

**IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

Tutman Fund Solutions Limited, the Authorised Corporate Director of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. Tutman Fund Solutions Limited accepts responsibility accordingly.

**PROSPECTUS**

**OF**

**New Square Investment Funds**

**(An open-ended investment company  
incorporated with limited liability and  
registered in England and Wales  
under registered number IC79)**

**A UK UCITS Scheme with FCA Product Reference Number: 192646**

This document constitutes the Prospectus for New Square Investment Fund which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at 31 October 2025.

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

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## **Important information**

No person has been authorised by the Company or the ACD to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Company or the ACD. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Shares in the Sub-funds. Investors should only consider investing in the Sub-funds if they understand the risks involved including the risk of losing all capital invested.

The Shares have not been and will not be registered in the United States of America under any applicable legislation. They may not be offered or sold in the United States of America, any state of the United States of America or in its territories and possessions or offered or sold to US persons. The Company and the ACD have not been and will not be registered in the United States of America under any applicable legislation.

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

The provisions of the Instrument of Incorporation are binding on each of the Shareholders and a copy of the Instrument of Incorporation is available on request from the ACD.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Tutman Fund Solutions Limited.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

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

**Important: If you have any questions about the contents of this Prospectus you should consult your professional adviser.**

All communications in relation to this Prospectus shall be in English.

## 1. DEFINITIONS

- “ACD”** Tutman Fund Solutions Limited, the Authorised Corporate Director of the Company from time to time
- “Act”** the Financial Services and Markets Act 2000 as amended, extended, consolidated, substituted or re-enacted from time to time
- “ACD Agreement”** An agreement between the Company and the ACD
- “Approved Bank”** (in relation to a bank account opened by the Company):
- (a) if the account is opened at a branch in the United Kingdom:
    - (i) the Bank of England; or
    - (ii) the central bank of a member state of the OECD; or
    - (iii) a bank; or
    - (iv) a building society; or
    - (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
  - (b) if the account is opened elsewhere:
    - (i) a bank in (a); or
    - (ii) a credit institution established in an EEA State and duly authorised by the relevant Home State Regulator; or
    - (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or
    - (iv) a bank supervised by the South African Reserve Bank
- “Auditor”** Johnston Carmichael LLP, or such other entity as is appointed to act as auditor to the Company from time to time
- “Business Day”** a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value

of the Sub-funds' portfolio of securities or a significant portion thereof, the ACD may decide that any business day shall not be construed as such

<b>“Class” or “Classes”</b>	in relation to Shares, means (according to the context) all of the Shares related to a single Sub-fund or a particular class or classes of Share related to a single Sub-fund
<b>“COLL”</b>	refers to the appropriate chapter or rule in the COLL Sourcebook
<b>“the COLL Sourcebook”</b>	the Collective Investment Schemes Sourcebook issued by the FCA as amended
<b>“Company”</b>	New Square Investment Funds
<b>“Client money”</b>	any money that a firm receives from or holds for, or on behalf of, a shareholder in the course of, or in connection with, its business unless otherwise specified
<b>“Dealing Day”</b>	each Wednesday which is a Business Day and the last Business Day of each month
<b>“Depositary”</b>	NatWest Trustee & Depositary Services Limited, or such other entity as is appointed to act as Depositary
<b>“Director” or “Directors”</b>	the directors of the Company from time to time (including the ACD)
<b>“EEA State”</b>	a member state of the European Union and any other state which is within the European Economic Area
<b>“EMT”</b>	European MiFID Template
<b>“EUWA”</b>	European Union (Withdrawal) Act 2018.
<b>“Efficient Portfolio Management” or “EPM”</b>	an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional capital or income with a risk level which is consistent with the risk profile of the Sub-fund and the risk diversification rules laid down in the COLL Sourcebook, as more fully described in Appendix III

<b>“Eligible Institution”</b>	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook
<b>“the FCA”</b>	the Financial Conduct Authority, or such successor regulator authority as may be appointed from time to time, and (where applicable) its predecessors including the Financial Services Authority;
<b>“the FCA rules FCA Regulations”</b>	the FCA’s Handbook of Rules and Guidance (including the COLL Sourcebook); the rules contained in the Collective Investment Schemes Sourcebook (COLL), and the Investment Funds Sourcebook (FUND), as part of the FCA Rules as they may be amended or updated from time to time;
<b>“the FCA Register”</b>	the public record, as required by section 347 of the Financial Services and Markets Act 2000 (The public record) of every: <ul style="list-style-type: none"> <li>(a) authorised person;</li> <li>(b) AUT;</li> <li>(c) ICVC;</li> <li>(d) recognised scheme;</li> <li>(e) recognised investment exchange;</li> <li>(f) recognised clearing house;</li> <li>(g) individual to whom a prohibition order relates;</li> <li>(h) approved person; and</li> <li>(i) person within such other class (if any) as the FCA may determine;</li> </ul> except as provided by any transitional provisions
<b>“Home State”</b>	(1) (in relation to a credit institution) the EEA State in which the credit institution has been authorised in accordance with the Banking Consolidation Directive  (2) (in relation to an investment firm): <ul style="list-style-type: none"> <li>(a) where the investment firm is a natural person, the EEA State in which his head office is situated;</li> </ul>



(b) where the investment firm is a legal person, the EEA State in which its registered office is situated or, if under its national law it has no registered office, the EEA State in which its head office is situated

(3) (in relation to an insurer with an EEA right) the EEA State in which the registered office of the insurer is situated

(4) (in relation to a market) the EEA State in which the registered office of the body which provides trading facilities is situated or, if under its national law it has no registered office, the EEA State in which that body's head office is situated

(5) (in relation to a Treaty firm) the EEA State in which its head office is situated, in accordance with paragraph 1 of Schedule 4 to the Act (Treaty rights)

<b>“ICVC”</b>	investment company with variable capital
<b>“Instrument of Incorporation”</b>	the instrument of incorporation of the Company as amended from time to time
<b>“Investment Managers”</b>	Quilter Cheviot Limited, Cazenove Capital Management, a trading name of Schroder & Co. Limited and Rathbones Investment Management Limited;
<b>“MiFID II”</b>	Markets in Financial Instruments Directive, effective from 3 January 2018, or the statutory equivalent thereof, which forms part of UK law by virtue of the EUWA, as applicable.
<b>“Net Asset Value” or “NAV”</b>	the value of the Scheme Property of the Company or of any Sub-fund (as the context may require) less the liabilities of the Company (or of the Sub-fund concerned) as calculated in accordance with the Instrument of Incorporation
<b>“Register”</b>	the register of Shareholders of the Company
<b>“Registrar”</b>	Tutman Fund Solutions Limited or such other entity as is appointed to act as Registrar to the Company from time to time
<b>“Regulated Activities Order”</b>	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) as amended

<b>“Regulations”</b>	the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook) as amended
<b>“Scheme Property”</b>	the scheme property of the Company or a Sub-fund (as appropriate) required under the COLL Sourcebook to be given for safekeeping to the Depositary
<b>“SDRT”</b>	stamp duty reserve tax
<b>“Share” or “Shares”</b>	a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share)
<b>“Shareholder”</b>	a holder of registered Shares in the Company and whose name is entered on the register in relation to that share
<b>“Sub-fund” or “Sub-funds”</b>	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such sub-fund
<b>“Switch”</b>	the exchange where permissible of Shares of one Fund or Sub-fund for Shares of another Fund or Sub-fund
<b>“UCITS Directive”</b>	means the EC Directive on Undertakings for Collective Investment in Transferable Securities, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable.
<b>“UK UCITS scheme”</b>	in accordance with sections 236A and 237 of the Financial Services and Markets Act 2000, a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets, operating on the principle of risk-spreading, with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings’ assets, and which has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA.

**“Valuation Point”** the point, on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point is 5:00 p.m. London time on each Dealing Day with the exception of Christmas Eve and New Year’s Eve or a bank holiday in England and Wales, or the last business day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary

**“VAT”** value added tax

## 2. DETAILS OF THE COMPANY

### 2.1 General information

#### 2.1.1 General

New Square Investment Funds (the Company) is an investment company with variable capital incorporated in England and Wales under registered number IC79 and authorised with effect from 15 September 2000. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

A Shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the Shares.

The ACD is also the manager of certain authorised unit trusts and open-ended investment companies details of which are set out in Appendix IV.

#### 2.1.2 Head Office

The head office of the Company is at Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP.

#### 2.1.3 Address for Service

The head office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

#### 2.1.4 Base Currency

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

#### 2.1.5 Share Capital

Maximum                    £100,000,000,000

Minimum                    £1

Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Sub-funds.

Information on the typical investor profile for each Sub-fund is set out in Appendix VI

Shares in the Company may be marketed in other Member States and in countries outside the European Union and European Economic Area, subject to the Regulations, and any regulatory constraints in those countries, if the ACD so decides.

Each of the Sub-funds of the Company is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading

into and out of a Sub-fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion refuse to accept applications for, or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to a Sub-fund(s). For these purposes, the ACD may consider an investor's trading history in the Sub-fund(s) or other Tutman Fund Solutions Limited funds and accounts under common ownership or control.

## **2.2 The structure of the Company**

### **2.2.1 The Sub-funds**

The Company is structured as an umbrella company, in that different Sub-funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Sub-fund or Class, a revised prospectus will be prepared setting out the relevant details of each Sub-fund or Class.

The Company is a UK UCITS scheme within the meaning of the FCA Rules.

FCA Product Reference Number: 192646

Approval by the FCA in this context refers only to approval under the OEIC Regulations 2001 (as amended) and does not in any way indicate or suggest endorsement or approval of the Sub-funds as an investment.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-fund. Details of the Sub-funds, including their investment objectives and policies, are set out in Appendix I.

The eligible securities markets and eligible derivatives markets on which the Sub-funds may invest are set out in Appendix II. A detailed statement of the general investment and borrowing restrictions in respect of each type of Sub-fund is set out in Appendix III.

Each Sub-fund has a specific portfolio to which that Sub-fund's assets and liabilities are attributable. So far as the Shareholders are concerned, each Sub-fund is treated as a separate entity.

The Sub-funds represent segregated portfolios of assets and, accordingly, the assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used or made available to discharge (indirectly or directly) the liabilities of claim against, any other person or body, including the Company and any other Sub-fund and shall not be available for any such purpose.

Each Sub-fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-fund, and within each Sub-fund charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-fund may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Sub-funds.

### **2.2.2 Shares**

#### Classes of Share within the Sub-funds

Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination Shares to each larger denomination Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

Shares have no par value and, within each Class in each Sub-fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the Company or termination of a relevant Sub-fund. Shares do not carry preferential or pre-emptive rights to acquire further Shares.

Further Classes of Share may be established from time to time by the ACD with the approval of the FCA, the agreement of the Depositary and in accordance with the Instrument of Incorporation. On the introduction of any new Sub-fund or Class, either a revised prospectus or a supplemental prospectus will be prepared, setting out the details of each Sub-fund or Class.

The currency in which new Class of Shares will be denominated will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Shares.

The net proceeds from subscriptions to a Sub-fund will be invested in the specific pool of assets constituting that Sub-fund. The Company will maintain for each current Sub-fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-fund. The Company as a whole will be responsible for all obligations, whichever Sub-fund such liabilities are attributable to, unless otherwise agreed with specific creditors.

To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-funds in a manner which is fair to all Shareholders of the Company.

Each Sub-fund may issue income and accumulation Shares. Further details of the Shares presently available for each Sub-fund, including details of their criteria for subscription and fee structure, are set out in Appendix I.

Holders of income Shares are entitled to be paid the distributable income attributed to such Shares on any relevant interim and annual allocation dates.

Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Sub-fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

The Instrument of Incorporation allows gross income and gross accumulation Shares to be issued, as well as net income and net accumulation Shares, but currently no gross Shares are in issue. Net Shares are Shares in respect of which income allocated to them is distributed periodically to the relevant Shareholders (in the case of income Shares) or credited periodically to capital (in the case of accumulation Shares), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by the Company. Gross Shares are income or accumulation Shares where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Company. All references in this Prospectus are to net Shares unless otherwise stated.

Where a Sub-fund has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Sub-fund will be adjusted accordingly.

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-fund for Shares of another Class within the same Sub-fund or for Shares of the same or another Class within a different Sub-fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 3.4 "Switching".

### **2.2.3 Bearer Shares**

The Company may issue bearer Shares signed by a director and company secretary of the ACD in multiples of 1,000 or such other multiple as determined by the ACD and evidenced by share certificate ('bearer Share certificate'). The Company may further provide by coupons for the payment of distributions on such Shares.

The ACD shall send to the last known address of the holders of bearer Share certificates, notices and other information, including (but not limited to);

- (i) the date that, and location where, annual and half-yearly reports may be obtained;

- (ii) the date that, and location where, annual and half-yearly distributions of income may be claimed upon production of the appropriate coupon;
- (iii) the date that, and location where, meetings of Shareholders are to be held;
- (iv) notification of the winding-up of the Sub-fund;
- (v) notification of amendments made to the Instrument of Incorporation;
- (vi) notification of amendments made to the Prospectus; and
- (vii) notification of any sub-division or consolidation of Shares.

Bearer Share certificates may be surrendered in whole or in part by the holder in person at the registered office of the Company. Surrendered bearer Share certificates shall be marked as cancelled and retained by the ACD, which, in the event of a partial surrender, will issue a new bearer Share certificate to the holder then present at the registered office of the Company equating to the balance of the holding not surrendered. Should the ACD accede to a request from a holder of bearer Shares to be entered in the register of Shareholders, subsequent to the entry being made on the register, the bearer Share certificate shall be marked as cancelled and retained by the ACD. The Company nor the ACD shall not be held liable for any loss incurred by any person due to such entry on the register upon the surrender of bearer Share certificates if they are not the true and lawful owner of the Shares. The ACD shall at its sole discretion require such authentication as it deems necessary before acceding to a request from a holder of registered Shares to be removed from the register of Shareholders and become a bearer Shareholder. Neither the Company nor the ACD shall be held liable for any loss incurred by any person due to such removal of an entry on the register upon the surrender of registered Share certificates if they are not the true and lawful owner of the Shares.

#### **2.2.4 Client Money**

As required by the FCA's client money rules, the ACD will hold money received from clients or on the client's behalf in accordance with those rules in a pooled client bank account, with an approved bank (as defined in the FCA Rules) in the UK. The ACD will not be liable for any acts or omissions of the approved bank. The approved bank will be responsible for any acts or omissions within its control.

No interest payment will be made on client money held by the ACD. Client money will be held in a designated client money account with Natwest Group plc.

In the event of the insolvency of any party, clients' money may be pooled which means that shareholders may not have a claim against a specific account and may not receive their full entitlement, as any shortfall may be shared pro rata amongst all clients.



The ACD is covered by the Financial Services Compensation Scheme (FSCS). The FSCS may pay compensation if the ACD is unable to meet its financial obligations. For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) refer to the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk) or call the FSCS on 020 7741 4100 or 0800 678 1100.

### **3. BUYING, REDEEMING AND SWITCHING SHARES**

The dealing office of the ACD is open from 9.00 am until 5.00 pm on each Business Day to receive requests for the purchase, redemption and switching of shares, which will be effected at prices determined at the next Valuation Point following receipt of such request. Telephone calls may be recorded for training and monitoring purposes. The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future. The correspondence address for the ACD's Transfer Agency Team is given in Appendix VIII, and instructions will only be deemed to have been received when they reach the correspondence address. The initial purchase must be accompanied by an application form.

In its dealings in Shares of the Sub-funds the ACD is dealing as principal. The ACD does not actively seek to make a profit from dealing in Shares as principal but does so in order to facilitate the efficient management of the Company. The ACD is not accountable to Shareholders or to the Depositary for any profit it makes from dealing in Shares as principal.

#### **3.1 Money laundering**

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of the redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing or is unable to provide the information requested within a reasonable period, the ACD also reserves the right to sell the Shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment.

#### **3.2 Buying Shares**

##### **3.2.1 Procedure**

Where minimum levels allow, shares can be bought by sending a completed application form to the ACD's Transfer Agency Team, either (i) accompanied by a cheque (up to £50,000) or (ii) having made a telegraphic transfer to the ACD.

Application forms are available from the ACD. The ACD will accept written instructions accompanied by cheque for subsequent transactions which can be carried out by writing to the ACD's Transfer Agency team at the correspondence address set out in Appendix VIII. The ACD will only accept telephone purchases from FCA regulated entities who may purchase Shares by telephoning the ACD's Transfer Agency Team on 0141 483 9700. For details of dealing charges see paragraph 3.6 below. The ACD may accept instructions to purchase shares via electronic communication. Electronic communication does include email.

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

Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

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

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

No interest payment will be made on client money held by the ACD, prior to investment in the Sub-funds. Client money will be held in designated client money accounts with NatWest Group plc.

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

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase once made are, except in the case where cancellation rights are applied, irrevocable. For postal applications payment in full must accompany the instruction. At the ACD's discretion, payment for large purchases of Shares may be made by telegraphic transfer.

However, subject to its obligations under the Regulations, the ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

Any subscription monies remaining after a whole number of Shares have been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one thousandth of a larger denomination Share.

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. The ACD may extend cancellation rights to other investors but is under no obligation to do so.

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

A confirmation giving details of the number and price of Shares bought will be issued no later than the end of the next business day following the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Registration of Shares can only be completed by the ACD upon receipt of any required registration details. These details may be supplied in writing to the ACD or by returning to the ACD the properly completed registration form and copy of the confirmation.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Tax vouchers in respect of periodic distributions on Shares will show the number of Shares held by the recipient.

### **3.2.3 Minimum subscriptions and holdings**

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Share in a Sub-fund are set out in Appendix I.

The ACD may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption, Switch or transfer, a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has the discretion to effect

a redemption of that Shareholder's entire holding in that Class of Share. The ACD may use this discretion at any time. Failure not to do so immediately after such redemption, Switch or transfer does not remove this right.

### 3.3 Redeeming Shares

#### 3.3.1 Procedure

Every Shareholder is entitled on any Dealing Day to redeem its Shares, which shall be purchased by the ACD dealing as principal. The ACD may accept instructions to redeem shares via electronic communication. Electronic communication does include email.

Valid instructions to the ACD to redeem Shares in a Sub-fund will be processed at the Share price calculated, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.11.

Requests to redeem Shares may be made in writing to the ACD's Transfer Agency team at 177 Bothwell Street, Glasgow, G2 7ER. The ACD may also, at its discretion and by prior agreement, accept instructions to redeem shares from FCA regulated entities by telephone on 0141 483 9700 or by fax. The ACD may accept requests to sell or transfer Shares by electronic communication. Electronic communication does include email.

However, an instruction to the ACD to redeem Shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if insufficient documentation or anti-money laundering information has been received by the ACD.

Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

For details of dealing charges see paragraph 3.6 below.

#### 3.3.2 Documents a redeeming Shareholder will receive

A confirmation giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first named Shareholder, in the case of joint Shareholders) together with a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the next business day following the later of the request to redeem Shares or the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will normally be made by BACS or telegraphic transfer in accordance with any instruction received. Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within four business days of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other documentation and appropriate evidence of title, any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

No interest will be paid on funds held whilst the ACD awaits receipt of all relevant documentation necessary to complete a redemption. Shares that have not been paid for cannot be redeemed.

The redemption proceeds will be sent by BACs or telegraphic transfer at the risk of the Shareholder and the ACD will not be responsible if the proceeds are delayed, unless this is as a result of the ACD's negligence. The ACD reserves the right to fully investigate any delay and will have no obligation to remit a second payment to the Shareholder until satisfied with the results of the investigation.

### **3.3.3 Minimum redemption**

Part of a Shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares of any Sub-fund to be redeemed is less than the minimum stated in respect of the appropriate Class in the Sub-fund in question (see Appendix I).

## **3.4 Switching**

Subject to any restrictions on the eligibility of investors for a particular Share, a Shareholder in a Sub-fund may at any time Switch all or some of his Shares of one Fund or Sub-fund ("the Original Shares") for Shares of another Fund or Sub-fund ("the New Shares"). The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

Switching may be effected by writing to the ACD at 177 Bothwell Street, Glasgow, G2 7ER. A switching shareholder must be eligible to hold the shares into which the switch is to be made.

The ACD may at its sole discretion and by prior agreement, accept switching instructions by telephone from FCA regulated entities only. The ACD may accept

requests to switch Shares by electronic communication. Electronic communication does include email.

Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph “Telephone Recordings” below for further information.

The ACD may at its discretion make a charge on the switching of Shares between Funds or Sub-funds. Any such charge on switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers. For details of the charges on switching currently payable, please see paragraph 3.6.3 “Charges on Switching”.

If a partial Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the shares concerned, the ACD may, if it thinks fit, convert the whole of the applicant’s holding of Original Shares to New Shares (and make a charge on switching on such conversion) or refuse to effect any Switch of the Original Shares. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Sub-fund or Sub-funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day in each of the relevant Sub-fund or Sub-funds.

The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on switching together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

Please note that under UK tax law a Switch of Shares in one Sub-fund for Shares in any other Sub-fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to taxation, be a realisation of the Original Shares for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Shareholder’s circumstances.

A Shareholder who switches Shares in one Sub-fund for Shares in any other Sub-fund will not be given a right by law to withdraw from or cancel the transaction.

The ACD does not currently make a charge on switching between Sub-funds.

### 3.5 Share class conversion

If applicable, a holder of Shares in a Shares Class (“Old Class Shares”) of a Fund may exchange all or some of his shares for shares of a different share Class within the same Fund (“New Class Shares”). An exchange of Old Class Shares for New Class shares will be processed as a conversion (“Share Class Conversion”). Unlike a Switch, a conversion of Old Class Shares into New Class Shares will not involve a redemption and issue of shares. This transaction will not be included in the calculations for Stamp Duty Reserve Tax (see “Taxation” for further details), and for the purposes of Income Equalisation the New Class Shares will receive the same treatment as the Old Class Shares.

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

Conversions may be effected by writing to the Transfer Agency Team (which, in the case of joint shareholders must be signed by all the joint holders). A converting shareholder must be eligible to hold the units into which the conversion is to be made. The ACD may, at its discretion and by prior agreement, accept conversion instructions by telephone from FCA regulated entities only. It is the ACD’s intention that Share Conversions will be processed at the next Valuation Point following receipt of the instruction, however the ACD reserves the right to defer a Share Class Conversion until no later than after the next Annual Accounting Date if it is in the interests of other Shareholders. The ACD may accept requests to convert Shares by electronic communication. Electronic communication does include email.

Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph “Telephone Recordings” below for further information.

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

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

A Shareholder who converts their share in one share class to shares in a different share class in the same Sub-fund will not be given a right by law to withdraw from or cancel the transaction.

### **3.6 Dealing Charges**

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

#### **3.6.1 Initial charge**

The ACD may impose a charge on the purchase of Shares in each Class. The current initial charge is calculated as a percentage of the amount invested by a potential Shareholder in respect of each Sub-fund is set out in Appendix I. The ACD may waive or discount the initial charge at its discretion.

The initial charge (which is deducted from subscription monies) is payable by the Shareholder to the ACD.

The current initial charge of a Class may only be increased in accordance with the Regulations.

#### **3.6.2 Redemption Charge**

The ACD may make a charge on the redemption of Shares in each Class. At present, no redemption charge is levied.

The ACD may only introduce a redemption charge in accordance with the Regulations. Also, if such a charge was introduced, it would not apply to Shares issued before the date of the introduction (i.e., those not previously subject to a redemption charge).

#### **3.6.3 Charges on Switching**

On the switching of Shares between Sub-funds or funds in the Company the Instrument of Incorporation authorises the Company to impose a charge on switching. If a redemption charge is payable in respect of the Original Shares, this may become payable instead of, or as well as, the then prevailing initial charge for the New Shares. The charge on switching is payable by the Shareholder to the ACD.

The ACD's current policy is to only levy a charge on switching between Sub-funds or fund that is no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares as specified in Appendix I. There is currently no charge for switching Shares in one Sub-fund or fund for Shares in another Sub-fund or fund.



#### 3.6.4 Dilution Levy

The actual cost of purchasing, selling or switching underlying investments in a Sub-fund may deviate from the mid-market value used in calculating its Share price, due to dealing charges, taxes, and any spread between buying and selling prices of the Sub-fund's underlying investments. These dealing costs could have an adverse effect on the value of a Sub-fund, known as "dilution". In order to mitigate the effect of dilution the Regulations allow the ACD to make a dilution levy on the purchase, redemption or Switch of Shares in a Sub-fund but it does not at present intend to do so. A dilution levy is a separate charge of such amount or at such rate as is determined by the ACD to be made for the purpose of reducing the effect of dilution. This amount is not retained by the ACD, but is paid into the relevant Sub-fund.

The dilution levy is calculated by reference to the costs of dealing in the underlying investments of the relevant Sub-fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of purchases and redemptions. It is not possible to predict accurately whether dilution would occur at any point in time.

The ACD's policy is that it may require a dilution levy on the purchase and redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the Scheme Property of a Sub-fund is in continual decline; on a Sub-fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 5% of the Net Asset Value of the relevant Sub-fund); in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

3.6.5 This policy is intended to mitigate the dilutive effect of Shareholder transactions on the future growth of the Company.

3.6.6 Based on future projections and on its experience of managing the Company the ACD is unlikely to impose a dilution levy unless it considers that the dealing costs relating to a Shareholder transaction are significant and will have a material impact on the relevant Sub-fund.

3.6.7 If a dilution levy is required then, based on future projections, the estimated rate of such a levy would be up to 0.14% sales (creation) and 0.05% on redemptions (liquidation) for Bay Fund, 0.05% on sales

(creation) and 0.03% on redemptions (liquidation) for Beech Fund, 0.24% on sales (creation) and 0.07% on redemptions (liquidation) for the Acacia Fund and estimated to be up to 0.20% on sales (creation) and estimated to be up to 0.08% on redemptions (liquidation) for the Samphire Fund. The actual percentages can only be accurately calculated at the time at which they are applied and, as such, these percentages are subject to change.

The ACD, in its absolute discretion, may waive or reduce the dilution levy. The ACD may alter its current dilution policy in accordance with the procedure set out in the Regulations.

### **3.7 Transfers**

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. The ACD may refuse to register a transfer unless any provision for SDRT due has been paid. The ACD may accept instructions to transfer shares via electronic communication. Electronic communication does include email.

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

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

If it comes to the notice of the ACD that any Shares (“affected Shares”):

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

would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or

are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case;

are owned by a Shareholder who is registered in a jurisdiction (where the Sub-fund is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Sub-fund, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach);

the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer his affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he 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 ACD) of all the affected Shares.

A Shareholder who becomes aware that he is holding or owns affected Shares shall immediately, unless he has already received a notice as set out above, either transfer all his affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all his affected Shares.

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

If in the ACD's view any Shareholder acts in an abusive manner towards any employee of the ACD or its appointed agents, the ACD and its agents will only deal with that Shareholder in writing. If the Shareholder persists with abusive behaviour, the ACD reserves the right to compulsorily redeem the Shareholder's holding.

### **3.9 Issue of Shares in exchange for in specie assets**

The ACD may arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders.

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

The ACD will not issue Shares in any Sub-fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Sub-fund.

### **3.10 In specie redemptions**

If a Shareholder requests the redemption of Shares the ACD may, where it considers that deal to be substantial in relation to the total size of the Company or in some way detrimental to the Company, arrange for Scheme Property having the appropriate value to be transferred to the Shareholder (an 'in specie transfer'), in place of payment for the Shares in cash. Before the redemption is effected, the ACD will give written notice to the Shareholder of the intention to make an in specie transfer.

The ACD will select the property to be transferred in consultation with the Depositary. The ACD and Depositary must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders.

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

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires temporarily suspend the issue, cancellation, sale and redemption of Shares in the Company where due to exceptional circumstances it is in the interests of all the Shareholders in the Company.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where the Company is offered for sale.

The ACD will notify Shareholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving Shareholders details of how to find further information about the suspension.

Where such suspension takes place, the ACD will publish details on its website or other general means, sufficient details to keep Shareholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the ACD will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary will formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to Shareholders.

The ACD may agree during the suspension to deal in Shares in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Shares.

### **3.12 Governing law**

All deals in Shares are governed by the law of England and Wales.

## **4. VALUATION OF THE COMPANY**

### **4.1 General**

The price of a Share is calculated by reference to the Net Asset Value of the Sub-fund to which it relates. The Net Asset Value per Share of a Sub-fund is currently calculated at 5:00 p.m. (London time) (this being the Valuation Point) on each Dealing Day.

The ACD may at any time during a business day carry out an additional valuation if it considers it desirable to do so. The ACD shall inform the Depositary of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a Valuation Point for the purposes of dealings. Where permitted and subject to the Regulations, the ACD may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares, of each Class of each Sub-fund and the amount of any dilution levy applicable in respect of any purchase or redemption of Shares.

A request for dealing in Shares must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day.

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

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

4.2.1 All the Scheme Property (including receivables) is to be included, subject to the following provisions.

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

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

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

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

if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;

(b) Any other transferable security:

if a single price for buying and redeeming the security is quoted, at that price; or if separate buying and redemption prices are quoted, at the average of the two prices; or

if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which, in the opinion of the ACD, is fair and reasonable;

(c) Scheme Property other than that described in paragraphs (a) and (b) above, at a value which, in the opinion of the ACD, is fair and reasonable;

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

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

(e) if it is a written option (and the premium for writing the option has become part of the Scheme Property), deduct the amount of the net valuation of premium receivable. If the Scheme Property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;

(f) if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;

(g) if it is any other form of contingent liability transaction, include it at the net value of margin on closing out (whether as a positive or negative value). If the Scheme Property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.

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

- 4.2.5 Subject to paragraphs 4.2.6 and 4.2.7 below, agreements for the unconditional sale or purchase of Scheme Property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 4.2.6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 4.2.5.
- 4.2.7 All agreements are to be included under paragraph 4.2.5 which are, or ought reasonably to have been, known to the person valuing the Scheme Property.
- 4.2.8 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, SDRT and any foreign taxes or duties.
- 4.2.9 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.
- 4.2.10 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 4.2.11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2.12 Add any other credits or amounts due to be paid into the Scheme Property.
- 4.2.13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 4.2.14 Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

#### **4.3 Price per Share in each Sub-fund and each Class**

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



monies. Each allocation of income made in respect of any Sub-fund at a time when more than one Class is in issue in respect of that Sub-fund shall be done by reference to the relevant Shareholder's proportionate interest in the income property of the Sub-fund in question calculated in accordance with the Instrument of Incorporation.

#### **4.4 Pricing basis**

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

#### **4.5 Publication of Prices**

Shareholders can obtain the prices of their shares by calling 0141 483 9701 or going to [www.trustnet.com](http://www.trustnet.com). As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The ACD may also, at its sole discretion, decide to publish certain Share prices in other third party websites or publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

### **5. RISK FACTORS**

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

#### **5.1 General Risks**

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

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

#### **5.2 Equities Risk**

Where investments are in the shares of companies (equities), the value of those equities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic

conditions or other events. Currency exchange rate movements will also cause changes in value when the currency of the investment is other than sterling.

### **5.3 Warrants Risk**

Where investments are in warrants, the price per share of a Sub-fund may fluctuate more than if the Sub-fund was invested in the underlying securities because of the greater volatility of the warrant price.

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

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

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

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

### **5.6 Collective Investment Schemes Risk**

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

### **5.7 Leverage Risk**

Leverage is where a Sub-fund borrows money in order to meet redemption requests or, through the use of derivatives, for the purpose of buying or selling assets. Where assets are bought or sold using borrowed money this increases the risk that

in the case of losses that these are compounded and as a result have a material negative impact on the value of the Sub-fund.

#### **5.8 Leveraged Companies Risk**

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

#### **5.9 New Issue Risk**

A Sub-fund may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

#### **5.10 Futures and Options Risk**

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

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

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

#### **5.11 Foreign Currency Risk**

A Sub-fund may invest in securities denominated in a number of different currencies other than sterling in which the Sub-fund is denominated. Changes in foreign currency exchange rates may adversely affect the value of a Sub-fund's investments and the income thereon.

#### **5.12 Pricing and Valuation Risk**

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

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

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

would, in turn, adversely impact on the performance of the Sub-fund and its share price.

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

Significant investments may be made in smaller companies, in which there may be no established market for the shares, or the market may be highly illiquid. Because of this potential illiquidity investment in the Sub-funds may not be appropriate for all investors, including those who are not in a position to take a long-term view of their investment. The Sub-funds may also invest, directly and indirectly, in securities that are not listed or traded on any stock exchange. In such situations, the Sub-funds may not be able to immediately sell such securities. The purchase price and subsequent valuation of these securities may reflect a discount, which could be significant, from the market price of comparable securities for which a liquid market exists.

#### **5.15 Risk to Capital**

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

#### **5.16 Liquidity Risk**

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

#### **5.17 Credit Risk**

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

default. The risk of default is usually greatest with bonds and debt instruments that are classed as 'sub-investment' grade.

#### **5.18 Settlement Risk**

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

#### **5.19 Custody Risk**

Assets of the Sub-funds are kept by the custodian and investors are exposed to the risk of the custodian not being able to fully meet its obligation to restate in a short time frame all of the assets of the Sub-funds in the case of bankruptcy of the custodian. Securities of the Sub-funds will normally be identified in the custodian's books as belonging to the Sub-funds and segregated from other assets of the custodian which mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy. The custodian does not keep all the assets of the Sub-funds itself but uses a network of sub-custodians which are not part of the same group of companies as the custodian. Investors are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the custodian.

A Sub-fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Sub-fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the custodian will have no liability.

#### **5.20 Tax Risk**

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

**5.21 Inflation Risk**

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

**5.22 Political and/or Environmental Risk**

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

**5.23 Market Risk**

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

**5.24 Segregated Liability**

As explained in paragraph 2.2.1, under the OEIC Regulations, each Sub-fund is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, that Sub-fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Sub-funds, the concept segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Sub-fund will always be completely insulated from the liabilities of another Sub-fund of the Company in every circumstance.

Risk factors based on the objectives of the sub-funds are shown below:

<b>Risk Factors</b>	<b>Bay Fund</b>	<b>Beech Fund</b>	<b>Acacia Fund</b>	<b>Samphire Fund</b>
<b>Equities</b>	X	X	X	X
<b>Bonds</b>	X	X	X	X
<b>Collective investment Schemes</b>	X	X	X	X
<b>Money Market Instruments</b>	X		X	X

**6. MANAGEMENT AND ADMINISTRATION**

**6.1 Regulatory Status**

The ACD, the Depositary and the Investment Managers are authorised and regulated by the Financial Conduct Authority.

## 6.2 Authorised Corporate Director

### 6.2.1 General

The ACD is Tutman Fund Solutions Limited which is a private company limited by shares incorporated in England and Wales on 30 July 1985.

The directors of the ACD are listed in Appendix VII.

**Registered Office:** Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP.

**Share Capital:** £50,000 issued and paid up.

The ACD is responsible for managing and administering the Company's affairs in compliance with the COLL Sourcebook. The ACD may delegate its management and administration functions, but not responsibility, to third parties, including associates subject to the rules in the COLL Sourcebook.

It has therefore delegated to the Investment Managers the function of managing and acting as the investment advisers for the investment and reinvestment of the assets of the Sub-funds (as further explained in paragraph 6.4 below). It has also delegated to the Registrar certain functions relating to the register (as further explained in paragraph 6.5 below).

### 6.2.2 Terms of Appointment:

The appointment of the ACD has been made under an agreement between the Company and the ACD, as amended from time to time (the "ACD Agreement").

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities.

The ACD Agreement may be terminated by either party after the expiry of two years from the date of appointment of the ACD on not less than six months written notice or earlier upon the happening of certain specified events. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach



of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

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

The Shareholder will be given the opportunity, upon request, to have the proceeds returned by submitting a written request to the Transfer Agency team at 177 Bothwell Street, Glasgow, G2 7ER.

Details of the fees payable to the ACD are set out in paragraph 7.2 “Charges payable to the ACD” below.

The ACD is also under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed. Similarly, it (or its delegates or associates) may receive a fee in respect of stock lending transactions, as set out in Appendix III below.

The Company has no directors other than the ACD. The ACD is the Manager or ACD of certain authorised unit trusts and open-ended investment companies details of which are set out in Appendix IV.

### **6.3 The Depositary**

NatWest Trustee & Depositary Services Limited is the Depositary of the Company.

The Depositary is incorporated in England as a private limited company. Its registered and head office is at 250 Bishopsgate, London EC2M 4AA. The ultimate holding company of the Depositary is NatWest Group plc, which is incorporated in Scotland. The principal business activity of the Depositary is the provision of trustee and depositary services.

#### **6.3.1 Duties of the Depositary**

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

#### **6.3.2 Conflicts of interest**

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

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the UK UCITS or a particular Sub-fund and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

The Depositary operates independently from the Company, Shareholders, the ACD and its associated suppliers and the Custodian. As such, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

### **6.3.3 Delegation of Safekeeping Functions**

The Depositary is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of Scheme Property.

The Depositary has delegated safekeeping of the Scheme Property to The Bank of New York Mellon, London Branch (BNYM LB) (“the Custodian”). In turn, the Custodian has delegated the custody of assets in certain markets in which the Fund may invest to various sub-delegates (“sub-custodians”). A list of sub-custodians is available from the ACD on request.

### **6.3.4 Updated Information**

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

### **6.3.5 Terms of Appointment**

The Depositary was appointed under a Depositary Agreement between the ACD, the Company and the Depositary (the “Depositary Agreement”). Under the Depositary Agreement, the Depositary is free to render similar services to others and the Depositary, the Company and the ACD are subject to a duty not to disclose confidential information.

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

Under the Depositary Agreement the Depositary will be liable to the Company for any loss of Financial Instruments held in Custody or for any liabilities incurred by the Company as a result of the Depositary's negligent or intentional failure to fulfil its obligations.

However, the Depositary Agreement excludes the Depositary from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations.

It also provides that the Depositary will be entitled to be indemnified from the scheme property for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

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

Details of the fees payable to the Depositary are given in Fees and Expenses section.

## **6.4 The Investment Managers**

### **6.4.1 General**

The ACD has appointed the Investment Managers, set out below, to provide investment management services to the ACD. The Investment Managers are each authorised and regulated by the Financial Conduct Authority.

#### **Bay Fund and Acacia Fund**

The Investment Manager is Quilter Cheviot Limited, which is authorised and regulated by the Financial Conduct Authority. The principal activity of Quilter Cheviot Limited is the provision of stockbroking and investment management services.

#### **Beech Fund**

The Investment Manager is Cazenove Capital Management, a trading name of Schroder & Co. Limited which is authorised and regulated by the Financial Conduct Authority. The principal activity of Cazenove Capital Management is the provision of investment management services.

#### **Samphire Fund**

The Investment Manager is Rathbones Investment Management Limited ("Rathbones") which is authorised and regulated by the Financial Conduct Authority. The principal activity of Rathbones Investment Management Limited is the provision of investment management services.

#### **6.4.2 Terms of Appointment:**

The terms of the investment management agreements between the ACD and the Investment Managers include the provision of investment management to attain the investment objectives of the Sub-funds, the purchase and sale of investments and on the exercise of voting rights relating to such investments. The Investment Managers have authority to make decisions on behalf of the ACD on a discretionary basis in respect of day to day investment management of the Scheme Property including authority to place purchase orders and sale orders with regulated dealers and preparation of the Investment Manager's report half yearly for inclusion in the Company's Report for circulation to Shareholders. Each Agreement may be terminated by either party on not less than one months' written notice or earlier upon the happening of certain specified events.

The Investment Managers will receive a fee paid by the ACD out of its remuneration received each month from the Sub-funds.

The Investment Manager will not be considered as a broker fund adviser under the FCA Handbook in relation to the Company.

Copies of each Investment Manager's execution policy and voting policy are available from the ACD on request.

### **6.5 The Registrar**

#### **6.5.1 General**

The ACD also acts as Registrar to the Company.

The Register is kept and maintained at Tutman Fund Solutions Limited, 177 Bothwell Street, Glasgow, G2 7ER.

#### **6.5.2 Register of Shareholders**

The Register of Shareholders will be maintained by the Registrar at the address of its office as noted above, and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

### **6.6 The Auditors**

The auditors of the Company are Johnston Carmichael LLP, whose address is Bishop's Court, 29 Albyn Place, Aberdeen, AB10 1YL.

### **6.7 Conflicts of Interest**

The ACD, the Investment Managers and other companies within the ACD's and/or each Investment Manager's group may, from time to time, act as investment managers or advisers to other funds or sub-funds which follow similar investment

objectives to those of the Sub-funds. It is therefore possible that the ACD and/or the Investment Managers may in the course of their business have potential conflicts of interest with the Company or a particular Sub-fund. Each of the ACD and the Investment Managers will, however, have regard in such event to its obligations under the ACD Agreement and the Investment Management Agreements respectively and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise.

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

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

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

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

## **7. FEES AND EXPENSES**

### **7.1 Ongoing**

All costs, charges, fees or expenses, other than the charges made in connection with the subscription and redemption of Shares (see paragraph 3.6) payable by a Shareholder or out of Scheme Property are set out in this section.

The Company or each Sub-fund (as the case may be) may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

- 7.1.1 broker's commission, 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 Sub-funds and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 7.1.2 fees and expenses in respect of establishing and maintaining the register of shareholders, including any sub-registers kept for the purpose of the administration of Individual Savings Accounts;
- 7.1.3 any costs incurred in or about the listing of shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of shares;
- 7.1.4 any costs incurred by the Company in publishing the price of the shares in a national or other newspaper;
- 7.1.5 any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company;
- 7.1.6 any fees, expenses or disbursements of any legal or other professional adviser of the Company;
- 7.1.7 any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- 7.1.8 any costs incurred in respect of meetings of Shareholders convened for any purpose;
- 7.1.9 any payment permitted by clause 6.7.15 R of the COLL Sourcebook;
- 7.1.10 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.1.11 taxation and duties payable in respect of the property of the Sub-funds or the issue or redemption of Shares;
- 7.1.12 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 7.1.13 the fees of the FCA, in accordance with the FCA's Fee Manual together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;
- 7.1.14 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- 7.1.15 any payments otherwise due by virtue of a change to the Regulations; and

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

The ACD is also entitled to be paid by the Company out of the Scheme Property any expenses, incurred by the ACD or its delegates of the kinds described above.

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

Expenses are allocated between income and capital in accordance with the Regulations. However, the approach for a given Sub-fund is set out in Appendix I. Where expenses are allocated to income but there is insufficient income, part or all of these expenses will be allocated to capital (save for any charge made in respect of SDRT under paragraph 10.1 “Stamp Duty Reserve Tax”) in accordance with the FCA Regulations. This will only be done with the approval of the Depositary. Where expenses are charges to capital, this may constrain capital growth. .

## 7.2 Charges payable to the ACD

### 7.2.1 *Annual Management Charge*

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of each Sub-fund as set out in Appendix I. The annual management charge accrues daily and is payable monthly in arrears on the last Business Day of each month. The fee is calculated by reference to the value of the Sub-fund on the last Business Day of the preceding month. The current annual management charges for the Sub-funds (expressed as a percentage per annum of the Net Asset Value of each Sub-fund) are set out in Appendix I.

### 7.2.2 *Registration Fees*

The ACD is entitled to receive a fee out of the Scheme Property for providing registration services (including establishing and maintaining sub-registers where applicable), out of which the ACD will pay the fees of the Registrar.

**For all the Sub-funds apart from the Sapphire Fund the fees are as follows:**

Such fee is a quarterly fee. The current fees payable to the ACD are as follows:

0 - 100 Shareholders £1,500 per annum per Sub-fund

101 - 250 Shareholders, £2,900 per annum per Sub-fund

Greater than 250 Shareholders, £11.50 per annum per Shareholder.

An £11.50 charge per annum will also be payable per holder on an ISA sub-register.

**The fees for the Samphire Fund are as follows:**

£10 per transaction

£10 per shareholder per annum

### **7.3 Expenses**

The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above.

VAT is payable on the charges or expenses mentioned above, where appropriate.

If a Class's expenses in any period exceed its income the ACD may take that excess from the capital property attributable to that Class.

The current annual fee payable to the ACD for a Class may only be increased or a new type of remuneration introduced in accordance with the Regulations.

The Thesis Group remuneration policy is designed to be compliant with the UCITS V Remuneration Code contained in SYSC 19E of the FCA Handbook, and provides a framework to attract, retain and reward employees and partners and to maintain a sound risk management framework, with particular attention to conduct risk. The overall policy is designed to promote the long term success of the group. The policy is designed to reward partners, directors and employees for delivery of both financial and non-financial objectives which are set in line with company strategy.

Details of the Thesis Group remuneration policy are available on the website <https://www.tutman.co.uk/remuneration-policy/>.

A paper copy of the remuneration policy can be obtained free of charge by telephoning 0141 483 9701.

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

### **7.4 Depositary's fee and expenses**

The Depositary is entitled to receive out of Scheme Property by way of remuneration a periodic charge, which will be based on the month end valuation from the previous month, accrue daily and be paid monthly as soon as practicable after the end of each month, and certain additional charges and expenses. The rate of the Depositary's periodic charge in respect of each Sub-fund will be such



rate or rates as agreed from time to time between the ACD and the Depositary in accordance with the COLL Sourcebook. The current rate of the Depositary's periodic charge in respect of each Sub-fund is:

- 0.0275% per annum plus VAT on Scheme Property below £50,000,000;
- 0.025% per annum plus VAT on Scheme Property between £50,000,000 and £100,000,000; and
- 0.02% per annum plus VAT on Scheme Property above £100,000,000.

but always subject to a minimum of £7,500 per annum.

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

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

In the event of the termination of a Sub-fund, the Depositary shall continue to be entitled to a periodic charge in respect of that Sub-fund for the period up to and including the day on which the final distribution in the termination of the Sub-fund shall be made or, in the case of a termination following the passing of an extraordinary resolution approving a scheme of arrangement, up to and including the final day on which the Depositary is responsible for the safekeeping of the Scheme Property. Such periodic charge will be calculated, be subject to the same terms and accrue and be paid as described above, except that for the purpose of calculating the periodic charge in respect of any day falling after the day on which the termination of the Sub-fund commences, the value of the Scheme Property shall be its Net Asset Value determined at the beginning of each such day.

In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safe-keeping of the Scheme Property as follows:

Item	Range
Transaction Charges	Between £5.00 and £472.00 per transaction
Safe Custody Charges	Between 0.003% and 0.50%* of the value of investments being held per annum *With the exception of: <ul style="list-style-type: none"> <li>• USA (Physical Securities) - £14 per line per</li> </ul>

	<p>calendar month.</p> <ul style="list-style-type: none"> <li>• Not in Bank / Not in Custody Assets - £65 per line per calendar month.</li> </ul>
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These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary. In addition, charges may be applied for cash payments, currency conversion, corporate actions and other incidental expenses. Details are available on request.

In addition to the remuneration referred to above, the Depositary is entitled to receive reimbursement for expenses properly incurred by it in discharge of its duties or exercising any powers conferred upon it in relation to the Company and each Sub-fund. Such expenses include, but are not restricted to:

- (i) Delivery of stock to the Depositary or custodian;
- (ii) Custody of assets;
- (iii) Collection of income and capital;
- (iv) Submission of tax returns;
- (v) Handling tax claims;
- (vi) Preparation of the Depositary's annual report;
- (vii) Arranging insurance;
- (viii) Calling shareholder meetings and otherwise communicating with shareholders;
- (ix) Dealing with distribution warrants;
- (x) Taking professional advice;
- (xi) Conducting legal proceedings;
- (xii) Such other duties as the Depositary is permitted or required by law to perform.

VAT (if any) in connection with any of the above is payable in addition.

Expenses not directly attributable to a particular Sub-fund will be allocated between Sub-funds. In each such case such expenses and disbursements will also be payable if incurred by any person (including the ACD or an associate or nominee

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

#### **7.5 Investment Managers' fee**

The Investment Managers' fees and expenses (plus VAT thereon) for providing investment management services will be paid by the ACD out of its remuneration under the ACD Agreement.

Further details of these agreements are summarised in paragraph 6.4.2 "Terms of Appointment" above.

#### **7.6 Allocation of fees and expenses between Sub-funds**

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Sub-fund in respect of which they were incurred. This includes any charges and expenses incurred in relation to the Register of Shareholders, except that these will be allocated and charged to each class of Shares on a basis agreed between the ACD and the Depositary.

Where an expense is not considered to be attributable to any one Sub-fund, the expense will normally be allocated to all Sub-funds pro rata to the value of the Net Asset Value of the Sub-funds, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

Where income is insufficient to pay charges the residual amount is taken from capital.

### **8. INSTRUMENT OF INCORPORATION**

The Instrument of Incorporation is available for inspection at the ACD's offices at Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP.

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

#### **9.1 Class, Company and Sub-fund Meetings**

The Company has dispensed with the holding of annual general meetings. The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Sub-funds as they apply to general meetings of the Company, but by reference to Shares of the Class or Sub-fund concerned and the Shareholders and value and prices of such Shares.

#### **9.2 Requisitions of Meetings**

The ACD may requisition a general meeting at any time.

Shareholders may also requisition a general meeting of the Company. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

### **9.3 Notice and Quorum**

Shareholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

### **9.4 Voting Rights**

At a general meeting, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price of all the Shares in issue at a reasonable date before the notice of meeting is sent out, such date to be decided by the ACD.

A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint Shareholders the vote of the most senior Shareholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose seniority must be determined by the order in which the names stand in the Register.

Except where the COLL Sourcebook or the Instrument of Incorporation require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or associate

holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

Where all the Shares in a Sub-fund are registered to, or held by, the ACD or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

“Shareholders” in this context means Shareholders entered on the register at a time to be determined by the ACD and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

#### **9.5 Variation of Class or Sub-fund rights**

The rights attached to a Class or Sub-fund may not be varied without the sanction of an extraordinary resolution passed at a meeting of Shareholders of that Class or Sub-fund.

### **10. TAXATION**

The following summary is only intended as a general summary of United Kingdom (“UK”) tax law and HM Revenue & Customs practice, as at the date of this Prospectus, applicable to the Sub-fund and to individual and corporate investors who are the absolute beneficial owners of a holding in the Sub-fund which is held as an investment. The summary’s applicability will depend upon the particular circumstances of each investor (and it will not apply to persons, such as certain institutional investors, who are subject to a special tax regime). It should not be treated as legal or tax advice. Accordingly, if investors are in any doubt as to their taxation position, they should consult their professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

The following is divided into sections relating to “Bond Sub-Fund” and “Equity Sub-Fund”. A “Bond Sub-Fund” is a Sub-Fund which invests more than 60% of its market value in “Qualifying Investments” (at all times in each accounting period). The term “Qualifying Investments” includes money placed at interest and securities that are not shares, including but not limited to government and corporate debt securities and cash on deposit. The tax issues relating to the Sub-fund and the investors within it are treated separately in this section. It is anticipated that the Sub-fund will for most periods be an Equity Sub-Fund for these purposes, but that depending on how it is invested it may constitute a Bond Sub-Fund for some periods.

#### **Taxation of an Equity Sub-Fund**

##### **Taxation of Capital Gains**

An Equity Sub-Fund is not subject to UK taxation on capital gains arising on the disposal of its investments. In the unlikely event that the Sub-fund be considered to be trading in securities under tax law, and to the extent an investment is disposed in a non-distributor/reporting fund, any gains made will be treated as taxable income and not exempt gains.

### **Tax on income**

An Equity Sub-Fund will be liable to corporation tax at a rate equal to the lower rate of income tax, currently 20%, on its income after relief for expenses (which include fees payable to the ACD and to the Depositary). Dividends and similar income distributions from UK and non-UK resident companies are generally exempt from corporation tax. Dividends and similar income distributions from UK authorised unit trusts and UK ICVCs are also generally exempt from corporation tax to the extent the underlying income derives from dividends.

Foreign dividends and similar income are generally treated as exempt for the purposes of UK corporation tax. This income may be subject to withholding tax in certain jurisdictions.

Dividend income received from certain countries are likely to be elected to be treated as taxable income in the UK in order to obtain a beneficial rate of withholding tax in the source country. This is based on guidance provided to the investment fund industry by the Investment Association.

Profits from loan relationships are treated as taxable income, as for a Bond Sub-Fund.

### **Taxation of a Bond Sub-Fund**

#### **Taxation of Capital Gains**

Bonds or loan relationships held are taxable as income (see below) and are not subject to capital gains tax. Capital gains, for example on investment in equities, (except insofar as treated as income gains - see below) accruing to a Bond Sub-Fund will be exempt from UK tax on chargeable gains.

#### **Tax on Income**

A Bond Sub-Fund will be liable to UK corporation tax at 20% on income, translated (where appropriate) into Sterling, from investments in debt, debt-related securities and cash deposits less deductible expenses. Such income will be computed according to the generally accepted accounting practice relevant to the Sub-fund.

The total will be taxed under the Loan Relationship rules. Any income received from UK equities will be exempt from UK corporation tax.

A Bond Sub-Fund would generally be entitled to make up distribution accounts in such a way that the income distribution (including accumulations of income, which are deemed to be paid and reinvested as capital) to Shareholders is treated as if it were interest for UK tax purposes. If so entitled, the Sub-fund intends that distributions will be made in this way.

- The treatment of distributions as interest distributions for UK tax purposes is significant because:

- distributions made should be deductible for corporation tax purposes against UK taxable income.

The income, less interest distributions, expenses (including the ACD's and Depositary's fees) and any non-UK withholding taxes, is subject to UK corporation tax at a rate equal to the basic rate of income tax (currently 20%). Any corporation tax charge should not be significant.

Capital gains (except insofar as treated as accrued income gains - see above) accruing to a Bond Sub-Fund will be exempt from UK tax on chargeable gains.

### **Taxation of a Shareholder - Equity Sub-Fund**

#### **Income distributions**

Accumulations and distributions of income ('distributions') comprise income for UK tax purposes.

UK resident individuals and (the trustees of) certain trusts liable to UK income tax will be taxable on accumulations and distributions of income.

From 6 April 2017, additional rate taxpayers are required to pay tax at 38.1% on their distributions while the rate for higher rate taxpayers is 32.5% and for basic rate taxpayers it is 7.5%. Individuals with a net adjusted income of £100,000 will also have their personal allowances reduced £1 for every £2 on the income above this limit. The personal allowance will be reduced to nil above an income level of approximately £123,000. These limits may change in the future.

Distributions to Shareholders within the charge to corporation tax are deemed to comprise two elements:

- where an Equity Sub-Fund's gross income is not wholly derived from UK dividend income, part of any distribution will be deemed to be reclassified as an annual payment received by such Shareholders after deduction of income tax at the basic rate, currently 20% ("deemed tax deducted"). Such Shareholders will be subject to corporation tax on the grossed-up amount of the annual payments but will be entitled to the repayable deemed tax deducted; and
- the remainder, is exempt from UK corporation tax.

Details of the proportions of distributions comprising exempt income and annual payments will be shown on the tax voucher of the Equity Sub-Fund concerned.

These rules do not apply or are modified in relation to life insurance companies, in particular those with pensions and ISA business, life reinsurance business or overseas life assurance business.

#### **Capital gains**

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

Individuals and certain trusts generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of Shares. The resulting gains will be taxable at the capital gains tax rate, and may be reduced by capital losses brought forward from previous tax years or losses in the year, and by annual exemptions. Exempt Shareholders, which include UK charities, UK approved pension trusts, ISAs (and their individual investors), would not normally be liable to capital gains tax on their disposal of Shares.

Shareholders within the charge to corporation tax are taxed on the capital gain made computed on the basis of the rules described above. They are, however, entitled to indexation allowance on the basic cost to the date of disposal. In certain cases, the “loan relationships” provisions mentioned below in relation to Bond Sub-Funds could apply.

Special rules apply to life insurance companies who beneficially own shares.

### **Inheritance tax**

A gift by shareholders of his shareholdings in the Company or the death of Shareholders may give rise to a liability to inheritance tax, except where the Shareholders is neither domiciled in the UK, nor deemed to be domiciled there under special rules relating to long residence or previous domicile in the UK. For these purposes, a transfer of a Shareholding at less than the full market value may be treated as a gift.

### **Taxation of a Shareholder - Bond Sub-Fund**

#### **Income Distributions: Interest Distributions**

Accumulations and distributions of income (‘distributions’) comprise income for UK tax purposes. Shareholders will be taxable on the amount distributed.

Additional rate taxpayers will be liable to income tax on their distributions at 45%, higher rate taxpayers at 40% (after their £500 personal savings allowance has been exhausted) and basic rate taxpayers at 20% (after their £1,000 personal savings allowance has been exhausted). There is also a 0% starting rate band for savings income of up to £5,000 for those investors who qualify for it.

#### **Capital gains**

Shareholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including redemption, of shares. Individuals and certain trusts generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of shares and will be taxable at the capital gains tax. The gain may be reduced by capital losses brought forward from previous tax years or losses in the year, and by annual exemptions. Exempt shareholders, which include UK charities, UK approved pension funds, ISAs (and their individual investors), would not normally be expected to be liable to capital gains tax on their disposal of shares.

In respect of shareholders subject to corporation tax, holdings in a Sub-Fund will be treated as holdings of loan relationships and recognised using a fair value basis of accounting (which entails movements in the value of the holdings being brought into account in each accounting period as loan relationship credits or debits). No indexation allowance or taper relief is available.



## **Inheritance tax**

A gift by a Shareholders of his shareholding in the Company or the death of a Shareholders may give rise to a liability to inheritance tax, except where the Shareholders is neither domiciled in the UK, nor deemed to be domiciled there under special rules relating to long residence or previous domicile in the UK. For these purposes, a transfer of a Shareholding at less than the full market value may be treated as a gift.

### **10.1 Stamp Duty Reserve Tax (“SDRT”)**

On 30 March 2014, Schedule 19 Stamp Duty Reserve Tax (SDRT) ceased to be chargeable on dealings in shares in open-ended investment companies. As such, the provisions relating to SDRT no longer apply. However, investors should note that should SDRT or a similar tax relating to dealings on shares in open-ended investment companies be reintroduced in the future, all such costs will be paid out of the Company’s Scheme Property and charged to capital. However it should be noted that in the unlikely event of either of the below occurring within the Company, SDRT may still be triggered and where applicable be charged to the investor.

(a) Third party transfer of shares

(b) Non-pro rata in specie redemptions.

### **10.2 Automatic Exchange of Financial Account Information**

#### **10.2.1 US Foreign Account Tax Compliance Act**

10.2.2 The US Foreign Account Tax Compliance Act (FATCA) is designed to help the Internal Revenue Service (the IRS) combat US tax evasion. It requires financial institutions, such as the Fund (or the Sub-Fund(s)), to report on US investors or US holdings, whether or not this is relevant. Failure to comply (or be deemed compliant) with these requirements will subject the Fund (or a Sub-Fund) to US withholding taxes on certain US-sourced income and gains. Under an intergovernmental agreement between the US and the United Kingdom, the Fund (or each Sub-Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports US taxpayer information directly to HMRC.

10.2.3 Shareholders may be asked to provide additional information to the ACD to enable the Fund (or each Sub-Fund) to satisfy these obligations. Institutional Shareholders may be required to provide a Global Intermediary Identifications Number (GIIN). Failure to provide requested information may subject a Shareholder to liability for any resulting US withholding taxes, US tax information

reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its units. The Global Intermediary Identification Number for each Sub-Fund is available on request.

#### **10.2.4 Common Reporting Standard**

10.3 The Common Reporting Standard (CRS) is the reporting standard approved and developed by the Organisation of Economic Co-operation and Development (OECD) in 2014, and came into force with effect from 1st January 2016. This requires financial institutions such as the Fund (or the Sub-Fund(s)), to report non-UK resident investors, other than US Persons, to other agreed jurisdictions on an annual basis. The objective of this reporting is the same as the FATCA regulations but on a worldwide basis and is based on Residency rather than citizenship as with the US model, and will encompass natural persons and legal entities

### **11. INCOME EQUALISATION**

The first income allocation received by an investor after buying Shares may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital, and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes.

### **12. WINDING UP OF THE COMPANY OR A SUB-FUND**

The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. A Sub-fund may only be terminated under the COLL Sourcebook.

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

The Company shall be wound up or a Sub-fund must be terminated under the COLL Sourcebook:

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

- 12.2 when the period (if any) fixed for the duration of the Company or a particular Sub-fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Sub-fund is to be wound up (for example, if the Share capital of the Company or (in relation to any Sub-fund) the Net Asset Value of the Sub-fund is below £3 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-fund); or
- 12.3 on the date stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Sub-fund.

On the occurrence of any of the above:

- 12.4 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-fund;
- 12.5 the Company will cease to issue and cancel Shares in the Company or the relevant Sub-fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-fund;
- 12.6 no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- 12.7 where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- 12.8 the corporate status and powers of the Company and subject to 11.4 to 11.7 above, the powers of the Depositary shall continue until the Company is dissolved.

The ACD shall, as soon as practicable after the Company or the Sub-fund falls to be wound up, realise the assets and meet the liabilities of the Company and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Sub-fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Sub-fund,

give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Sub-fund.

As soon as reasonably practicable after completion of the winding up of the Company or the particular Sub-fund, the Depositary shall notify the FCA that the winding up has been completed.

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

Following the completion of either a winding up of the Company or the termination of a Sub-fund, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) on it within four months of the completion of the winding up or termination.

As the Company is an umbrella company, any liabilities attributable or allocated to a particular Sub-fund under the COLL Sourcebook shall be met out of the Scheme Property attributable or allocated to that particular Sub-fund.

## **13. GENERAL INFORMATION**

### **13.1 Accounting Periods**

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

The ACD may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date. Details of the Sub-funds for which this policy is currently considered are set out in Appendix I.

### **13.2 Notice to Shareholders**

All notices or other documents sent by the ACD to a Shareholder will be sent by normal post to the last address notified in writing to the Company by the Shareholder.

### 13.3 Income Allocations

Some Sub-funds may have interim and final income allocations and other Sub-funds may have quarterly income allocations and some Sub-funds may only have final income allocation dates (see Appendix I). For each of the Sub-funds income is allocated in respect of the income available at each accounting date.

In relation to income Shares, distributions of income for each Sub-fund in which income Shares are issued are paid by cheque or telegraphic transfer directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in Appendix I.

For Sub-funds in which accumulation Shares are issued, income will become part of the capital property of the Sub-fund and will be reflected in the price of each such accumulation Share as at the end of the relevant accounting period.

The Authorised Corporate Director and the Depositary have agreed a de minimis amount of £20 in respect of distribution of income payments made by cheque.

If a distribution made in relation to any income Shares remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund (or, if that no longer exists, to the Company).

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-fund in respect of that period, and deducting the charges and expenses of the relevant Sub-fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Company's auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

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

#### **13.4 Annual Reports**

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

#### **13.5 Documents of the Company**

The following documents may be inspected free of charge during normal business hours on any business day at the offices of the ACD at Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP:

- 13.5.1 the Prospectus;
- 13.5.2 the most recent annual and half yearly reports of the Company;
- 13.5.3 the Instrument of Incorporation (and any amending documents); and
- 13.5.4 the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents (apart from the most recent versions of the Prospectus and annual and half yearly reports of the Company which are available free of charge to anyone who requests).

#### **13.6 Material Contracts**

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

- 13.6.1 the ACD Agreement between the Company and the ACD; and
- 13.6.2 the Depositary Agreement between the Company, the Depositary and the ACD.

Details of the above contracts are given under section 6 "Management and Administration".

#### **13.7 Provision of Investment Advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD's Transfer Agency Team at 177 Bothwell Street, Glasgow, G2 7ER. The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional adviser. All applications for

Shares are made solely on the basis of the current prospectus of the Company, and investors should ensure that they have the most up to date version.

### **13.8 Telephone Recording**

Please note that the ACD may record telephone calls for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where the ACD can identify the call. If you ask the ACD to send you a recording of a particular call, the ACD may ask for further information to help identify the exact call to which your request relates.

### **13.9 Complaints**

Complaints concerning the operation or marketing of the Company may be referred to the Compliance Officer of the ACD at Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP or, if you subsequently wish to take your complaint further, direct to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR, telephone number 0800 023 4567.

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

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

A copy of the ACD's complaints handling procedure is available on request.

### **13.10 Compensation**

Under the Financial Services Compensation Scheme (FSCS), in the event of firm default your investment is protected up to the value of £85,000 per person per firm.

### **13.11 Risk Management**

The ACD will provide upon the request of a Shareholder further information relating to:

13.11.1 the quantitative limits applying in the risk management of any Sub-fund;

13.11.2 the methods used in relation to 13.11.1; and

13.11.3 any recent development of the risk and yields of the main categories of investment.

### **13.12 Indemnity**

The Instrument of Incorporation contains provisions indemnifying the Directors, other officers and the Company's auditors or the Depositary against liability in certain circumstances otherwise than in respect of their negligence, default, breach of duty or breach of trust, and indemnifying the Depositary against liability in certain circumstances otherwise than in respect of its failure to exercise due care and diligence in the discharge of its functions in respect of the Company.

### **13.13 Best Execution**

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

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

### **13.14 Inducements and Soft Commission**

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

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

However, the Investment Manager or ACD may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the Sub-fund; and of a scale and nature such that they could not be judged to



impair their compliance with its duty to act honestly, fairly and professionally in the best interests of each Sub-fund.

**13.15 Genuine Diversity of Ownership (GDO)**

Shares in, and information on, the Sub-funds are and will continue to be marketed and made easily and widely available to reach the intended categories of investors and in a manner appropriate to attract those categories of investors.

The intended categories of investors are retail and institutional investors.

## APPENDIX I

### Ongoing charges figure (OCF)

The OCF provides investors with a clearer picture of the total annual costs in running a collective investment scheme and is based on the previous year's expenses. The figure may vary from year to year and it excludes the costs of buying or selling assets for the Sub-Fund (but includes transaction charges incurred by investing in any other collective investment schemes). Where there is not enough historic data available, or when historic data will not provide a reliable indication of future costs, an estimated OCF will be calculated based on the most reliable information available (OCF (Estimated)). The OCF is displayed in the Key Investor Information Document (KIID). A copy of the KIID for each Sub-Fund listed below can be provided free of charge on request.

### SUB-FUND DETAILS

<b>Name:</b>	<b>Bay Fund</b>
<b>Type of Sub-fund:</b>	UK UCITS scheme
<b>Investment Objective and Policy:</b>	The investment objective of Bay Fund is to provide capital growth predominantly through investment in a diversified portfolio of global equities, bonds, collective investment schemes, money market instruments, deposits and derivatives (for hedging and efficient portfolio management). There will be no emphasis placed on particular economic or industrial sectors, though no investment will be made in any company overtly engaged in armaments manufacture or distribution.

**Benchmark:** Shareholders may compare the performance of the Sub-Fund against the IA Flexible sector.

Comparison of the Sub-Fund's performance against this benchmark will give Shareholders an indication of how the Sub-Fund is performing against other similar funds in this peer group sector. The ACD has selected this comparator benchmark as the ACD believes it best reflects the asset allocation of the Sub-Fund.

The benchmark is not a target for the Sub-Fund, nor is the Sub-Fund constrained by the benchmark.

<b>Product reference number:</b>	636477
<b>Final accounting date:</b>	31 August
<b>Interim accounting date:</b>	Last day of February
<b>Income distribution dates:</b>	31 October (final) 30 April (interim)
<b>Shares Classes and type of Shares:</b>	Income
<b>Initial charge:</b>	7.5%
<b>Redemption charge:</b>	Nil
<b>Switching charge:</b>	Nil
<b>Annual Management Charge:</b>	0.6%
<b>Charge for investment research:</b>	Nil
<b>Charges taken from Income:</b>	Yes
<b>Investment minima:*</b>	
Lump sum	£100,000
Holding	£100,000

Top-up	N/A
Redemption	N/A provided minimum holding maintained
<b>Past performance:</b>	Past performance information is set out in Appendix V
<b>Income to be distributed as a dividend or interest?</b>	The Sub-fund may distribute income in the form of a dividend or interest depending on the composition of the assets held over the accounting period.

\* The ACD may waive the minimum levels at its discretion.

<b>Name:</b>	<b>Beech Fund</b>
<b>Type of Sub-fund:</b>	UK UCITS scheme
<b>Investment Objective and Policy:</b>	The investment objective of Beech Fund is to provide capital growth through investment across equity and bond markets of the world. Income is of only secondary consideration. The Sub-fund will seek to achieve the investment objective by investing in shares, bonds, or other similar securities listed on the London and other recognised Stock Exchanges and in other collective investment schemes.
<b>Product reference number:</b>	636479
<b>Benchmark:</b>	<p>Shareholders may compare the performance of the Sub-Fund against the IA Global sector benchmark.</p> <p>Comparison of the Sub-Fund's performance against this benchmark will give Shareholders an indication of how the Sub-Fund is performing against other similar funds in this peer group sector. The ACD has selected this comparator benchmark as the ACD believes it best reflects the asset allocation of the Sub-Fund.</p> <p>The benchmark is not a target for the Sub-Fund, nor is the Sub-Fund constrained by the benchmark.</p>
<b>Final accounting date:</b>	31 August
<b>Interim accounting date:</b>	Last day of February
<b>Income distribution dates:</b>	31 October (final) 30 April (interim)
<b>Shares Classes and type of Shares:</b>	Income
<b>Initial charge:</b>	7.5%

<b>Redemption charge:</b>	Nil
<b>Switching charge:</b>	Nil
<b>Annual Management Charge:</b>	0.7%
<b>Charge for investment research:</b>	Nil
<b>Charges taken from Income:</b>	Yes
<b>Investment minima:*</b>	
Lump sum	£100,000
Holding	£100,000
Top-up	N/A
Redemption	N/A provided minimum holding maintained
<b>Past performance:</b>	Past performance information is set out in Appendix V
<b>Income to be distributed as a dividend or interest?</b>	The Sub-fund may distribute income in the form of a dividend or interest depending on the composition of the assets held over the accounting period.

\* The ACD may waive the minimum levels at its discretion.

<b>Name:</b>	<b>Acacia Fund</b>
<b>Type of Sub-fund:</b>	UK UCITS scheme

<b>Investment Objective and Policy:</b>	The investment objective of Acacia Fund is to provide a combination of capital and income growth through investment across equity and bond markets of the world and collective investment schemes, money market instruments, deposits and derivatives (for hedging and efficient portfolio management).
<b>Product reference number:</b>	636480
<b>Benchmark</b>	<p>Shareholders may compare the performance of the Sub-Fund against the IA Flexible sector.</p> <p>Comparison of the Sub-Fund's performance against this benchmark will give Shareholders an indication of how the Sub-Fund is performing against other similar funds in this peer group sector.</p> <p>The ACD has selected this comparator benchmark as the ACD believes it best reflects the asset allocation of the Sub-Fund.</p> <p>The benchmark is not a target for the Sub-Fund, nor is the Sub-Fund constrained by the benchmark.</p>
<b>Final accounting date:</b>	31 August
<b>Interim accounting date:</b>	Last day of February
<b>Income distribution dates:</b>	31 October (final) 30 April (interim)
<b>Shares Classes and type of Shares:</b>	Income
<b>Initial charge:</b>	7.5%
<b>Redemption charge:</b>	Nil
<b>Switching charge:</b>	Nil

<b>Annual Management Charge:</b>	0.53%
<b>Charge for investment research:</b>	Nil
<b>Charges taken from Income:</b>	Yes
<b>Investment minima:*</b>	
Lump sum	£100,000
Holding	£100,000
Top-up	N/A
Redemption	N/A provided minimum holding maintained
<b>Past performance:</b>	Past performance information is set out in Appendix V
<b>Income to be distributed as a dividend or interest?</b>	The Sub-fund may distribute income in the form of a dividend or interest depending on the composition of the assets held over the accounting period.

\* The ACD may waive the minimum levels at its discretion.



<b>Name:</b>	<b>Samphire Fund</b>
<b>Type of Sub-fund:</b>	UK UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The investment objective is to achieve long term (ten years plus) capital growth and income.</p> <p>The Sub-fund will pursue its investment objective by gaining exposure predominantly to a portfolio of equities, bonds (including but not limited to government and investment grade bonds) and cash and near cash, either through direct investment or through investment in other collective investment schemes (this may include collective investment schemes managed by the ACD). The Sub-fund may, at the Investment Manager's discretion, also invest in other transferable securities, money market instruments, deposits and warrants. There may be times where the Sub-fund is invested mainly in collective investment schemes.</p> <p>There are no geographical restrictions on the countries of investment.</p> <p>The Sub-fund may use derivatives for the purposes of Efficient Portfolio Management (including hedging).</p> <p>The Sub-fund may use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to Shareholders. The use of derivatives for investment purposes may alter the risk profile of the Sub-fund.</p> <p>The Sub-fund will not maintain an interest in immovable property or tangible movable property.</p>
<b>Product reference number:</b>	823881

<b>Benchmark:</b>	Shareholders may compare the performance of the Sub-Fund against the MSCI PIMFA Balanced Index. The ACD has selected this comparator benchmark as it believes this benchmark best reflects the Sub-Fund's asset allocation.  The benchmark is not a target for the Sub-Fund, nor is the Sub-Fund constrained by the benchmark.  <a href="https://www.msci.com/notice-and-disclaimer-for-reporting-licenses">https://www.msci.com/notice-and-disclaimer-for-reporting-licenses</a>
<b>Final accounting date:</b>	31 August
<b>Interim accounting date:</b>	Last day of February
<b>Income distribution dates:</b>	31 October (final) 30 April (interim)
<b>Shares Classes and type of Shares:</b>	Income Accumulation
<b>Initial charge:</b>	7.5%
<b>Redemption charge:</b>	Nil
<b>Switching charge:</b>	Nil
<b>Annual Management Charge:</b>	0.68%
<b>Charge for investment research:</b>	Nil
<b>Charges taken from Income:</b>	Yes
<b>Investment minima:*</b>	
Lump sum	£100,000
Holding	£100,000
Top-up	£20,000

Redemption	N/A provided minimum holding maintained
<b>Past performance:</b>	Past performance information is set out in Appendix V
<b>Income to be distributed as a dividend or interest?</b>	The Sub-fund may distribute income in the form of a dividend or interest depending on the composition of the assets held over the accounting period.

\* The investment minima, ACD's initial charge or any other fees payable to the ACD may be reduced or waived by the ACD at its discretion.

## APPENDIX II

### ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

All the Sub-funds may deal through securities and derivatives markets which are regulated markets (as defined in the glossary to the FCA Handbook) or markets established in the UK or an EU/EEA State which are regulated, operate regularly and are open to the public (excluding Cyprus and Slovenia).

Each Sub-fund may also deal through the securities markets and derivatives markets indicated below:

#### Eligible Securities Markets

United States of America	New York Stock Exchange NASDAQ NYSE MKT LLC
Australia	Australian Securities Exchange
Canada	Toronto Stock Exchange TSX Venture Exchange
Hong Kong	Hong Kong Exchanges and Clearing Company
Japan	Tokyo Stock Exchange JASDAQ Nagoya Stock Exchange Osaka Securities Exchange
Republic of South Korea	Korea Exchange
Mexico	Mexican Stock Exchange (Bolsa Mexicana de Valores)
New Zealand	New Zealand Exchange Ltd
Singapore	Singapore Exchange

South Africa	JSE Limited
Switzerland	SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange
Thailand	The Stock Exchange of Thailand

**Eligible Derivatives Markets**

UK NYSE LIFFE

The Over-the-Counter Markets regulated by FINRA

## APPENDIX III

### INVESTMENT AND BORROWING POWERS OF THE COMPANY

#### 1. General

The Scheme Property will be invested with the aim of achieving the investment objective of that Sub-fund but subject to the limits set out in the Sub-fund's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") and this Prospectus. These limits apply to each Sub-fund as summarised below.

The Sub-funds will not maintain an interest in immovable property or tangible moveable property.

The ACD shall ensure that, taking into account the investment objectives and policies of the Sub-funds, the property of each Sub-fund aims to provide a prudent spread of risk.

Normally, the Sub-funds will be fully invested save for an amount to enable redemption of shares, efficient management of the Sub-funds in relation to their strategic objectives and other purposes which may be reasonably regarded as ancillary to the investment objectives of the Sub-funds. This amount will vary depending upon prevailing circumstances and although it would normally not exceed 10% of the total value of each Sub-fund, there may be times when the Investment 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 fixed interest, cash or near cash instruments held would be increased. Unless market conditions were deemed unusually risky, the increased amount and period would not be expected to exceed 30% and six months respectively.

##### 1.1 Prudent spread of risk

The ACD must ensure that, taking account of the investment objectives and policies of each Sub-fund, the Scheme Property of each Sub-fund aims to provide a prudent spread of risk.

##### 1.2 Cover

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

- 1.2.2 Where the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:
- (i) it must be assumed that in applying any of those rules, a Sub-fund must also simultaneously satisfy any other obligation relating to cover; and
  - (ii) no element of cover must be used more than once.

## 2. UK UCITS Schemes - general

- 2.1 Subject to the investment objective and policy of a Sub-fund, the Scheme Property of a Sub-fund must, except where otherwise provided in COLL 5, only consist of any or all of:
- 2.1.1 transferable securities;
  - 2.1.2 approved money-market instruments;
  - 2.1.3 permitted units or shares in collective investments schemes;
  - 2.1.4 permitted derivatives and forward transactions; and
  - 2.1.5 permitted deposits.
- 2.2 The requirements on spread of investments generally and in relation to investment in government and public securities do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of a Sub-fund (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk in paragraph 1.1 of this Appendix is complied with.

## 3. Transferable Securities

- 3.1 A transferable security is an investment falling within article 76 (Shares etc), article 77 (Instruments creating or acknowledging indebtedness), article 78 (Government and public securities), article 79 (Instruments giving entitlement to investments) and article 80 (Certificates representing certain securities) of the Regulated Activities Order.
- 3.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 3.3 In applying paragraph 3.2 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (Shares, etc) or 77 (Instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

- 3.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.
- 3.5 A Sub-fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- 3.5.1 the potential loss which a Sub-fund may incur with respect to holding the transferable security is limited to the amount paid for it;
- 3.5.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder under the FCA Handbook;
- 3.5.3 reliable valuation is available for it as follows:
- (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
  - (ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- 3.5.4 appropriate information is available for it as follows:
- (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
  - (ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- 3.5.5 it is negotiable; and
- 3.5.6 its risks are adequately captured by the risk management process of the ACD.
- 3.6 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
- 3.6.1 not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and



3.6.2 to be negotiable.

3.7 No more than 5% of the Scheme Property of a Sub-fund may be invested in warrants.

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

4.1 A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Sub-fund, provided it fulfils the criteria for transferable securities set out in paragraph 3.5 and either:

4.1.1 where the closed end 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

4.1.2 where the closed end 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.

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

5.1 A Sub-fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Sub-fund provided the investment:

5.1.1 fulfils the criteria for transferable securities set out in 3.5 above; and

5.1.2 is backed by or linked to the performance of other assets, which may differ from those in which a Sub-fund can invest.

5.2 Where an investment in 5.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

#### **6. Approved Money-Market Instruments**

6.1 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.

- 6.2 A money-market instrument shall be regarded as normally dealt in on the money-market if it:
  - 6.2.1 has a maturity at issuance of up to and including 397 days;
  - 6.2.2 has a residual maturity of up to and including 397 days;
  - 6.2.3 undergoes regular yield adjustments in line with money-market conditions at least every 397 days; or
  - 6.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 6.2.1 or 6.2.2 or is subject to yield adjustments as set out in 6.2.3.
- 6.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.
- 6.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
  - 6.4.1 enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Scheme Property of a Sub-fund could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  - 6.4.2 based either on market data or on valuation models including systems based on amortised costs.
- 6.5 A money-market instrument that is normally dealt in on the money-market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

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

- 7.1 Transferable securities and approved money-market instruments held within a Sub-fund must be:
  - 7.1.1 admitted to or dealt in on an eligible market as described in 8.3.1; or
  - 7.1.2 dealt in on an eligible market as described in 8.3.2; or
  - 7.1.3 admitted to or dealt in on an eligible market as described in 8.4; or

- 7.1.4 for an approved money-market instrument not admitted to or dealt in on an eligible market, within 9.1; or
- 7.1.5 recently issued transferable securities provided that:
  - (i) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
  - (ii) such admission is secured within a year of issue.
- 7.2 However, a Sub-fund may invest no more than 10% of its Scheme Property in transferable securities and approved money-market instruments other than those referred to in 7.1.

## **8. Eligible markets regime: purpose and requirements**

- 8.1 To protect Shareholders the markets on which investments of the Sub-funds are dealt in or traded on should be of an adequate quality (“eligible”) at the time of acquisition of the investment and until it is sold.
- 8.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in 7.2 above on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.
- 8.3 A market is eligible for the purposes of the rules if it is:
  - 8.3.1 a regulated market as defined in the FCA Handbook;
  - 8.3.2 a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or
  - 8.3.3 a market within paragraph 8.4 of this Appendix.
- 8.4 A market falling within paragraph 8.3.3 of this Appendix is eligible for the purposes of COLL 5 if:
  - 8.4.1 the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
  - 8.4.2 the market is included in a list in the prospectus; and
  - 8.4.3 the Depositary has taken reasonable care to determine that:
    - (i) adequate custody arrangements can be provided for the investment dealt in on that market; and
    - (ii) all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

8.5 In paragraph 8.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of Shareholders.

## 9. Money-market instruments with a regulated issuer

9.1 In addition to instruments admitted to or dealt in on an eligible market, a Sub-fund may invest in an approved money-market instrument provided it fulfils the following requirements:

9.1.1 the issue or the issuer is regulated for the purpose of protecting Shareholders and savings; and

9.1.2 the instrument is issued or guaranteed in accordance with paragraph 10 (Issuers and guarantors of money-market instruments) below.

9.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting Shareholders and savings if:

9.2.1 the instrument is an approved money-market instrument;

9.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 11 (Appropriate information for money-market instruments) below; and

9.2.3 the instrument is freely transferable.

## 10. Issuers and guarantors of money-market instruments

10.1 A Sub-fund may invest in an approved money-market instrument if it is:

10.1.1 issued or guaranteed by any one of the following:

(i) a central 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;

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

(iii) the European Central Bank or a central bank of an EEA State;

(iv) the European Union or the European Investment Bank;

(v) a non-EEA State other than the UK or, in the case of a federal state, one of the members making up the federation; or

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

- 10.1.2 issued by a body, any securities of which are dealt in on an eligible market;  
or
- 10.1.3 issued or guaranteed by an establishment which is:
  - (i) subject to prudential supervision in accordance with criteria defined by UK or European Community law; or
  - (ii) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or European Community law.
- 10.2 An establishment shall be considered to satisfy the requirement in (ii) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
  - 10.2.1 it is located in the UK or the European Economic Area;
  - 10.2.2 it is located in an OECD country belonging to the Group of Ten;
  - 10.2.3 it has at least investment grade rating;
  - 10.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or European Community law.

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

- 11.1 In the case of an approved money-market instrument within 10.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within (ii) or a public international body within (vi) but is not guaranteed by a central authority within (i), the following information must be available:
  - 11.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
  - 11.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
  - 11.1.3 available and reliable statistics on the issue or the issuance programme.
- 11.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within 10.1.3, the following information must be available:
  - 11.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;

- 11.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
- 11.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 11.3 In the case of an approved money-market instrument:
  - 11.3.1 within (i), (iv) or (v); or
  - 11.3.2 which is issued by an authority within (ii) or a public international body within (vi) and is guaranteed by a central authority within (i);

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

## 12. **Spread: general**

- 12.1 This rule on spread does not apply in respect of a transferable security or an approved money-market instrument to which COLL 5.2.12R (Spread: government and public securities) applies
- 12.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 2013/34/EU, or the statutory equivalent thereof, which forms part of UK law by virtue of the EUWA, as applicable, or in the same group in accordance with international accounting standards are regarded as a single body.
- 12.3 Not more than 20% in the value of the Scheme Property of a Sub-fund is to consist of deposits with a single body.
- 12.4 Not more than 5% in value of the Scheme Property of a Sub-fund is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.
- 12.5 The limit of 5% is raised to 25% in value of the Scheme Property in respect of covered bonds provided that when the Company invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property. The Company may not invest in covered bonds to the full extent permitted by the Regulations.

- 12.6 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property of a Sub-fund. This limit is raised to 10% where the counterparty is an Approved Bank.
- 12.7 Not more than 20% in value of the Scheme Property of a Sub-fund is to consist of transferable securities and approved money-market instruments issued by the same group.
- 12.8 Not more than 20% in value of the Scheme Property of a Sub-fund is to consist of the units or shares of any one collective investment scheme.
- 12.9 The COLL Sourcebook provides that in applying the limits in 12.3, 12.4 and 12.6 in relation to a single body, and subject to 12.5, not more than 20% in value of the Scheme Property of a Sub-fund is to consist of any combination of two or more of the following:
- 12.9.1 transferable securities (including covered bonds) or approved money-market instruments issued by that body; or
- 12.9.2 deposits made with that body; or that body
- 12.9.3 exposures from OTC derivatives transactions made with;
- 12.10 For the purpose of calculating the limits in 12.6 and 12.9 of this paragraph 12, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:
- 12.10.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
- 12.10.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
- 12.10.3 it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
- 12.10.4 can be fully enforced by a Sub-fund at any time.
- 12.11 For the purposes of calculating the limits in 12.6 and 12.9 of this paragraph 12 (Spread: general), OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
- 12.11.1 comply with the conditions set out in Section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to the Banking Consolidation Directive, or the statutory equivalent thereof, which forms part of UK law by virtue of the EUWA, as applicable; and
- 12.11.2 are based on legally binding agreements.

12.12 In applying this paragraph 12 (Spread: general), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:

12.12.1 it is backed by an appropriate performance guarantee; and

12.12.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

**13. Spread: government and public securities**

13.1 The following section applies in respect of a transferable security or an approved money-market instrument (“such securities”) that is issued by:

(a) the UK an EEA State;

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

(c) a non-EEA State other than the UK; or

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

13.2 Where no more than 35% in value of the Scheme Property of a Sub-fund 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.

13.3 The Company or a Sub-fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

13.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the relevant Sub-fund;

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

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

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

13.4 In giving effect to the foregoing object more than 35% of the Scheme Property in such securities issued by or on behalf of or guaranteed by a single named issuer which may be one of the following: the governments of the United Kingdom and of a member state of the European Union or EEA (i.e. Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark,



Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden); or by or on behalf of the Governments of Australia, Canada, Japan, New Zealand, Switzerland or the United States of America.

- 13.5 Notwithstanding 12.1 and subject to 13.2 and 13.3 above, in applying the 20% limit in paragraph 12.9 with respect to a single body, such securities issued by that body shall be taken into account.

#### 14. Investment in collective investment schemes

- 14.1 Up to 100% of the value of the Scheme Property of a Sub-fund may be invested in units or shares in other collective investment schemes (“Second Scheme”) provided the Second Scheme satisfies all of the following conditions and provided that no more than 30% in value of the Scheme Property of a Sub-fund is invested in Second Schemes within 14.1.1 below.

##### 14.1.1 The Second Scheme must:

- (a) be a UK UCITS scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
- (b) be recognised under the provisions of section 272 of the Financial Services and Markets Act 2000 (Schemes authorised in designated countries or territories); or
- (c) are authorised as a non-UCITS retail scheme (provided certain requirements are met); or
- (d) are authorised in an EEA State (provided certain requirements are met); or
- (e) is authorised by the competent authority of an OECD member country (other than an EEA State) which has:
  - (i) signed the IOSCO Multilateral Memorandum of Understanding; and
  - (ii) approved the Second Scheme’s management company, rules and depositary/custody arrangements (provided certain requirements are met).

- 14.1.2 The Second Scheme has terms that prohibit more than 10% in value of the scheme property consisting of units or shares in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 14.1.2, paragraph 14.1.3 and paragraph 12 (Spread: General) apply to each sub fund as if it were a separate scheme.

- 14.1.3 Investment may only be made: (i) in other collective investment schemes managed by the ACD or an associate of the ACD (which includes the Investment Managers); and/or (ii) in another Sub-fund of the Company; if the Sub-fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
- 14.2 The Sub-funds may, subject to the limit set out in 14.1 above, invest in (i) collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of a Sub-fund or one of its associates; and/or (ii) in another Sub-fund of the Company.
- 14.3 If a substantial proportion of a Sub-fund's assets are invested in other collective investment schemes, the maximum level of management fees which may be charged by an investee collective investment scheme to the Sub-fund concerned will be 6%.

**15. Investment in nil and partly paid securities**

A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by a Sub-fund, at the time when payment is required, without contravening the rules in COLL 5.

**16. Derivatives: general**

**The Investment Manager may employ derivatives solely for the purposes of hedging in accordance with Efficient Portfolio Management.**

- 16.1 A transaction in derivatives or a forward transaction must not be effected for a Sub-fund unless the transaction is of a kind specified in paragraph 17.1 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 29 (Cover for transactions in derivatives and forward transactions) of this Appendix.
- 16.2 Where a Sub-fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to COLL 5.2.11R (Spread: general) and COLL 5.2.12R (Spread: government and public securities) except for index based derivatives where the rules below apply.
- 16.3 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.

- 16.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 16.4.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - 16.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 16.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 16.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 16.6 Where a Sub-fund invests in an index based derivative, provided the relevant index falls within COLL 5.2.20AR (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.

## 17. **Efficient Portfolio Management**

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

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

17.2.1 Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or

17.2.2 Transactions for the generation of additional capital growth or income for the Sub-fund by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:

- (i) pricing imperfections in the market as regards the property which the Sub-fund holds or may hold; or
- (ii) receiving a premium for the writing of a covered call option or a cash covered put option on property of the Sub-fund which the Company is willing to buy or sell at the exercise price, or
- (iii) stock lending arrangements (although these are not currently permitted by the ACD).

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

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

## 18. Permitted transactions (derivatives and forwards)

18.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 22 (OTC transactions in derivatives).

18.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Sub-fund is dedicated:

18.2.1 transferable securities;

18.2.2 approved money-market instruments permitted under paragraphs 7.1.1 to 7.1.4;

- 18.2.3 deposits and permitted derivatives under this paragraph;
- 18.2.4 collective investment scheme units or shares permitted under paragraph 14 (Investment in collective investment schemes);
- 18.2.5 financial indices which satisfy the criteria set out in paragraph 19 (Financial indices underlying derivatives);
- 18.2.6 interest rates;
- 18.2.7 foreign exchange rates; and
- 18.2.8 currencies.
- 18.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 18.4 A transaction in a derivative must not cause a Sub-fund to diverge from its investment objectives as stated in the Instrument constituting a Sub-fund and the most recently published version of this Prospectus.
- 18.5 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, approved money-market instruments, units or shares in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 21.2 are satisfied.
- 18.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 18.7 A derivative includes an investment which fulfils the following criteria:
  - 18.7.1 it allows transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
  - 18.7.2 it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR, including cash;
  - 18.7.3 in the case of an OTC derivative, it complies with the requirements in paragraph 22; and
  - 18.7.4 its risks are adequately captured by the risk management process of the ACD and by its internal control mechanisms in the case of risk asymmetry of information between the ACD and the counterparty to the derivative resulting from the potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 18.8 A Sub-fund may not undertake transactions in derivatives on commodities.

- 18.9 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the scheme property of a Sub-fund, this limit being raised to 10% where the counterparty is an approved bank. Counterparty risk exposure can be reduced by the Company receiving collateral from the counterparty. Collateral will be managed in accordance with FCA Regulations and Guidelines issued from time to time by the European Securities and Markets Authority. A Collateral Management Policy will be implemented by the ACD before the Company enters into any transactions which require it to hold collateral from a counterparty.
- 18.10 The use of derivatives or forwards for the purposes of Efficient Portfolio Management will not materially alter the risk profile of the Sub-fund. The use of these techniques and instruments will only be employed where the ACD and the Investment Manager consider these to be in line with the best interests of the Sub-fund

## 19. Financial Indices underlying derivatives

- 19.1 The financial indices referred to in 18.2 are those which satisfy the following criteria:
- 19.1.1 the index is sufficiently diversified;
  - 19.1.2 the index represents an adequate benchmark for the market to which it refers; and
  - 19.1.3 the index is published in an appropriate manner.
- 19.2 A financial index is sufficiently diversified if:
- 19.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
  - 19.2.2 where it is composed of assets in which a Sub-fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
  - 19.2.3 where it is composed of assets in which a Sub-fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.
- 19.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 19.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;

- 19.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
- 19.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 19.4 A financial index is published in an appropriate manner if:
  - 19.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
  - 19.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 19.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to 18.2, be regarded as a combination of those underlyings.

## 20. **Transactions for the purchase of property**

- 20.1 A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-fund may be not entered into.

## 21. **Requirement to cover sales**

- 21.1 No agreement by or on behalf of a Sub-fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by that Sub-fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by a Sub-fund at the time of the agreement. This requirement does not apply to a deposit.
- 21.2 The above does not apply where:
  - 21.2.1 the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or
  - 21.2.2 the ACD or the Depositary has the right to settle the derivative in cash and cover exists within the Scheme Property of a Sub-fund which falls within one of the following asset classes:

- (i) cash;

- (ii) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
- (iii) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).
- (iv) In the asset classes referred to in paragraph 21.2.2, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven business days at a price closely corresponding to the current valuation of the financial instrument on its own market.

## 22. OTC transactions in derivatives

22.1 Any transaction in an OTC derivative under paragraph 18.1 must be:

22.1.1 in a future or an option or a contract for differences;

22.1.2 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

22.1.3 on approved terms; the terms of the transaction in derivatives are approved only if, the ACD carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty and can enter into one or more further transaction to sell, liquidate or close out that transaction at any time, at a fair value; and

22.1.4 For the purposes of paragraph 22.1.3, “fair value” is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

22.1.5 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

- (i) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
- (ii) if the value referred to above in 22.1.5(i) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and



22.1.6 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

- (i) an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or
- (ii) a department within the ACD which is independent from the department in charge of managing a Sub-fund and which is adequately equipped for such a purpose.

22.2 For the purposes of paragraph 22.1.3, “fair value” is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

## 23. Risk management

23.1 The ACD uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of a Sub-fund’s positions and their contribution to the overall risk profile of a Sub-fund. Before using the process, the ACD will notify the FCA of the details of the risk management process.

## 24. Investment in deposits

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

## 25. Significant influence

25.1 The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

25.1.1 immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate; or

25.1.2 the acquisition gives the Company that power.

25.2 For the purposes of paragraph 25.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## 26. Concentration

The Company:

- 26.1 must not acquire transferable securities other than debt securities which:
  - 26.1.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
  - 26.1.2 represent more than 10% of these securities issued by that body corporate;
- 26.2 must not acquire more than 10% of the debt securities issued by any single issuing body;
- 26.3 must not acquire more than 25% of the units in a collective investment scheme;
- 26.4 must not acquire more than 10% of the approved money-market instruments issued by any single body; and
- 26.5 need not comply with the limits in paragraphs 26.2, 26.3 and 26.4 of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

## 27. Derivative exposure

- 27.1 The Sub-funds may invest in derivatives and forward transactions as long as the exposure to which a Sub-fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 27.2 Cover ensures that a Sub-fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Sub-fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which that Sub-fund is committed. Paragraph 29 (Cover for transactions in derivatives and forward transactions) below sets out detailed requirements for cover of that Sub-fund.
- 27.3 A future is to be regarded as an obligation to which a Sub-fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which a Sub-fund is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).

27.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

**28. Schemes replicating an index**

28.1 Notwithstanding paragraph 12 (Spread: general), a Sub-fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

28.2 Replication of the composition of a relevant index shall be understood to be a reference to a replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.

28.3 The 20% limit can be raised for a particular Sub-fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

28.4 In the case of a Sub-fund replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where a Sub-fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.

28.5 The indices referred to above are those which satisfy the following criteria:

28.5.1 the composition is sufficiently diversified;

28.5.2 the index represents an adequate benchmark for the market to which it refers; and

28.5.3 the index is published in an appropriate manner.

28.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.

28.7 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.

28.8 An index is published in an appropriate manner if:

28.8.1 it is accessible to the public;

- 28.8.2 the index provider is independent from the index-replicating UCITS scheme; this does not preclude index providers and the UCITS scheme from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

**29. Cover for transactions in derivatives and forward transactions**

- 29.1 A transaction in derivatives or a forward transaction is to be entered into only if the maximum exposure created by the transaction to which a Sub-fund is or may be committed by another person is covered globally.
- 29.2 Exposure is covered globally if adequate cover from within the Scheme Property of a Sub-fund is available to meet a Sub-fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.
- 29.3 Scheme Property the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.
- 29.4 The global exposure relating to derivatives held in a Sub-fund may not exceed the Net Asset Value of the Scheme Property.

**30. Cover and Borrowing**

- 30.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under paragraph 29 (Cover for transactions in derivatives and forward transactions) except where 30.2 below applies.
- 30.2 Where, for the purposes of this paragraph a Sub-fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in 30.1 on deposit with the lender (or his agent or nominee), then this paragraph 30.2 applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

**31. Cash and near cash**

- 31.1 Cash and near cash must not be retained in the Scheme Property of the Sub-funds except to the extent that, where this may reasonably be regarded as necessary in order to enable:

- 31.1.1 the pursuit of a Sub-fund's investment objective; or
  - 31.1.2 redemption of Shares; or
  - 31.1.3 efficient management of a Sub-fund in accordance with its investment objectives; or
  - 31.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.
- 31.2 During the period of the initial offer the Scheme Property of the Sub-funds may consist of cash and near cash without limitation.

## 32. General

- 32.1 It is envisaged that a Sub-fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the ACD reasonably regards this as necessary in pursuit of the investment objective and policy, redemption of Shares, efficient management of a Sub-fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.
- 32.2 Where a Sub-fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the ACD or an associate of the ACD, the ACD must pay to a Sub-fund by the close of business on the fourth business day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- 32.3 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Sub-fund but, in the event of a consequent breach, the ACD must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Shareholders.
- 32.4 The COLL Sourcebook permits the ACD to use certain techniques when investing in derivatives in order to manage a Sub-fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure with respect to over-the-counter ("OTC") derivatives; for example a Sub-fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits a Sub-fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in a Sub-fund) under certain conditions.

32.5 No Sub-fund may invest in Shares of another Sub-fund within the Company.

**33. Underwriting**

33.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of a Sub-fund.

**34. General power to borrow**

34.1 The Company or the ACD may, on the instructions of the Company and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of a Sub-fund on terms that the borrowing is to be repayable out of the Scheme Property.

34.2 Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.

34.3 The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of a Sub-fund.

34.4 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).

**35. Restrictions on lending of money**

35.1 None of the money in the Scheme Property of a Sub-fund may be lent and, for the purposes of this paragraph, money is lent by a Sub-fund if it is paid to a person (“the payee”) on the basis that it should be repaid, whether or not by the payee.

35.2 Acquiring a debenture is not lending for the purposes of paragraph 35.1, nor is the placing of money on deposit or in a current account.

35.3 Nothing in paragraph 35.1 prevents the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

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

- 36.1 Scheme Property of the Sub-funds other than money must not be lent by way of deposit or otherwise.
- 36.2 Transactions permitted by paragraph 40 (Stock lending) are not to be regarded as lending for the purposes of paragraph 36.1.
- 36.3 The Scheme Property of the Sub-funds must not be mortgaged.

37. Where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL 5, nothing in this paragraph prevents the Company or the Depositary at the request of the Company: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

**38. General power to accept or underwrite placings**

- 38.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Sub-fund.
- 38.2 This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.
- 38.3 The exposure of a Sub-fund to agreements and understandings as set out above, on any business day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the COLL Sourcebook.

**39. Guarantees and indemnities**

- 39.1 The Company or the Depositary for the account of the Company must not provide any guarantee or indemnity in respect of the obligation of any person.
- 39.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

- 39.3 Paragraphs 39.1 and 39.2 do not apply to in respect of the Company:
- 39.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5; and
  - 39.3.2 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
  - 39.3.3 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
  - 39.3.4 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Company and the holders of shares in that scheme become the first Shareholders in the Company.

40. **Stock lending**

- 40.1 The entry into stock lending transactions or repo contracts for the account of a Sub-fund is not permitted.



## APPENDIX IV

### LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD

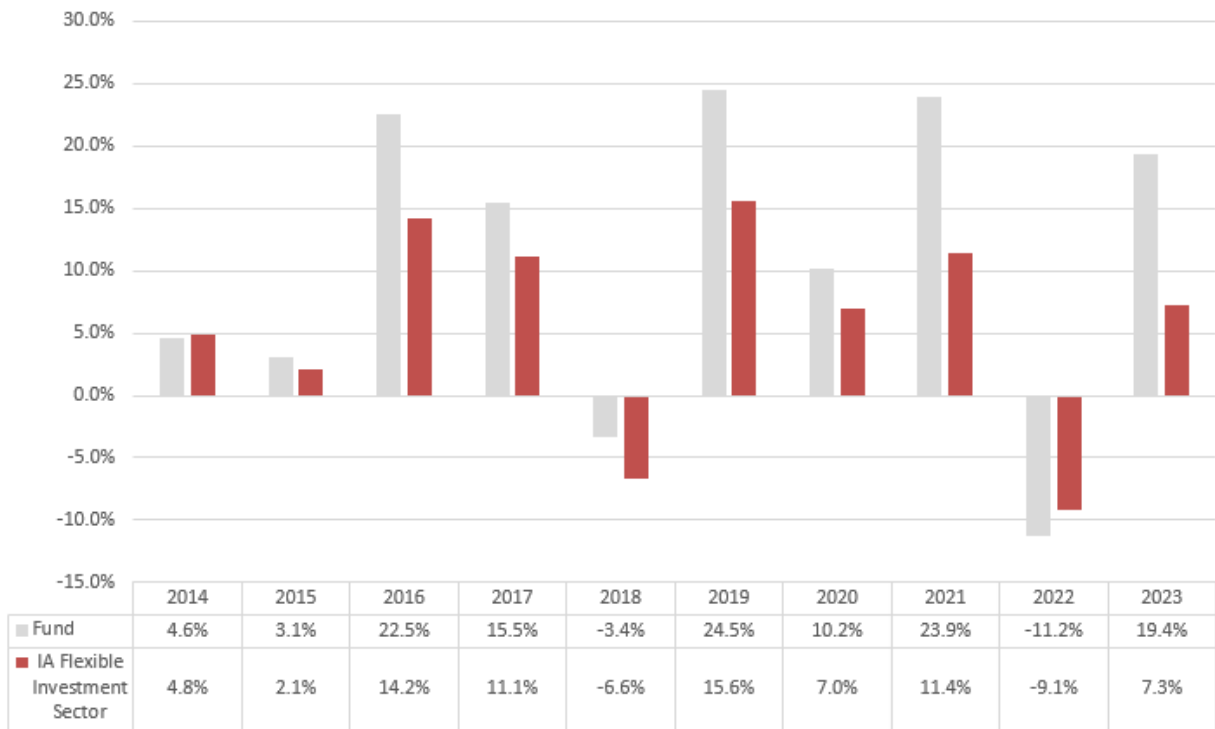
As at the date of this Prospectus, Tutman Fund Solutions Limited acts as authorised fund manager or authorised corporate director for:

Authorised Unit Trusts	Investment Companies with Variable Capital
Dragon Trust	Bute Fund
Eagle Fund	Earlstone Fund
Evelyn Witch General Trust	Evelyn Partners Funds
Langham Trust	Evelyn Partners Investment Funds ICVC
Magnum Trust	Forest Fund ICVC
Marathon Trust	Ganymede Fund
Orchard Fund	GFS Investments Fund
Ourax Unit Trust	Glairnox Fund
Spenser Fund	Gryphon Investment Funds
SVS DW Asia Income & Growth Fund	Hercules Managed Funds
SVS Dowgate Wealth UK New Economies Fund	Issodola Fund
SVS Sanlam European Equity Fund	JC Investments Fund
SVS Sanlam Fixed Interest Fund	Kanthaka Fund
SVS Sanlam North American Equity Fund	Moorgate Funds ICVC
The Acorn Trust	New Square Investment Funds
The Alkerton Trust	Pendennis Fund ICVC
The Barro II Trust	Pharaoh Fund
The Capital Balanced Fund	Pityoulish Investments Fund
The Dream Trust	Quercus Fund
The Enterprise Trust	Sardasca Fund
The Global Opportunities Fund	Sherwood Fund
The Ilex Fund	Smithfield Funds
The Jetwave Trust	Starhunter Investments Fund
The Lancaster Trust	Stratford Place Fund
The Millennium Fund	Sussex Fund
The Plain Andrews Unit Trust	SVS AllianceBernstein UK OEIC
The Securities Fund	SVS Aubrey Capital Management Investment Funds
Worldwide Growth Trust	SVS Baker Steel Global Investors OEIC
	SVS Baker Steel Gold and Precious Metals Fund
	SVS Brooks Macdonald Fund
	SVS Brown Shipley Multi Asset Portfolio
	SVS Cornelian Investment Funds
	SVS Dowgate Cape Wrath Focus Fund
	SVS Dowgate Wealth Funds ICVC
	SVS Heritage Investment Fund
	SVS Kennox Strategic Value Fund
	SVS RM Funds ICVC
	SVS Saltus Onshore Portfolios
	SVS WAM Investment Funds
	SVS Zeus Investment Funds ICVC
	Sylvan Funds
	Taber Investments Fund
	The Air Pilot Fund
	The Aurinko Fund
	The Blu-Frog Investment Fund

	<p> The Brighton Rock Fund  The Cheviot Fund  The Daisybelle Fund  The Dinky Fund  The Dunninger Fund  The Folla Fund  The Galacum Fund  The Global Balanced Strategy Fund  The Gloucester Portfolio  The Headspring Fund  The Headway Fund  The Jake Fund  The Jay Fund  The Kingfisher Fund  The Loch Moy Fund  The Magpie Fund  The MF Fund  The Milne Fund  The Nectar Fund  The Norton Fund  The Princedale Fund  The Rosslyn Fund  The SBB Fund  The Staffordshire Portfolio  The Stellar Fund  The SVS Levitas Funds  The Touchstone Investment Fund  The Tully Fund  The Westhill Investment Fund  TS Campana Fund  Vagabond Investment Fund  White Oak Fund  Windrush Fund </p>
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**APPENDIX V**  
**PAST PERFORMANCE AND INVESTOR PROFILE**

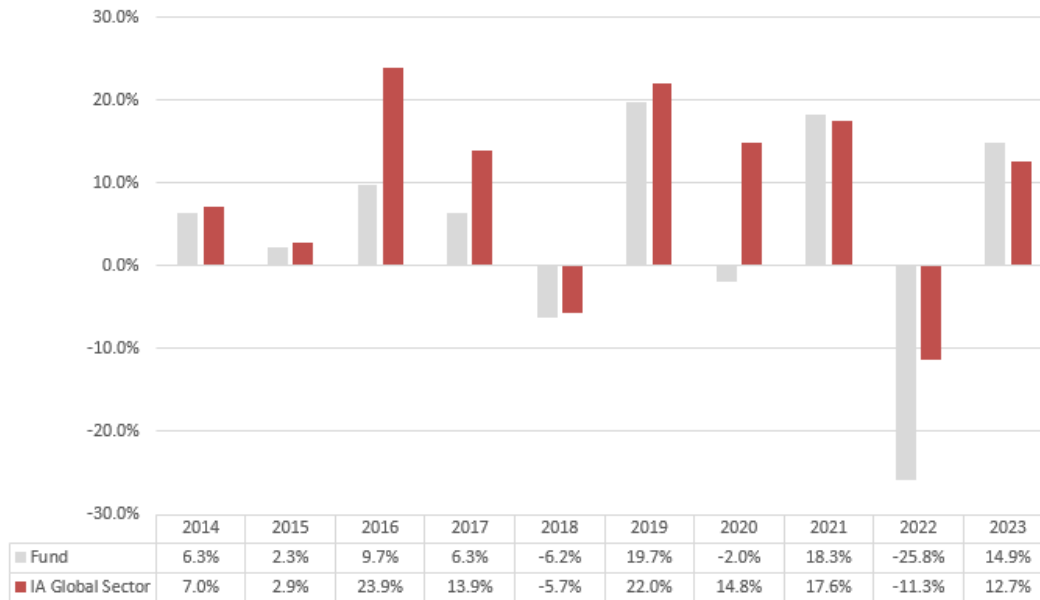
**Bay Fund**



Source: Fund - FE fundinfo 2024  
Benchmark - Morningstar

Mid to Mid, net income reinvested, net of charges and tax. Performance does not include the effect of any initial or redemption charges.

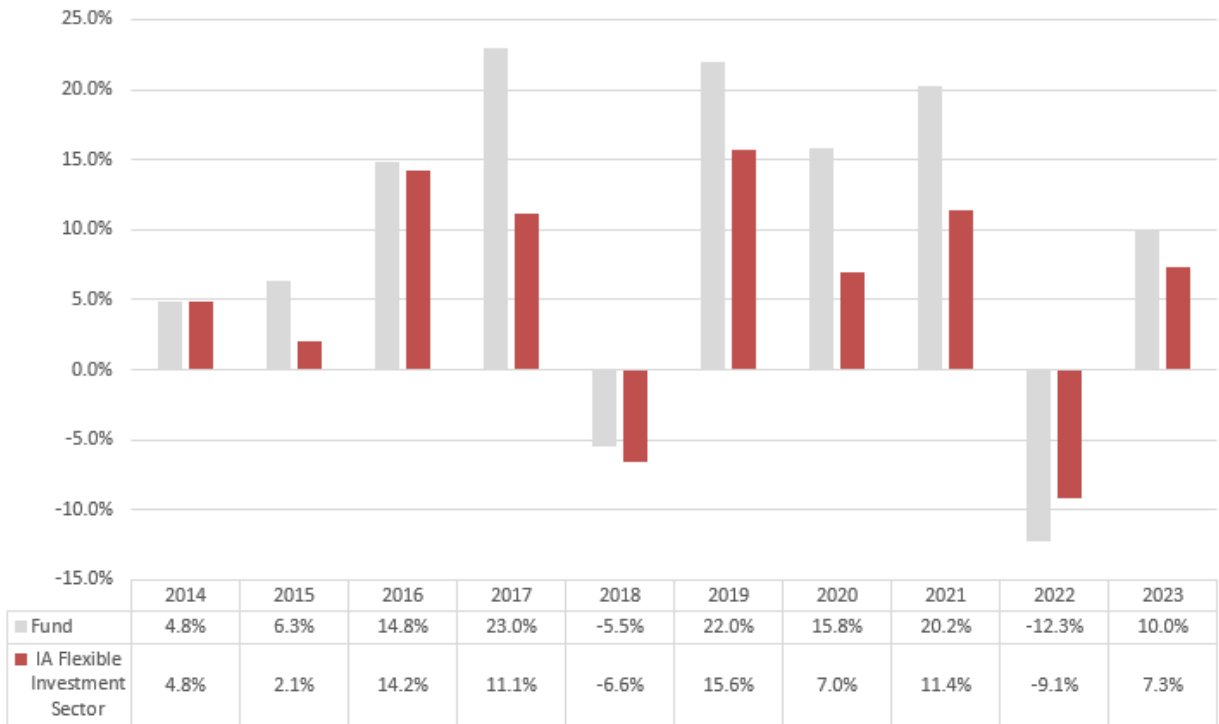
## Beech Fund



Source: Fund - FE fundinfo 2024  
Benchmark - Morningstar

Mid to Mid, net income reinvested, net of charges and tax. Performance does not include the effect of any initial or redemption charges.

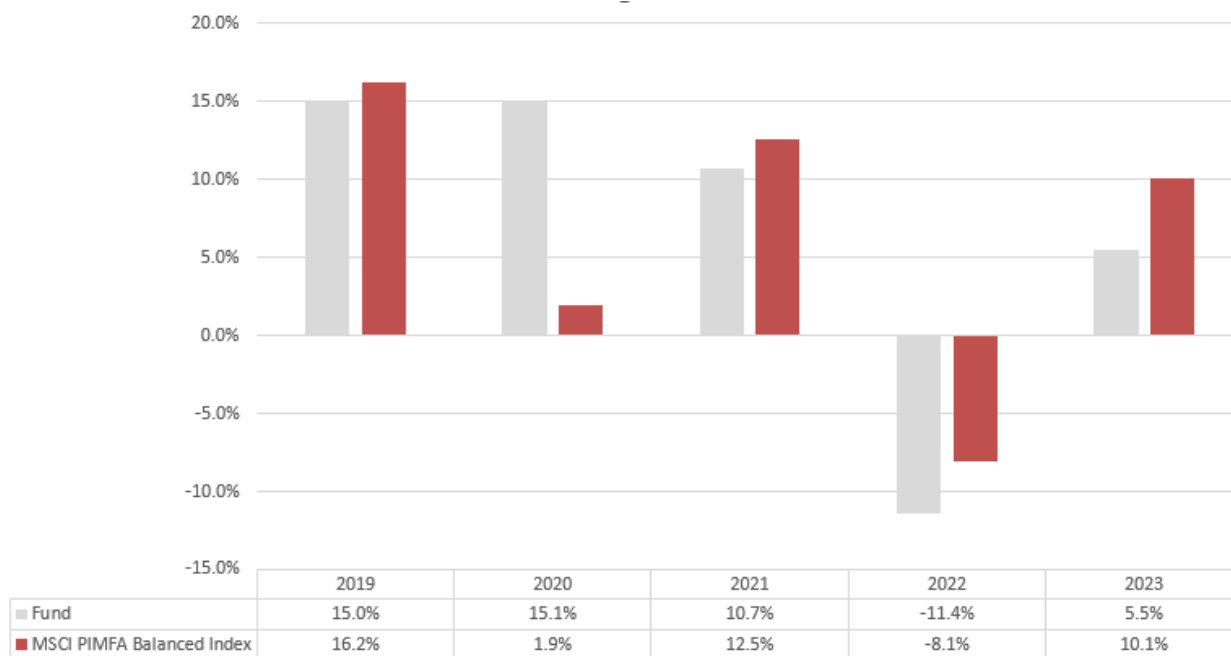
## Acacia Fund



Source: Fund - FE fundinfo 2024  
Benchmark - Morningstar

Mid to Mid, net income reinvested, net of charges and tax. Performance does not include the effect of any initial or redemption charges.

## Samphire Fund



Source: Fund - FE fundinfo 2024  
Benchmark - Morningstar

Mid to Mid, net income reinvested, net of charges and tax. Performance does not include the effect of any initial or redemption charges.

**Note:** PAST PERFORMANCE SHOULD NOT BE TAKEN AS A GUIDE TO THE FUTURE. PLEASE SEE APPENDIX I FOR THE SUB-FUNDS' OBJECTIVES AND BELOW FOR AN EXPLANATION OF INVESTOR PROFILE.

### Investor profiles

The Sub-funds are marketable to all eligible investors provided they can meet the minimum subscription levels. The Sub-funds may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. They may be suitable for investors wishing to seek to achieve defined investment objectives. Such investors must have experience with, or understand, products where the capital is at risk. Investors must be able to accept some risk to their capital, thus the Sub-funds (not including Samphire Fund) may be suitable for investors who are looking to set aside the capital for at least 5 years, except for Samphire Fund, where this may be suitable for investors who are looking to set aside

the capital for at least 10 years. If you are uncertain whether these products are suitable for you, please contact a professional adviser.

Bay Fund may be suitable for those investors seeking capital growth.

Beech Fund may be suitable for those investors seeking capital growth.

Acacia Fund may be suitable for those investors seeking a combination of income and capital growth.

Samphire Fund may be suitable for those investors seeking a combination of income and capital growth.

## APPENDIX VI

### TYPICAL INVESTOR PROFILE(S)

Below is an indication of the target market of the Sub-funds as required under MiFID II regulations. This is fully detailed in the EMT which should be made available to you before making an investment. If you do not believe you fit the target market of this Sub-fund please seek advice from your professional adviser.

#### **Acacia**

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

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

The Sub-fund seeks to increase capital and grow income over a long time period.

Please refer to the latest EMT or KIID for the Synthetic Risk Reward Indicator (SRRI).

#### **Bay Fund and Beech Fund**

These Sub-funds are suitable for all investor types of all levels of knowledge and experience coming into each Sub-fund from all available distribution channels.

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

These Sub-funds seek to increase capital and have a neutral stance on income growth over a long time period.

Please refer to the latest EMT or KIID for the Synthetic Risk Reward Indicator (SRRI).

#### **Samphire Fund**

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

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

The Sub-fund seeks to grow capital and income over the long term (>10y).

Please refer to the latest EMT or KIID for the Synthetic Risk Reward Indicator (SRRI).



## APPENDIX VII

### LIST OF DIRECTORS OF Tutman Fund Solutions Limited

#### Name of Director

Nicola Palios, Non-Executive Chair

Neil Coxhead, Chief Executive Officer

Stephen Mugford, Finance Director

Jenny Shanley, Director Fund Administration

Carol Lawson, Independent Non-Executive Director

Caroline Willson, Independent Non-Executive Director

Sally Macdonald, Independent Non-Executive Director

Linda Robinson, Independent Non-Executive Director

Stephen Mugford and Nicola Palios are also directors of Thesis Unit Trust Management Limited and ConBrio Fund Partners Limited, as well as members of the governing body of TUTMAN LLP, both authorised fund managers within the same group as the ACD. Stephen Mugford and Nicola Palios perform senior management functions within Thesis Unit Trust Management Limited and ConBrio Fund Partners Limited. Stephen Mugford and Nicola Palios also hold directorships of other companies within the Thesis group and perform senior management functions within Thesis Asset Management Limited.

Caroline Willson, Carol Lawson, Sally Macdonald and Linda Robinson also hold non-executive directorships of Thesis Unit Trust Management Limited. Neil Coxhead and Jenny Shanley are not engaged in other business activities that are of significance to the Company.

## APPENDIX VIII

### DIRECTORY

#### **The Company and Head Office:**

New Square Investment Funds  
Exchange Building  
St John's Street  
Chichester  
West Sussex  
PO19 1UP

#### **Authorised Corporate Director and Registrar:**

Registered Office:  
Tutman Fund Solutions Limited  
Exchange Building  
St John's Street  
Chichester  
West Sussex  
PO19 1UP

#### **Correspondence Address:**

Transfer Agency Team  
Tutman Fund Solutions Limited,  
177 Bothwell Street  
Glasgow  
G2 7ER

Dealing: 0141 483 9700

Registration and Enquiries: 0141 483 9701

Email: TADealing@tutman.co.uk

#### **Depositary:**

NatWest Trustee & Depositary Services Limited  
250 Bishopsgate  
London  
EC2M 4AA

#### **Principal Place of Business:**

House A, Floor 0  
Gogarburn  
175 Glasgow Road  
Edinburgh

EH12 1HQ

**Investment Managers:**

Quilter Cheviot Limited  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4AB

Cazenove Capital Management, a trading name of Schroder & Co. Limited

**Registered Office:**

1 London Wall Place  
London  
EC2Y 5AU

Rathbones Investment Management Limited

**Registered office:**

Rathbones Investment Management Limited  
Port Of Liverpool Building  
Pier Head  
Liverpool  
L3 1NW

**Principal Place of Business:**

Rathbones Investment Management Limited  
30 Gresham Street  
London  
EC2V 7QN

**Auditors:**

Johnston Carmichael LLP  
Bishop's Court  
29 Albyn Place  
Aberdeen  
AB10 1YL