other changes and/or other events, in each case that affects, or relates to, the Fund and/or its service providers (including, but not limited to, the Investment Managers) or the relevant unitholder's investment in the Fund;
- (b) notification if holdings in the Fund by the relevant unitholder exceed specific levels; and/or
- (c) the provision of certain limited information relating to the Investment Managers and/or to the Fund's assets, including in order to allow the relevant unitholder to comply with the laws and regulations to which it is subject.

**35.5.2 Investor Liquidity terms:**

- (a) ensure that redemptions of units are effected in full within a prescribed period of time in the event that redemptions are deferred (i.e. "gated") for any reason; and/or
- (b) permit transferability of units where there is no change of beneficial ownership.

**35.5.3 Fees:**

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

**35.6 Side Arrangements:**

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

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

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

## 36. **RECOGNITION AND ENFORCEMENT OF JUDGMENTS**

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

## 37. **FURTHER INFORMATION**

### 37.1 **Prospectus and Trust Deed(s)**

Copies of the Trust Deed (and of any supplemental deeds of the Fund), the Prospectus and the most recent annual and half-yearly reports, may be inspected at and copies may be requested from the head office of the Manager. Copies may be obtained free of charge upon application.

Please refer to Appendix 4 for the address of the Manager's head office.

### 37.2 **Telephone calls**

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

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

### 37.3 **Service of notices**

The address for service of notices or other documents required or authorised to be served on the Fund is at the Registered Office, Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP.

### 37.4 **Complaints**

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

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

### 37.5 **Future Disclosures**

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

- 37.5.1 the percentage of the Fund's assets which are subject to special arrangements arising from their illiquid nature;
- 37.5.2 any new arrangements for managing the liquidity of the Fund;
- 37.5.3 the current risk profile of the Fund and the risk management systems employed by the Manager to manage those risks; and

37.5.4 the total amount of leverage employed by the Fund, as applicable.

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

37.6.1 the maximum level of leverage which the Manager may employ on behalf of the fund; or

37.6.2 the rights for re-use of collateral under the Fund's leveraging arrangements; or

37.6.3 any guarantee granted under the Fund's leveraging arrangements.

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

### 37.8 **Data Protection**

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

A copy of the Manager's Privacy Notice relating to investors is available at [www.tutman.co.uk](http://www.tutman.co.uk) or on request from [compliance@tutman.co.uk](mailto:compliance@tutman.co.uk).

### 37.9 **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 and Controls Sourcebook and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the Manager must check your identity and the source of the money invested. The Manager may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your (or your associated party's) credit rating. They may also use your (or your associated party's) details in the future to assist other companies for verification purposes.

If you apply for units you are giving the Manager permission to ask for this information in line with Data Protection Laws.

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

37.10

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

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

37.11.1 dealings in the units of the Fund; or

37.11.2 any transaction in the Scheme Property; or

37.11.3 the supply of services to the Fund.

## APPENDIX 1

### Historical Performance Figures

The below comparisons have been based on **accumulation units** based on performance information over a five year period. The below table shows the total annual return over a 12 month period up to 31 December in each year listed.

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

<b>Unit class</b>	<b>2020</b> (%)	<b>2021</b> (%)	<b>2022</b> (%)	<b>2023</b> (%)	<b>2024</b> (%)
<b>Lavaud Fund</b>	14.89	20.60	-21.91	16.34	14.95

Source of performance data - Morningstar<sup>1</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.

**The value of the units in any currency other than United States dollars (US\$) will be affected by exchange rate fluctuations, which may be upwards or downwards.**

**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. The return may increase or decrease as a result of currency fluctuations.**

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## APPENDIX 2

### List of Other Regulated Collective Investment Schemes Operated by the Manager

#### Authorised Contractual Schemes

TM Brunel Pension Partnership  
ACS

#### Authorised Open-Ended Investment Companies

Abaco Fund ICVC  
Arch House Fund  
Ariel Fund  
Bryth ICVC  
Canterbury Investment Fund  
CP Investment Funds  
Destiny Fund ICVC  
Harroway Capital ICVC  
Hawarwatza Fund  
Libero Portfolio Fund  
Lime Grove Fund  
Meadowgate Funds  
Mellifera OEIC  
Moulsoe Fund  
Scarp Fund  
Seymour Fund  
Skiwi Fund  
The Ambrose Fund  
The Astral Fund  
The Capital Link Growth Fund  
The Contact Fund  
The Diversification Fund ICVC  
The Dunnottar Fund  
The Global Multi Asset Fund  
The Hector Fund  
The Juniper Fund  
The Lockerley Fund  
The Mazener Fund  
The MCMLXIII Fund  
The Motim Fund  
The Northern Funds  
The Oenoke Fund  
The Ord Fund ICVC  
The Overstone Fund  
The Penare Fund  
The Redhill Fund  
The Saint Martins Fund  
The Staderas Fund  
The Stratford Fund  
The Sun Portfolio Fund  
The TBL Fund  
The TM Lancewood Fund  
The TM Mitcham Fund  
The Torridon Growth Fund  
The Vinings Fund  
The Wharton Fund  
Thesis JDS Fund  
TM Acer Fund  
TM Admiral Fund  
TM Balanced Growth Fund  
TM Brickwood Funds  
TM Brown Advisory Funds  
TM Brunsdon OEIC

#### Authorised Unit Trusts

BPM Trust  
Eden Investment Fund  
Elfyinn International Trust  
Glenhuntley Portfolio Trust  
Hawthorn Portfolio Trust  
KES Diversified Trust  
KES Growth Fund  
KES Income and Growth Fund  
KES Ivy Fund  
KES Strategic Investment Fund  
Latour Growth Fund  
Malachite Return Fund  
Mossylea Fund  
Pippin Return Fund  
The Argo Fund  
The Blandfield Fund  
The Castor Fund  
The Delta Growth Fund  
The Deribee Funds  
The Eldon Fund  
The Endeavour II Fund  
The Hall Fund  
The HoundStar Fund  
The Iceberg Trust  
The Maiden Fund  
The Millau Fund  
The Norfolk Trust  
The Notts Trust  
The Palfrey Fund  
The TM Stockwell Fund  
The White Hill Fund  
Thesis Headway Fund  
Thesis Lion Growth Fund  
Thesis PM A Fund  
Thesis PM B Fund  
Thesis Thameside Managed Fund  
TM Chainpoint Fund  
TM Gravis UK Listed Property (Feeder) Fund  
TM Growth Fund  
TM Hearthstone UK Residential Feeder Fund  
TM Managed Fund  
TM Masonic Charitable Foundation Investment Fund  
TM Merlin Fund  
TM New Court Fund  
TM New Court Growth Fund  
TM New Court Return Assets Fund  
TM New Institutional World Fund  
TM Preservation Fund  
TM Private Portfolio Trust

**Authorised Contractual Schemes**

**Authorised Open-Ended Investment Companies**

**Authorised Unit Trusts**

TM Castlefield Funds  
TM Castlefield Portfolio Funds  
TM Cerno Investment Funds  
TM Cresswell Fund  
TM First Arrow Investment Funds  
TM Gravis Funds ICVC  
TM Gravis Real Assets ICVC  
TM Hearthstone ICVC  
TM Investment Exposures Fund  
TM James Hambro Umbrella Fund  
TM Lime Fund  
TM Natixis Investment Funds U.K. ICVC  
TM Oak Fund  
TM Oberon Funds ICVC  
TM OEIC  
TM Optimal Funds  
TM P1 Investment Funds  
TM Redwheel Funds  
TM Ruffer Portfolio  
TM Sanford DeLand Funds  
TM Stonehage Fleming Global Multi-Asset Umbrella Fund  
TM Stonehage Fleming Investments Funds  
TM Timeline NURS Funds  
TM Total Return Fund  
TM UBS (UK) Fund  
TM Veritas Investment ICVC  
Trowbridge Investment Funds  
Vastata Fund

TM Stonehage Fleming Global Equities Fund  
TM Stonehage Fleming Global Equities Umbrella Fund

## APPENDIX 3

### Eligible Markets

A market is an "eligible market" if it is:

- a) a regulated market (as defined in the FCA Glossary);
- b) a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public; or
- c) a market which the Manager, after consultation with, and notification to, the Trustee, determines is appropriate for the purpose of investment of, or dealing in, the Scheme Property of the Company. 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, investors.

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

Australia:	ASX Group
Canada:	Toronto Stock Exchange TSX Venture Exchange Montreal Exchange
China:	Shanghai Stock Exchange Shenzen Stock Exchange
Europe:	NYSE Euronext London International Financial Futures and Options Exchange (LIFFE)
Finland:	NASDAQ OM Copenhagen/Helsinki
Hong Kong:	Hong Kong Stock Exchange
Indonesia:	Indonesia Stock Exchange IDX
Japan:	Nagoya Stock Exchange Osaka Securities Exchange Tokyo Stock Exchange JASDAQ Securities Exchange
Korea:	Korea Composite Stock Price Index
Malaysia:	Bursa Malaysia Securities
Mexico:	Mexican Stock Exchange
New Zealand:	New Zealand Exchange (NZX)
Norway:	Oslo Stock Exchange
Philippines:	Philippines Stock Exchange

Singapore:	Singapore Exchange (SGX)
South Africa:	JSE Limited
Taiwan:	Taiwan Stock Exchange
Thailand:	Stock Exchange of Thailand (SET)
USA:	<p>(1) NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc)</p> <p>(2) any exchange registered with the Securities and Exchange Commission as a national stock exchange, including NYSE Euronext and the stock exchanges of Chicago, NYSE Arca Equities and NASDAQ OMX PHIL</p> <p>(3) the market in transferable securities issued by or on behalf of the Government of the United States of America conducted through persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealer</p> <p>(4) the Over-the-Counter Market regulated by the National Association of Securities Dealers Inc</p> <p>(5) Chicago Board Options Exchange, CME Group, NASDAQ OMX Futures</p>

## APPENDIX 4

### Directory of Contact Details

<b>Manager</b>	<b>Thesis Unit Trust Management Limited</b> Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP
<b>Administrator, Registrar and Fund Accountant</b>  <i>Dealing office:</i>	<b>Northern Trust Global Services SE, UK branch</b> 50 Bank Street, Canary Wharf, London E14 5NT  <b>Thesis Unit Trust Management Limited</b> Sunderland SR43 4AZ
<b>Auditors</b>	<b>Grant Thornton UK LLP</b> 30 Finsbury Square, London EC2P 2YU
<b>Custodian</b> <i>Principal place of business:</i>  <i>Who may also act under this power through its London branch:</i>	<b>The Northern Trust Company</b> 50 South LaSalle Street, Chicago, Illinois, USA  50 Bank Street, Canary Wharf, London E14 5NT
<b>Trustee</b>	<b>NatWest Trustee and Depositary Services Limited</b> House A, Floor 0, Gogarburn, 175 Glasgow Road, Edinburgh EH12 1HQ
<b>Investment Managers</b>	<b>Thesis Asset Management Limited</b> Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP <a href="http://www.thesisam.com">www.thesisam.com</a>  <b>W1M Wealth Management Limited</b> 16 Babmaes Street, London SW1Y 6AH <a href="http://www.w1m.com">www.w1m.com</a>  <b>DB UK Bank Limited</b> (trading as Deutsche Bank Wealth Management) 21 Moorfields, London EC2Y 9DB <a href="http://www.db.com">www.db.com</a>  <b>Julius Baer International Limited</b> 20-23 Greville Street, London EC1N 8SS <a href="http://www.juliusbaer.com">www.juliusbaer.com</a>  <b>J.P. Morgan SE, London Branch</b> 25 Bank Street, London E14 5JP <a href="https://privatebank.jpmorgan.com/">https://privatebank.jpmorgan.com/</a>
<b>Financial Conduct Authority ('FCA')</b>	12 Endeavour Square, London E20 1JN