



---

PROSPECTUS

of

**TM Natixis Investment Funds U.K. ICVC**

Consisting of the following Funds:

TM Natixis Harris Associates Global Concentrated  
Equity Fund

TM Natixis Loomis Sayles Strategic Income Fund  
TM Natixis Loomis Sayles U.S. Equity Leaders Fund\*

An umbrella UK UCITS  
Open-Ended Investment Company

---

Valid as at and dated 17 April 2025

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

Thesis Unit Trust Management Limited

Authorised and regulated by the Financial Conduct Authority.

FCA firm reference number: 186882

\* As from 22 October 2022, the TM Natixis Loomis Sayles Strategic Income Fund is no longer available for investment

## **IMPORTANT INFORMATION**

The Company is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Company will be marketed outside the UK, other than to professional investors in the Channel Islands.

The Company is an open-ended investment company incorporated with limited liability and registered in England and Wales under number IC000968.

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

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

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

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

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

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

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

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

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

## **AUTOMATIC EXCHANGE OF INFORMATION FOR INTERNATIONAL TAX COMPLIANCE ("AEOI")**

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including the United States provisions commonly known as "FATCA" and other intergovernmental agreements. As a result the Company may

need to disclose the name, address, taxpayer identification number and investment information relating to certain investors in the Trust to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

By signing the application form to subscribe for Shares, each prospective Shareholder is agreeing to provide information upon request to the Company or its agent. If a Shareholder does not provide the necessary information, the Company will be required to report it to HM Revenue & Customs who may, in turn, report it to foreign tax authorities.

**NO FUND IS OPEN FOR INVESTMENT BY ANY U.S. PERSON (AS DEFINED BELOW) EXCEPT IN EXCEPTIONAL CIRCUMSTANCES AND ONLY WITH THE PRIOR CONSENT OF THE ACD.**

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

Each of the Funds is managed for longer-term investment, as such, the ACD discourages excessive short-term trading that may be detrimental to the Funds and their Shareholders. Frequent purchases and redemptions of Shares may present certain risks for other Shareholders in a Fund. This includes the risk of diluting the value of Shares held by long-term Shareholders, interfering with efficient management of each Fund's portfolio and increasing brokerage and administrative costs. Funds investing in securities that require special valuation processes (such as foreign securities or sub-investment grade securities), also may have increased exposure to these risks. Therefore, the ACD may, at its discretion, refuse to accept applications for purchase of, or requests for exchange of, Shares where it believes such detriments to a Fund may arise.

**Important:** If you are in doubt about the contents of this Prospectus you should consult your financial adviser.

## CONTENTS

<b>DEFINITIONS</b> .....	5
<b>THE COMPANY AND THE FUNDS</b> .....	11
<b>AUTHORISED CORPORATE DIRECTOR</b> .....	13
<b>DEPOSITARY</b> .....	14
<b>THE ADMINISTRATOR</b> .....	18
<b>THE REGISTRAR AND TRANSFER AGENT</b> .....	18
<b>THE AUDITOR</b> .....	18
<b>INVESTMENT MANAGERS</b> .....	19
<b>CHARACTERISTICS OF SHARES</b> .....	20
<b>SHAREHOLDER MEETINGS AND VOTING RIGHTS</b> .....	22
<b>VALUATION</b> .....	26
<b>FEES AND EXPENSES</b> .....	30
<b>BUYING AND SELLING OF SHARES</b> .....	35
<b>EXCHANGES</b> .....	42
<b>GENERAL INFORMATION</b> .....	43
<b>TAXATION</b> .....	46
<b>WINDING UP AND TERMINATION</b> .....	50
<b>RISK FACTORS</b> .....	52
<b>APPENDIX 1 INVESTMENT AND BORROWING POWERS AND RESTRICTIONS</b> .....	68
<b>APPENDIX 2 ELIGIBLE MARKETS</b> .....	99
<b>APPENDIX 3 FUNDS</b> .....	102
<b>APPENDIX 4 GOVERNMENT AND PUBLIC SECURITIES</b> .....	113
<b>APPENDIX 5 PAST PERFORMANCE</b> .....	114
<b>APPENDIX 6 DELEGATIONS MADE BY THE DEPOSITARY</b> .....	116
<b>APPENDIX 7 LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD</b> .....	121
<b>APPENDIX 8 DIRECTORY</b> .....	123

## DEFINITIONS

"Accumulation Shares"	shares in respect of which income is accumulated and added to the capital property of a Fund.
"ACD" or "Authorised Corporate Director"	Thesis Unit Trust Management Limited which acts as the authorised corporate director of the Company.
"Act"	the Financial Services and Markets Act 2000.
"Administrator"	State Street Bank and Trust Company, London Branch and/or such other person appointed from time to time to provide administration services to the ACD including, fund valuation and fund accounting.
"Approved Bank"	<p>(in relation to a bank account opened for the Company);</p> <p>(a) if the account is opened at a branch in the UK:</p> <ul style="list-style-type: none"><li>(i) the Bank of England; or</li><li>(ii) the central bank of a member state of the OECD; or</li><li>(iii) a bank; or</li><li>(iv) a building society; or</li><li>(v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or</li></ul> <p>(b) if the account is opened elsewhere:</p> <ul style="list-style-type: none"><li>(i) a bank in (a); or</li><li>(ii) a bank which is regulated in the Isle of Man or the Channel Islands; or</li></ul> <p>(c) a bank supervised by the South African Reserve Bank; or</p> <p>(d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator;</p> <p>as such definition may be updated in the FCA Glossary from time to time.</p>
"Auditor"	PricewaterhouseCoopers LLP.
"Business Day"	a weekday, being Monday to Friday (excluding any public or bank holiday in England).
"CASS"	the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook, as amended or replaced from time to time.

“CCP”	as defined in the FCA Glossary.
“COLL”	refers to the appropriate chapter or rule in the COLL Sourcebook.
“COLL Sourcebook”	means the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time.
“Company”	TM Natixis Investment Funds U.K. ICVC.
“Custodian”	the person who provides custodian services to the Company, being State Street Bank and Trust Company, or its successor or successors as custodian.
“Data Protection Laws”	<p>means all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances:</p> <ul style="list-style-type: none"> <li>(a) the UK GDPR;</li> <li>(b) the Data Protection Act 2018;</li> <li>(c) any laws which implement any such laws;</li> <li>(d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); and</li> <li>(e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws.</li> </ul>
“Dealing Day”	a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value (unless stated otherwise in this Prospectus) and any such other day as the ACD may decide and agree with the Depository from time to time.
“Delegated Investment Manager”	such entity or entities for the time being appointed as sub-investment manager(s) by the Investment Manager to provide investment management services to any or all of the Funds as set out in Appendix 3.
“Depository”	State Street Trustees Limited.
“Depository Agreement”	the agreement between the ACD, the Company and the Depository.
“Distribution Shares”	shares in respect of which income is distributed to Shareholders periodically as detailed in Appendix 3.
“Distributor”	Natixis Investment Managers International and/or such other person as may be appointed by the ACD to provide fund distribution services to the Funds.

“EEA”	The European Economic Area.
“EEA State”	a member state of the European Union and any other state which is party to the EEA Agreement.
“Eligible Institution”	as defined in the FCA Glossary.
“Eligible Markets”	such markets meeting the requirements set out in paragraph 3 of Appendix 1.
“EMIR”	as defined in the FCA Glossary.
“EUWA”	means the European Union (Withdrawal) Act 2018.
“FCA”	the Financial Conduct Authority of the United Kingdom or any successor regulatory authority from time to time. d
“FCA Glossary”	the glossary giving the meanings of the defined expressions used in the FCA Handbook;
“FCA Handbook”	the FCA Handbook of rules and guidance, as amended, updated or replaced from time to time.
“FCA Rules”	the rules contained in COLL but, for the avoidance of doubt, not including guidance or evidential requirements contained in COLL.
“Financial Instrument”	as defined in the FCA Glossary.
“Fund” or “Funds”	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) and to which specific assets and liabilities of the Company may be allocated and which are invested in accordance with the investment objective applicable to such sub-fund and 'Funds' shall be interpreted accordingly.
“Home State”	as defined in the FCA Glossary.
“Instrument of Incorporation	the instrument of incorporation constituting the Company, as amended from time to time.
“International Tax Compliance Regulations”	The International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time.
“Investment Manager”	such entity or entities for the time being appointed as (an) investment manager(s) to provide investment management services to any or all of the Funds as set out in Appendix 3.
“IP Completion Day”	31 December 2020 at 11pm.
“ISA”	an individual savings account set up under the Individual Savings Account Regulations 1998.
“KIID”	Key Investor Information Document.

"Management Fee"	the ACD's remuneration for carrying out its duties and responsibilities, as described in the FEES AND EXPENSES section of this document.
"Net Asset Value" or "NAV"	the value of the property of (or attributable to) the Company, a Fund or a Share Class (as the context may require) less the liabilities of (or attributable to) the Company, Fund or Share Class concerned as calculated in accordance with the Instrument of Incorporation.
"Net Asset Value per Share" or "NAV per Share"	the Net Asset Value of a Share Class in issue in respect of any Fund divided by the number of shares of the relevant Share Class in issue or deemed to be in issue in that Fund.
"Non-Qualified Person"	<p>any U.S. Person or any person to whom a transfer of Shares (legally or beneficially) or by whom a holding of Shares (legally or beneficially) would or, in the opinion of the ACD, might:-</p> <ul style="list-style-type: none"> <li>a) be in breach of any law (or regulation by a competent authority) of any country or territory by virtue of which the person in question is not qualified to hold such Shares; or</li> <li>b) require the Company or the ACD to be registered under any law or regulation whether as an investment fund or otherwise, or cause the Company to be required to apply for registration, or comply with any registration requirements in respect of any of its Shares, whether in the United States of America or any other jurisdiction; or</li> <li>c) cause the Company, its Shareholders or the ACD some legal, regulatory, taxation, pecuniary or material administrative disadvantage which the Company or its Shareholders might not otherwise have incurred or suffered.</li> </ul>
"Non-UCITS retail scheme"	an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund.
"OECD"	the Organisation for Economic Co-operation and Development.
"OEIC"	a company incorporated under the OEIC Regulations.
"OEIC Regulations"	the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (as amended from time to time).
"Ongoing Charges"	means the total amount of charges and expenses paid annually by a Fund (excluding portfolio transaction costs), which is provided as an ongoing charges figure which includes Management Fees and Operating Expenses, disclosed in the KIID and which is calculated in accordance with CESR's Guidelines on the methodology for calculation



	of the ongoing charges figure in the Key Investor Information Document (CESR/10-674).
"Operating Expenses"	fees and expenses, excluding the Management Fee, paid out of the Scheme Property as described in the FEES AND EXPENSES section of this document.
"Register of Shareholders"	the register of shareholders of the Company.
"Regulated Activities Order"	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 SI 2001/544, as amended.
"the Regulations"	the OEIC Regulations and the FCA Handbook.
"Scheme Property"	the property of the Company or a Fund (as appropriate) for to be given to the Depositary for safekeeping, as required by the FCA Rules.
"securities financing transactions" or "SFT"	as defined in the FCA Glossary.
"Share" or "Shares"	a share or shares in the Company (including Larger Denomination Shares and Smaller Denomination Shares) relation to a single Fund.
"Share Class"	all of the shares issued by the Company as a particular class of shares relating to a single Fund.
"Shareholder"	a registered holder of Shares in the Company.
"SYSC"	means the Senior Management Arrangement Systems and Controls sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time.
"Total Return Swap" or "TRS"	a derivative contract as defined in article 3(18) of Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse (as it had effect immediately before IP Completion Day) in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.
"Transfer Agent"	SS&C Financial Services Europe Limited and SS&C Financial Services International Limited (together "SS&C") and/or such other person appointed from time to time to provide transfer agency services to the ACD and the Company, and to act as registrar to the Company.
"UCITS"	Undertaking for Collective Investment in Transferable Securities. This will include a UCITS or an EEA UCITS, as defined in the FCA Glossary.
"UCITS Directive"	the European Parliament and Council Directive of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for

	collective investment in transferable securities (UCITS) (No. 2009/65/EC), as amended.
"UK GDPR"	Regulation (EU) 2016/679 as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as modified by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019.
"UK SFTR"	the UK version of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as may be amended or replaced and which is part of UK law by virtue of the EUWA.
"UK UCITS"	as defined in the FCA Glossary.
"UK UCITS Regulations"	the Collective Investment Schemes (Amendment etc) (EU Exit) Regulations 2019 (SI 2019/325).
"United Kingdom", "UK" or "U.K."	United Kingdom of Great Britain and Northern Ireland.
"United States", "US" or "U.S."	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.
"U.S. Person"	means a person who is in either of the following two categories: <ul style="list-style-type: none"> <li>a) a person included in the definition of "U.S. person" under Rules 902 under the 1933 Act; or</li> <li>b) a person excluded from the definition of a "Non-United States person" as used in Commodity Futures Trading Commission ("CFTC") Rule 4.7.</li> </ul> <p>For the avoidance of doubt, a person is excluded from this definition of U.S. Person only if they are outside both the definition of "U.S. person" in Rule 902 and the definition of "Non-United States person" under CFTC Rule 4.7.</p>
"Valuation Point"	the point, whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the property of the Company or a Fund (as the case may be) for the purpose of determining the price at which Shares of a Share Class may be issued, cancelled or redeemed, as further set out in Appendix 3 in respect of each of the Funds.
"VAT"	value added tax.
1933 Act	The United States Securities Act of 1933 (as may be amended or re-enacted).

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

References in the main body of this Prospectus to paragraphs mean paragraphs in the main body of this Prospectus unless otherwise stated. Similarly, references in an Appendix to paragraphs mean paragraphs in the relevant Appendix unless otherwise stated.

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

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

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

## **THE COMPANY AND THE FUNDS**

### The Company

The Company is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Company will be marketed outside the UK, other than to professional investors in the Channel Islands.

The Company is an investment company with variable capital authorised by the FCA for the purposes of the OEIC Regulations. The Company is incorporated in England and Wales with registered number IC000968 and is authorised pursuant to Regulation 14 of the OEIC Regulations. The effective date of the authorisation order made by the FCA was 30 January 2013. The FCA product reference number ("PRN") for the Company is 594405.

The minimum share capital of the Company is £1 and the maximum share capital is £100,000,000,000. The base currency for the Company is Sterling. The Shareholders are not liable for the debts of the Company. Shares in the Company are not listed on any investment exchange.

The Company is an umbrella company authorised as a UK UCITS for the purposes of the FCA Handbook and, as at the date of this Prospectus, consists of three Funds:

- TM Natixis Harris Associates Global Concentrated Equity Fund;
- TM Natixis Loomis Sayles Strategic Income Fund\*;
- TM Natixis Loomis Sayles U.S. Equity Leaders Fund; and

\*As from 22 October 2022 the TM Natixis Loomis Sayles Strategic Income Fund is no longer available for investment.

Subject to the Regulations and the Instrument of Incorporation, the ACD may establish additional Funds from time to time.

The address in the U.K. for service on the Company of notices or other documents required or authorised to be served on the Company is:

## **TM Natixis Investment Funds U.K. ICVC**

Exchange Building  
St John's Street  
Chichester  
West Sussex  
PO19 1UP

Each of the Funds has a segregated portfolio of assets and accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other person or body including the Company and any other Fund and shall not be available for any such purpose.

Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, these provisions are subject to the scrutiny of the courts and it is not free from doubt, in the context of claims brought by local creditors in foreign courts or under foreign law contracts, that the assets of a Fund will always be 'ring fenced' from the liabilities of other Funds of the Company.

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund. Within the Funds, charges will be allocated between Share Classes in accordance with the terms of issue of Shares of those Share Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular 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 Funds.

### The Funds and their Investment Objectives and Policies

Details of the investment objective, policy and certain terms relating to an investment in the Funds are set out in Appendix 3.

The choice of a Fund should be based on the investor's attitude to risk, desire for income and/or growth, and intended length of time for investment and an investment in a Fund should be considered in the context of the investor's overall portfolio. Further details of the typical investor profile of each Fund can be found in Appendix 3. Investors should seek professional advice before making investment decisions. Investors should note that there is no guarantee that the investment objective of a Fund or positive return can be achieved.

Where and when appropriate, the historical performance of the Funds will be set out in Appendix 3.

### Distribution of Income

The Company's annual accounting period ends on 31 December in each year. The interim accounting periods (if any) and the distribution policy for each Fund are set out in Appendix 3.

Allocation of income to holders of any Accumulation Shares that may be issued will be transferred to the capital property of each Fund as at the end of the relevant distribution period (annual or interim) and be reflected in the value of Shares on the first Business Day following that distribution period.

Included in the price of Shares will be an income equalisation amount representing the value of income attributable to the Share in question accrued since the end of the last distribution period (annual or interim as the case may be).

Grouping for equalisation is permitted under the Instrument of Incorporation and arises during the allocation period of the Fund. Shares purchased during the allocation period will carry an entitlement to equalisation which is the amount arrived at on an average basis of the accrued net income per Share included in the price of Shares issued or re-issued during the allocation

period. An equalisation amount may be included as part of any income allocation to shareholders and represents a return of capital rather than income.

#### How Distributable Income is Determined

The income available for distribution or accumulation in relation to a Fund is determined in accordance with the FCA Handbook. In general terms, the income comprises all the sums deemed by the Company, after consultation with the Auditors of the Company, to be income in nature and received or receivable by the Company and attributable to the Fund in respect of the distribution period concerned, after deducting charges and expenses paid or payable out of such income and after making such adjustments in relation to taxation and other matters. The allocation of income to each Share Class is made after allowing for the effect, including attributable taxation, of any charges or expenses made on bases which vary by Share Class.

Income relating to a Fund is allocated at each Valuation Point among Share Classes linked to the Fund in proportion to the value of each Share Class relative to the value of the entire Fund as at the immediately preceding Valuation Point including any share class issue and cancellation movements, and excluding the effect of any Share Class specific withholding tax liabilities, applied at the immediately preceding Valuation Point.

#### **AUTHORISED CORPORATE DIRECTOR**

The ACD is Thesis Unit Trust Management Limited, a private company limited by shares, incorporated in England and Wales under the Companies Act 1985 on 6 February 1998 with company number 3508646.

Registered office and head office:

Exchange Building  
St John's Street  
Chichester  
West Sussex  
PO19 1UP

The directors of the ACD are:

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

All directors are also directors of ConBrio Fund Partners Limited and members of the governing body of TUTMAN LLP, both authorised fund managers within the same group as the ACD. D W Tyerman, S R Mugford and S E Noone perform senior management functions within those entities. D W Tyerman and S R Mugford also hold directorships of other companies within the Thesis group and perform senior management functions within Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the ACD.

D K Mytnik, V R Smith and N C Palios also hold non-executive directorships of other companies within the Thesis group. They and C J Willson and C A E Lawson are not engaged in other business activities that are of significance to the Company.

## **Share Capital**

The ACD has a share capital of £5,673,167 issued and paid up.

Refer to Appendix 7 for the list of other authorised collective investment schemes operated by the ACD.

## **ACD Agreement**

The ACD has been appointed pursuant to an agreement dated 16 December 2023 between the Company and the ACD ("the ACD Agreement"). Pursuant to the ACD Agreement, the ACD shall manage and administer the Company in accordance with the Regulations, the Instrument of Incorporation, the Prospectus and any relevant legislation or regulation applicable to the ACD. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD, including the management, investment and reinvestment of the property of each Fund in order to achieve the various investment objectives. The ACD may delegate its management and administration functions to third parties including associates subject to the FCA Handbook. The specific functions the ACD has delegated are set out below.

The ACD is entitled to receive initial and periodic charges as set out in the section of this Prospectus headed "Fees and Expenses".

The ACD Agreement provides that the appointment may be terminated by either party on six months' written notice or immediately if the ACD ceases for any reason to be the Company's authorised corporate director. The ACD Agreement will also terminate on expiry of notice given by the Depositary in accordance with the COLL Sourcebook (liquidation, receivership or an administration order in respect of the ACD). The ACD is entitled to payment of its fees to the date of termination but no additional compensation.

The ACD Agreement provides that the Company will indemnify the ACD against any liability incurred by the ACD in carrying out its powers, duties, authorities or discretions as authorised corporate director of the Company except to the extent such liability arises as a direct result of the fraud, negligence, wilful default, breach of duty or bad faith on the part of the ACD.

The ACD has delegated fund valuation and fund accounting functions to State Street Bank and Trust Company, London Branch and registration and transfer agency functions to SS&C Financial Services Europe Limited and SS&C Financial Services International Limited. The ACD has also appointed the Investment Manager to provide investment management services in respect of the Funds. The ACD remains responsible for ensuring that the companies to whom it delegates any of its functions, perform those delegated functions in compliance with the Regulations.

## **DEPOSITARY**

The Depositary is State Street Trustees Limited, a private company limited by shares (registered number 2982384) which was incorporated in England and Wales on 24 October 1994. Its registered office is at 20 Churchill Place, London, E14 5HJ.

Its ultimate holding company is State Street Corporation a company incorporated in the state of Massachusetts, USA. The principal business activity of the Depositary is the provision of depositary and trustee services. The Depositary is authorised and regulated by the Financial Conduct Authority.

### Depositary's function

The Depositary has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Instrument of Incorporation.
- ensuring that the value of the Shares is calculated in accordance with applicable law and the Instrument of Incorporation.
- carrying out the instructions of the ACD or the Company unless they conflict with applicable law and the Instrument of Incorporation.
- ensuring that in transactions involving the assets of any Fund any consideration is remitted within the usual time limits.
- ensuring that the income of the Company is applied in accordance with applicable law and the Instrument of Incorporation.
- monitoring of each Fund's cash and cash flows.
- safe-keeping of the each Fund's assets, including the safekeeping of Financial Instruments to be held in custody and ownership verification and record keeping in relation to other assets.

### Depository's liability

In carrying out its duties the Depository shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

In the event of a loss of a Financial Instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depository shall return Financial Instruments of identical type or the corresponding amount to the relevant Fund or the ACD acting on behalf of the relevant Fund without undue delay.

The Depository shall not be liable if it can prove that the loss of a Financial Instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UK UCITS Regulations.

In case of a loss of Financial Instruments held in custody, the Shareholders may invoke the liability of the Depository directly or indirectly through the Fund or the Company or ACD provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depository will be liable to the Company for all other losses suffered by the Company as a result of the Depository's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Depository is indemnified by the Company against all liabilities suffered or incurred by the Depository by reason of the proper performance of the Depository's duties under the terms of the Depository Agreement save where any such liabilities arise as a result of the Depository's negligence, fraud, bad faith, wilful default or recklessness of the Depository or the loss of Financial Instruments held in custody.

The Depository shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depository of its duties and obligations.

### Delegation

The Depository has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depository's liability shall not be affected by any delegation of its safe-keeping functions under the Depository Agreement.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix 6 to this Prospectus.

### Conflicts of Interest

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and except as required by law, the Depositary is not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any form earned by affiliates of the Depositary or the Depositary when acting in any other capacity;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- (iv) may provide the same or similar services to other clients including competitors of the Company;
- (v) may be granted creditors' and other rights by the Company which it may exercise in its own interest. In exercising such rights the Depositary or its affiliates may have the advantage of an increased knowledge about the affairs of the Company relative to third party creditors thus improving its ability to enforce and may exercise such rights in a way that may conflict with the Company's strategy.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain any profit. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company. The Depositary will not, except as required by law, disclose any profit made by such affiliates.

Where cash belonging to the Company is deposited with an affiliate being a bank, cash is not segregated from its own assets and a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker.



The ACD may also be a client or counterparty of the Depository or its affiliates and a conflict may arise where the Depository refuses to act if the ACD directs or otherwise instructs the Depository to take certain actions that might be in direct conflict with the interests of the investors in a Company.

The types and levels of risk that the Depository is willing to accept may conflict with the Company's preferred investment policy and strategy.

Conflicts that may arise in the Depository's use of sub-custodians include the following broad categories:

- (1) our global custodian and sub-custodians seek to make a profit as part of or in addition to their custody services. Examples include profit through the fees and other charges for the services, profit from deposit taking activities, revenue from sweeps and repo arrangements, foreign exchange transactions, contractual settlement, error correction (where consistent with applicable law) and commissions for sale of fractional shares;
- (2) the Depository will typically only provide depository services where global custody is delegated to an affiliate of the Depository. Our global custodian in turn appoints a network of affiliated and non-affiliated sub-custodians. Multiple factors influence the determination of our global custodian to engage a particular sub-custodian or allocate assets to them, including their expertise and capabilities, financial condition, service platforms and commitment to the custody business as well as the negotiated fee structure (which may include terms that result in fee reductions or rebates to the global custodian), significant business relationships and competitive considerations;
- (3) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests and the fee arrangements they have in place will vary;
- (4) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depository as its counterparty, which might create incentive for the Depository to act in its self-interest, or other clients' interests to the detriment of clients; and
- (5) sub-custodians may have creditors' rights against client assets and other rights that they have an interest in enforcing if not paid for securities transactions.

In carrying out its duties the Depository shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

The Depository has functionally and hierarchically separated the performance of its depository tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest to be properly identified, managed and monitored. Additionally, in the context of the Depository's use of sub-custodians, the Depository imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians. The Depository makes available frequent reporting on clients' activity and holdings, with the underlying sub-custodians subject to internal and external control audits. Finally, the Depository segregates the Company's assets from its proprietary assets and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

#### Global Conflicts of Interest policy

State Street has implemented a global policy laying down the standards required for identifying, assessing, recording and managing all conflicts of interest which may arise in the course of business. Each State Street business unit, including the Depository, is responsible

for establishing and maintaining a Conflicts of Interest Program for the purpose of identifying and managing organisational conflicts of interest that may arise within the business unit in connection with providing services to its Clients or in delivering its functional responsibilities.

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

#### Depositary Agreement

The Depositary provides its services under the terms of a depositary agreement between the Company, the ACD and the Depositary (the "Depositary Agreement").

Subject to the FCA Rules, under the Depositary Agreement, the Depositary has full power to delegate any part of its duties as depositary to a limited range of persons and entities, details of the relevant delegates are set out in Appendix 6.

The Depositary Agreement may be terminated on 180 days' written notice by the Depositary or on 90 days' written notice by the Company.

The Depositary Agreement provides indemnities to the Depositary and its delegates for costs, charges, losses, and liabilities, except in respect of its failure to exercise reasonable skill, care and diligence, where there is negligence, fraud or wilful default, or where there are breaches of the OEIC Regulations and FCA Rules.

The fees to which the Depositary is entitled are set out in the section "Remuneration and Expenses of the Depositary".

#### **THE ADMINISTRATOR**

The ACD has appointed State Street Bank and Trust Company, London Branch to provide administration services to the ACD. The principal activity of the Administrator is the provision of administration services, including but not limited to fund accounting and pricing services.

#### **THE REGISTRAR AND TRANSFER AGENT**

On behalf of the Company, the ACD has appointed SS&C Financial Services International Limited and SS&C Financial Services Europe Limited and (together "SS&C") to act as Registrar and Transfer Agent respectively to the Company. The registered office of the Registrar and Transfer Agent is SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS.

As such, SS&C Financial Services Europe Limited is responsible on behalf of the Company for the processing and execution of subscription, transfer, conversion and redemption orders of Shares.

The Register of Shareholders is maintained by SS&C Financial Services International Limited on behalf of the Company at its office at SS&C House, St Nicholas Lane, Basildon, Essex SS15 5FS and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent and electronic copies of Register of Shareholders entries may be made available to any Shareholder or any Shareholder's duly authorised agent upon request from the Registrar.

#### **THE AUDITOR**

The auditor of the Company is PricewaterhouseCoopers LLP.

## INVESTMENT MANAGERS

The ACD has delegated the function of investment management in respect of the Funds listed below to Natixis Investment Managers International S.A. ("NIMI") whose registered office address is at 43, avenue Pierre Mendès France, 75013 Paris, France) and is authorised and regulated by the Autorité des Marchés Financiers under number GP 90-009 to provide portfolio management services.

The Investment Manager has sub-delegated its functions to the Delegated Investment Managers as follows:

Harris Associates L.P Fund	TM Natixis Harris Associates Global Concentrate Equity
Loomis, Sayles & Company, L.P	TM Natixis Loomis Sayles U.S. Equity Leaders Fund and TM Natixis Loomis Sayles Strategic Income Fund

The Delegated Investment Managers are registered as investment advisers with the U.S. Securities and Exchange Commission.

Harris Associates L.P:	SEC no 801-50333
Loomis, Sayles & Company, L.P:	SEC no 801-170

Each of the Delegated Investment Managers is a company in the same group of companies as NIMI.

The Investment Manager has, and has delegated to the Delegated Investment Managers, the authority to make decisions on behalf of the Company and the ACD in respect of the acquisition and disposal of property at any time comprising the relevant Fund and to advise in respect of the rights associated with the holding of such property.

- Loomis, Sayles & Company, L.P. has been appointed pursuant to an investment management delegation agreement with NIMI dated 16 December 2023; and
- Harris Associates L.P. has been appointed pursuant to an investment management delegation agreement with NIMI dated 16 December 2023,

(together referred to as the "NIMI Investment Management Agreements").

The Investment Management Agreement between the ACD and the Investment Manager may be terminated with immediate effect by the ACD where the ACD considers it is in the best interests of Shareholders to do so.

Each of the NIMI Investment Management Agreements may be terminated by NIMI with immediate effect if NIMI believes this is in the best interests of investors. In addition, each NIMI Investment Management Agreement may be terminated by NIMI or the Delegated Investment Manager following a certain notice period provided to the other party. Each of the Delegated Investment Managers will indemnify, defend and hold harmless NIMI, the Company and any of their agents, officers and directors from and against any and all damages, losses or claims incurred by NIMI, the ACD, the Company or any of their agents, officers or directors as a result of (a) any breach of the relevant NIMI Investment Management Agreement by the respective Delegated Investment Manager or any of its agents, or (b) the respective Delegated Investment Manager's (or any of its agents') negligence, bad faith, intentional default or fraud, except to the extent such damages, losses or claims arise as a result of NIMI or the ACD's (or any of its agents') negligence, bad faith, intentional default or fraud. NIMI has given a reciprocal indemnity to each of the Delegated Investment Managers and its

affiliates, directors, officers, partners, members or agents, in accordance with the respective NIMI Investment Management Agreement.

## **CHARACTERISTICS OF SHARES**

Several Share Classes may be issued in respect of each Fund, distinguished by their criteria for subscription and fee structure.

Where a Fund has different Share Classes, each Share Class may attract different charges and so monies may be deducted from Share Classes in unequal proportions. In these circumstances the proportionate interests of the Share Classes within a Fund will be adjusted accordingly.

### Share Class Characteristics

The Share Classes currently available for each Fund are set out in Appendix 3 below.

Share Classes differ with respect to various criteria including (without limitation): a type of investor for whom they are designed, a dividend policy, a policy with respect to withholding taxes, charges and expenses, hedging policies, minimum initial investment and minimum holding amounts and currencies of quotation (as further detailed in Appendix 3). The following Share Classes may be issued:

- I Shares are available only for investors able to meet the minimum initial investment and minimum holding requirements as specified in Appendix 3;
- N Shares are available only for investors able to meet the minimum initial investment and minimum holding requirements as specified in Appendix 3. N Shares are meant to comply with the restrictions on the payment of commissions set-out under the FCA Rules in relation to the Retail Distribution Review;
- Q Shares are reserved for any company in the Natixis group of companies in its role as funding shareholder of a Fund and with the prior approval of the ACD, or for affiliated and unaffiliated entities under certain conditions determined by, and with the prior approval of, the ACD;
- S1 Shares are available only for investors able to meet the minimum initial investment and minimum holding requirements as specified in Appendix 3.
- In certain circumstances the ACD may limit the issue of Shares in any of the above Classes. In the event that the ACD does limit the issue of Shares in any of the above Classes, the Shares will be denominated LI Shares, LN Shares, LQ Shares or LS1 Shares as appropriate. Shareholders will be notified in the event that a limit is imposed on the issue of Shares in any particular Class of Shares or Fund. Further details of Classes which are subject to limited issue requirements are set out in the Buying and Selling Shares section below.

Shares have no par value.

### **Denominations of Shares**

The rights attached to Shares of each Share Class are expressed in two denominations - smaller denomination and larger denomination. Each smaller denomination Share represents one thousandth of a larger denomination Share and therefore, in practice, represents a fraction of a whole Share (being a larger denomination Share).

## Distribution and Accumulation Shares

### *Distribution Shares*

Holders of Distribution Shares are entitled to be paid the distributable income attributed to such Shares in respect of the relevant interim and/or annual distribution period for that Share Class.

Income will be distributed on or before the income distribution dates (see Appendix 3 in relation to each Fund).

### *Accumulation Shares*

Holders of Accumulation Shares are not entitled to be paid the income attributable to such Share Class, but that income is automatically transferred to (and retained as part of) the capital assets of a Fund at the end of the relevant distribution period and is reflected in the price of an Accumulation Share.

### *Gross Shares*

Gross Shares are Distribution or Accumulation Shares where, in accordance with relevant tax law whereby distribution or allocation of income is made without any tax being deducted or accounted for by the Company.

## Hedged Shares

Hedged Shares are Shares denominated in a currency other than a Fund's base currency and hedged against the currency exchange risk between the currency of denomination such Shares and the Fund's base currency. Hedged Shares will be hedged against the base currency of the relevant Fund regardless of whether such base currency is declining or increasing in value relative to the currency of denomination of such Shares. The costs and benefits of such currency hedging transactions will accrue solely to the investors in the relevant hedged class with reference to the value of the respective Shareholdings in that class. This includes the costs of hedging and the allocation of any gains and losses resulting from the hedging transactions. The currency transactions will not cause the relevant hedged class to be leveraged. The value of each class to be hedged will be made up of both capital and income and the ACD intends to hedge between 95-105% of the value of each hedged class. Adjustments to any hedge to keep within this target range will only be made when the required adjustment is material. Hedged classes cannot be completely protected from all currency fluctuations. The investors in Hedged Shares should be aware that whilst holding Hedged Shares may substantially protect them against declines in the Fund's base currency, it may also substantially prevent them from benefitting if there is an increase in the value of the Fund's base currency relative to the currency of denomination of Hedged Shares. Holders of Hedged Shares should be aware that any currency hedging process may not give a precise hedge. There is no guarantee that the hedging will be totally successful. This hedging will typically be undertaken by means of forward contracts but may also include currency options or futures or over-the-counter derivatives.

As there is no segregation of liabilities between classes, there is a remote risk that under certain circumstances, currency hedging transactions in relation to a class could result in liabilities which might affect the Net Asset Value of other classes of the same Fund.

## Title to Shares

The title to Shares is evidenced by entries on the Register of Shareholders. Certificates for Shares will not be issued.

## **SHAREHOLDER MEETINGS AND VOTING RIGHTS**

For the purposes of this paragraph:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- a) whether the meeting is to be a physical meeting, a hybrid meeting or a virtual meeting;
- b) if the meeting is a physical meeting or a hybrid meeting, the place of the meeting;
- c) if the meeting is a hybrid meeting or a virtual meeting, the means by which a Shareholder may participate, including any requirements for Shareholders to register before the meeting begins or to provide proof of their right to attend, and an explanation of how participating Shareholders may vote in a show of hands or in a poll, if they do not appoint a proxy;
- d) the day and hour of the meeting;
- e) the terms of the resolutions to be proposed; and
- f) the address of the website where the minutes of the meeting will subsequently be published.

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

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

Notice of an adjourned meeting of Shareholders must be given to each Shareholder, stating that while two Shareholders are required to be present, in person, by proxy or remotely, to constitute a quorum at the adjourned meeting, this may be reduced to one in accordance with COLL 4.4.6R(3), should two such Shareholders not be present after a reasonable time of convening of the meeting.

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

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

- a) if convened on the requisition of Shareholders, must be dissolved;
- b) in any other case, must stand adjourned to:
  - a. a day and time which is seven or more days (but not more than 28 days) after the day and time of the meeting;
  - b. in the case of a physical meeting or a hybrid meeting, a place to be appointed by the chair; and
- c) if, at an adjourned meeting under paragraph b) above, a quorum is not present after fifteen minutes (which shall be deemed to be a reasonable time) from the time for the

meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum.

When a meeting is adjourned for thirty days or more or without date, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

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

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

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

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

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

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

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

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

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

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

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



- a) delivered to the Shareholder's address as appearing on the Register of Shareholders;  
or
- b) sent using an electronic medium in accordance with the paragraph below.

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

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

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

Any document or notice to be served on, or information to be given to a Shareholder, must be in legible form. For this purpose, any form is a legible form if it:

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

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

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

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

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

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

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

The ACD must inform Shareholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Company.

This is a change or event, other than a fundamental or significant change, which a Shareholder must be made aware of unless the ACD concludes the change is insignificant. The appropriate manner and timescale of notification will depend on the nature of the change or event. An appropriate manner of notification could include the information being included in the next report of the Company.

### Share Class Rights

The rights attached to a Share Class may only be amended by a class meeting of Shareholders of that Share Class. Any amendment to the Instrument of Incorporation that relates to a particular Share Class or particular Share Classes and does not prejudice the Shareholders of any other Share Class may be made by an extraordinary resolution passed at a class meeting.

The provisions regarding the conduct of meetings set out above shall apply to meetings of a Fund or a Share Class within a Fund, but by reference to the Shares of the Fund or Share Class concerned and the prices of Shares in such Fund or Share Class.

### **VALUATION**

The Scheme Property is valued at each Valuation Point on each Dealing Day in order to determine the price at which Shares in the Funds may be purchased from or redeemed by the ACD and issued or cancelled by the Company. There will be one price at which an investor may buy and sell Shares as determined from time to time by reference to a particular Valuation Point.

The ACD reserves the right to carry out an additional valuation to the Scheme Property if it considers it desirable to do so. The ACD shall inform the Depositary of any decision to carry out an additional valuation.

The Net Asset Value of the Scheme Property of the Company or of a Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

- 1) All the Scheme Property (including receivables) of the Company (or the Fund) is to be included in the calculation, subject to the following provisions.
- 2) Scheme Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it has been practicable to obtain:
  - a) units or shares in a collective investment scheme:
    - i) if a single price for buying and selling units is quoted, at the most recent such price; or
    - ii) if separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available, no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
  - b) exchange-traded derivative contracts:

- i) if a single price for buying and selling the exchange-traded derivative contract is quoted, that price; or
    - ii) if separate buying and selling prices are quoted, at the average of the two prices;
  - c) over-the-counter derivative contracts shall be valued on the basis of unrealised gain or loss on the contract using current settlement price. When settlement price is not used, the over-the-counter derivative contracts will be valued at their fair value in accordance with the method of valuation (as used on a consistent basis) as shall have been agreed between the ACD and the Depositary;
  - d) any other investment:
    - i) if a single price for buying and selling units is quoted, at that price; or
    - ii) if separate buying and selling prices are quoted, the average of those two prices; or
    - iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which in the opinion of the ACD reflects a fair and reasonable price for that investment;
  - e) property other than that described in paragraphs (a), (b), (c) and (d) above, at a value which, in the opinion of the ACD represents a fair and reasonable mid-market price.
- 3) Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values unless in any case such amount is unlikely to be paid or received in full, in which case the value thereof is arrived at after the ACD make such discount as it may consider appropriate in such case to reflect the true value thereof.
  - 4) In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the FCA Rules, the OEIC Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.
  - 5) Subject to paragraph 6 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD their omission will not materially affect the final Net Asset Value.
  - 6) All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
  - 7) An estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property; on realised capital gains in respect of previously completed and current accounting periods; and on

income where liabilities have accrued) including (as applicable and without limitation) tax on capital gains, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax and any foreign taxes or duties will be deducted.

- 8) 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 will be deducted.
- 9) The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will also be deducted.
- 10) An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added. Any other credits or amounts due to be paid into the Scheme Property will be added. A sum representing any interest or any income accrued, both on cash and interest bearing securities, due or deemed to have accrued but not received.
- 11) Currencies or values in currencies other than the base currency of the Fund 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.
- 12) Notwithstanding the foregoing, the ACD may, at its absolute discretion, use other generally recognised valuation principles in order to reach a proper valuation of the Net Asset Value of the Company or a Fund, in the event that it is impractical or manifestly incorrect to carry out a valuation of an investment in accordance with the above rules or it considers such principles better reflect the valuation of a security, interest or position and are in accordance with generally accepted accounting principles.

Where the ACD has reasonable grounds to believe that the price obtained is unreliable or the most recent price available does not reflect the ACD's best estimate of the value of the relevant investment at the relevant Valuation Point or no price or no recent price exists, the ACD may use a price which, in the opinion of the ACD reflects a fair and reasonable price for that investment (the fair value price).

The proportionate interests of each Share Class in the assets and income of the Fund shall be determined by the ACD as the proportion of the Scheme Property that is held by that Share Class at the end of the previous Dealing Day.

The proportion of assets and income allocated to each Share Class is made after allowing for the effect, including attributable taxation, of any charges and expenses made on bases which vary by Share Class.

#### Single Price

Shares will be "single priced" with the same price for buying or selling on any particular day, such price being determined from time to time by reference to the Valuation Point on a Dealing Day for the Fund.

#### Single Swinging Price

The price per Share at which Shares are subscribed for or are redeemed is the Net Asset Value per Share which may be adjusted for dilution as set out below (the "Price"). The Net Asset Value per Share of each Share Class will be arrived at by dividing the Net Asset Value attributable to that Share Class by the number of Shares of that Share Class. The Net Asset Value per Share may be adjusted on any Dealing Day in the manner set out below, to arrive at the Price and the subscription and redemption of Shares will be carried out at this Price on that Dealing Day.

## Dilution

The actual cost of purchasing or selling assets and investments in the Funds may vary due to dealing charges, taxes, and any spread between buying and selling prices of that Fund's underlying investments. These costs could have an adverse effect on the value of the Funds, known as "dilution". In order to mitigate the effect of dilution the ACD may, at its discretion, adjust the single price at which Shares in the Funds are bought and sold to take into account the possible effects of dilution to arrive at the Price. This practice is known as making a "dilution adjustment" or operating "single swinging pricing". The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Fund in question. If the Price does contain a dilution adjustment, such dilution adjustment will be paid into the relevant Fund and will become part of the property of that Fund, thus mitigating the effects of dilution that would otherwise constrain the future growth of that Fund.

The ACD reserves the right to make a dilution adjustment every Dealing Day, such adjustment not exceeding 2% of the relevant Net Asset Value. The dilution adjustment is calculated using the estimated dealing costs of a Fund's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes. The level of the dilution adjustment may vary from Fund to Fund according to the characteristics of the assets and markets in which the Fund invests.

The amount of any such adjustment to NAV will depend on the volume of subscriptions or redemptions of Shares in the relevant Fund as well as the level of trading costs at the time, and the ACD is not currently able to predict the likely frequency of such events. The ACD may in its discretion make a dilution adjustment if, in its opinion, the existing Shareholders, in the case of subscriptions, or remaining Shareholders, in the case of redemptions, might otherwise be adversely affected, and making a dilution adjustment is, so far as practicable, fair to all Shareholders and potential Shareholders. In particular, the dilution adjustment may be made in the following circumstances:

- a) where a Fund is expanding or contracting;
- b) in respect of 'large deals' (which, for these purposes relate to circumstances where a Fund is experiencing a large Net Subscription Position or a large Net Redemption Position relative to its size on any Dealing Day);
- c) in any other case where the ACD is of the opinion that the imposition of a dilution adjustment is in the interests of Shareholders.

An expanding Fund has been determined as one where, based on the daily movements in and out of the Fund, the Fund has experienced a net inflow of investment over a calendar month and a contracting Fund is one where, over the same period, the Fund has experienced a net outflow. A level Fund is one which is considered to be neither expanding or contracting based on the above criteria.

For an expanding Fund the ACD will normally swing the Price to "offer" (i.e. increase the Price by the premium rate detailed above), however in the event of net outflows on a given Dealing Day the ACD may leave the Price at "mid" or swing the Price to "bid" (i.e. reduce the Price by the discount rate detailed above) if the outflows are of significant size relative to the size of the Fund.

For a contracting Fund the ACD will normally swing the Price to "bid", however in the event of net inflows on a given Dealing Day the ACD may leave the Price at "mid" or swing the Price to "offer" if the inflows are of significant size relative to the size of the Fund.

For a level Fund the ACD will normally leave the Price at "mid", however in the event of net inflows on a given Dealing Day the ACD may swing the Price to "offer", or in the event of net

outflows on a given Dealing Day the ACD may swing the Price to "bid", if the flows are of significant size relative to the size of the Fund.

The Price of each Share Class in each Fund will be calculated separately but any dilution adjustment will in percentage terms affect the Price of Shares of each Share Class identically.

The ACD's decision on whether or not to make this adjustment, and at what level this adjustment might be made in a particular case or generally, will not prevent it from making a different decision on future similar transactions.

On the occasions when a dilution adjustment is not applied if a Fund is in a Net Subscription Position or a Net Redemption Position there may be an adverse impact on the assets of that Fund attributable to each underlying Share, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a Share. As dilution is directly related to the inflows and outflows of monies from the Fund it is not possible to accurately predict whether dilution is likely to occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make a dilution adjustment.

The actual dilution adjustment applied will depend on market conditions at or around the time at which a subscription or redemption application is accepted by the ACD. Based on historical data, should it be applied it is anticipated that it would be applied at the rates set out in the table below.

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

<b>Fund Name</b>	<b>Estimated dilution adjustment (%) applicable for subscriptions as at 31 December 2024</b>	<b>Estimated dilution adjustment (%) applicable for redemptions as at 31 December 2024</b>	<b>Number of days on which a dilution adjustment has been applied over the period 1 January 2024 to 31 December 2024</b>
TM Natixis Harris Associates Global Concentrated Equity Fund	0.059	0.105	8
TM Natixis Loomis Sayles U.S. Equity Leaders Fund	0.05	0.051	1

## **FEES AND EXPENSES**

The Company pays out of the Scheme Property the fees and expenses payable to:

- the ACD;
- the Depositary;
- the Administrator;
- the Registrar and Transfer Agent; and
- Independent auditors, outside counsel and other advisors.

In addition, administrative expenses, such as registration fees, insurance coverage and the costs relating to the translation and printing of this Prospectus and reports to Shareholders are paid out of the Scheme Property. All of these fees and expenses, with the exception of the Management Fee (defined below under ACD Remuneration), together comprise the **Operating Expenses**.

The Operating Expenses shall be such percentage of each Fund's average daily Net Asset Value as is indicated for each Share Class in each Fund's description under Appendix 3.

The Operating Expenses are capped for each Share Class and will not exceed the amount indicated in Appendix 3. Unless otherwise provided for in any Fund's description under Appendix 3, if the actual Operating Expenses which would otherwise be payable by that Fund exceed the Fund's Operating Expenses as indicated in Appendix 3, NIMI as co-manufacturer of the Funds, will cover the difference and the corresponding income will be presented under "Other Income" in the Company's audited annual report.

The Operating Expenses as indicated in each Fund's description under Appendix 3, does not necessarily include all the expenses paid by the relevant Fund in connection with that Fund's investments (such as brokerage fees, taxes, linked charges, interest on borrowing, entry and exit commissions or any other fees paid directly by the investor as defined in the CESR's Guidelines on the methodology for calculation of the Ongoing Charges figure in the Key Investor Information Document (CESR/10-674)) and as further detailed hereafter.

Any material increase in the maximum Operating Expenses indicated in Appendix 3, or fees or expenses payable to the Depositary, the Administrator, the Registrar and Transfer Agent, independent auditors, outside counsel and other advisors will require a revision of the Prospectus to reflect such proposed increase of the maximum Operating Expenses and 60 days' written notice to Shareholders.

### **Depositary's Remuneration and Expenses**

The Depositary's remuneration and expenses for its services as Depositary of the Company are a component of the Operating Expenses and are payable out of the Scheme Property.

The portion of the Operating Expenses attributable to the Depositary's remuneration is calculated as an annual percentage of the value of each Scheme Property as is set out in the table below:

Band Range Fee	
On the First U.S. Dollar 60 million	0.0345%
On the Next U.S. Dollar 65 million	0.0245%
Greater than U.S. Dollar 125 million	0.015%

The Depositary fees will accrue daily and be payable monthly. The Depositary fee will be calculated by multiplying the average monthly Net Asset Value of each sub-fund by the applicable basis point fee.

The Depositary is also entitled to receive out of the Scheme Property remuneration for performing or arranging for the performance of the functions conferred on the Depositary by the Instrument of Incorporation or the FCA Handbook. The Depositary's remuneration under this paragraph will accrue when the relevant transaction or other dealing is effected and will be paid in arrears on the next following date on which payment of the Depositary's periodic charge is to be made or as soon as practicable thereafter. Currently, the Depositary does not receive any remuneration under this paragraph.

In addition to the remuneration referred to above, the Depositary will be entitled to receive reimbursement for expenses properly incurred by it in the discharge of its duties or exercising any of the powers conferred upon it by the Instrument, the FCA Handbook or by the general law, subject to approval by the ACD.

The Depositary has appointed State Street Bank and Trust Company as Custodian of the Scheme Property. The Depositary is entitled to reimbursement out of the Scheme Property in respect of the Custodian's fees paid by it. The Custodian's remuneration for acting as Custodian is calculated at an ad valorem rate determined by the territory or country in which the assets of the Scheme Property are held. Currently, the lowest rate is 0.005% and the highest rate is 0.5%. In addition, the Custodian makes a transaction charge determined by the territory or country in which the transaction is effected. Currently, these transaction charges range from \$10-\$166 per transaction.

The Custodian is permitted to increase its remuneration subject to the agreement of the Depositary and ACD. If the change materially increases the payment out of a scheme, 60 days' prior written notice will be given to the Shareholders.

The following further expenses may also be paid out of the Scheme Property:

- all charges imposed by, and any expenses of, any agents appointed by the Depositary to assist in the discharge of its duties;
- all charges and expenses incurred in connection with the collection and distribution of income;
- all charges and expenses incurred in relation to the preparation of the Depositary's annual report to shareholders; and/or
- all charges and expenses incurred in relation to stock lending.

Subject to current HM Revenue and Customs regulations, Value Added Tax at the prevailing rate may be payable in addition to the Depositary's remuneration, the Custodian's remuneration and the above expenses.

### **Administrator's Fees**

The Administrator's remuneration and expenses for its services as Administrator of the Company are a component of the Operating Expenses and are payable out of the Scheme Property.

The portion of the Operating Expenses attributable to the Administrator's remuneration will include some or all of the following fees as set out below: fees in respect of the fund accounting services, fees for the share class valuation, additional accounting services and financial reporting services, fees for OTC derivatives services, fees for the investment fund clearance, fee for compliance services.

The fees in respect of the fund accounting services are calculated as an annual percentage of the value of the Scheme Property at a rate of 0.04% for the first \$200,000,000 and 0.0165% for the value of the Scheme Property in excess of \$ 200,000,000 until 31 March 2017 raising thereafter to 0.03% for the value of the Scheme Property in excess of \$ 200,000,000.

Additional fees within the portion of the Operating Expenses attributable to the Administrator's remuneration may arise in respect of the fund accounting services which will vary depending on a number of factors including the number and type of share classes and the volume of OTC derivative transactions.

The fees payable to the Administrator are calculated by multiplying the average monthly NAV of each Fund by the applicable basis point fee, dividing the result (or the sum of the results if tiered rates are applicable) by actual number of days in year multiplied by actual number of days in month. The average monthly NAV of each Fund will be calculated by taking the sum of the Fund's daily NAVs for each day of the month (for each non-Business Day, the preceding



Business Day's NAV will be used) and dividing that amount by the number of days in the month.

### **Registrar and Transfer Agent's Fees**

The Transfer Agent's remuneration and expenses for its services as Transfer Agent of the Company and the Registrar's remuneration and expenses for the provision of registrar services are a component of the Operating Expenses and are payable out of the Scheme Property.

The portion of the Operating Expenses attributable to the Registrar and Transfer Agent remuneration will include fees and expenses in respect of creation, conversion and cancellation of shares, share registration or re-registration, production of contract notes, dispatch of statements, establishing and maintaining the Register of Shareholders as well as reasonable out of pocket expenses, exceptional expenses and administrative costs.

Depending on asset level and volume, the total annual fees payable to the Transfer Agent shall range between 0.15% and 0.01% of the Net Asset Value of each Fund.

The fees payable to the Transfer Agent are calculated and accrued daily, based on the value of the Scheme Property at the preceding Valuation Point, and payable monthly in arrears.

### **ACD Remuneration**

The ACD, as remuneration for carrying out its duties and responsibilities, is entitled to a management fee (the "**Management Fee**") in respect of each Share Class calculated monthly based on the value of the Scheme Property at preceding Valuation Point and payable monthly (as the case may be) in arrears.

The Management Fee will be deducted from the capital or income property of a Fund as set out in Appendix 3. When such fee is deducted from capital, it may result in capital erosion or constrain the capital growth of the Fund in question or Share Class.

The ACD pays the Investment Manager and the Distributor out of the Management Fee. The Investment Manager pays the Delegated Investment Managers out of the fee it receives.

**Any material increase in the Management Fee indicated in Appendix 3 will require a revision of the Prospectus to reflect such proposed increase of the Management Fee and 60 days' written notice to Shareholders.**

### **Other Expenses**

In accordance with the Regulations, the following payments may lawfully be made out of the Scheme Property of the Funds:

- (A) Broker's commission, fiscal charges and other disbursements which it is necessary to incur in effecting transactions for the Funds concerned and which are normally shown in contract notes, confirmation notes and difference accounts, as appropriate.
- (B) 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 individuals savings accounts (the current fee being £10 per Shareholder per annum).
- (C) Any costs incurred in producing and dispatching any payments made by the Company, or the periodic reports of the Company.

- (D) Interest on borrowings permitted under the FCA Handbook and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings.
- (E) Taxation and duties payable in respect of the property of the Fund or in respect of the issue or redemption of Shares, including stamp duties or other taxes or duties in relation to the transfer to the Company of assets acquired in exchange for the issue of Shares or in relation to the redemption of Shares.
- (F) Any costs incurred in modifying the Instrument of Incorporation, including costs incurred in respect of meetings of Shareholders convened for purposes which include the modification of the Instrument of Incorporation where the modification is necessary to implement changes in the law, or necessary as a direct consequence of any change in the law, or expedient having regard to any change in the law made or to remove obsolete provisions from the Instrument of Incorporation.
- (G) Any costs incurred in respect of meetings of Shareholders, or class meetings of Shareholders of a Fund, including meetings convened on a requisition by Shareholders or by the ACD, or travel to and attendance at such meetings.
- (H) Liabilities arising on amalgamation or reconstruction of the Company or any of its constituent Funds.
- (I) The audit fee of the Auditors of the Company and any proper expenses of such an auditor.
- (J) Any fees or costs associated with any CASS related support activity incurred by the Registrar.
- (K) The periodic fees of the FCA in respect of the Company as may be prescribed under the Act, or any relevant regulations made thereunder and any payments otherwise due by virtue of the FCA Handbook or the corresponding fees of any regulatory authority in a country or territory outside the UK in which the Shares are or may be marketed and the costs involved in registering the Company or a Fund in a country or territory outside the UK (including translations and the fees and expenses of any paying agents, information agents or other entities which are required to be appointed by any regulatory authority).
- (L) any expenses or disbursements of the Depositary incurred in exercising any powers conferred upon the Depositary, or in performing any of the duties imposed upon it by the OEIC Regulations, the FCA Handbook, the Instrument of Incorporation or by law, which duties may include delivery of stock to the Depositary or Custodian, custody of assets, collection of income and capital, submission of tax returns, handling tax claims, preparation of the Depositary's annual report; and such other duties as the Depositary is required by the OEIC Regulations, the FCA Handbook, the Instrument of Incorporation or by law to perform;
- (M) Any costs incurred by the Company in publishing the prices of Shares, including the costs of listing the prices of Shares in publications and information services selected by the ACD, in whatever medium.
- (N) Any expenses incurred in relation to company secretarial duties, including all costs incurred in preparing accounts and producing and despatching annual, half yearly and other reports of the Company.

- (O) Any fees, expenses or disbursements of any investment, legal or other professional adviser of the Company and those of the Company's sub-advisers.
- (P) Fees and expenses incurred by the ACD in connection with the provision of its investment management services (including, but not limited to, research).
- (Q) Any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Company, which are currently carried on by the Registrar.
- (R) Any costs incurred in taking out and maintaining an insurance policy to protect the Company.
- (S) Any value added or similar tax relating to any charge or expense set out above.

### **Allocation of Assets, Charges and Expenses to Funds**

All fees, duties, charges and expenses (other than any borne by the ACD) are charged to the Fund or Share Class in which they were incurred. No fees will be paid until a Fund is launched. However, where they are not attributable to a particular Fund or Share Class, they will be allocated among the relevant Funds or Share Classes based on their respective Net Asset Value or any other reasonable basis given the nature of the charges.

The costs of authorisation of any new Fund may be borne by that Fund at the discretion of the ACD. Charges relating to the creation of a new Fund or Share Class shall be amortised over a period not exceeding 5 years against the assets of that Fund or Share Class.

### **Initial Charge**

The ACD may impose a charge on subscription for Shares. The actual amount applicable to each Share Class is set out for each Fund in Appendix 3 and is expressed as a percentage of the monetary value of an investor's subscription for Shares.

### **Exchange Fee**

The ACD may charge an exchange fee when Shares of a Fund are exchanged for Shares in another Fund not exceeding the maximum percentage rate of initial charge for the Shares in such other Fund. The ACD will not charge an exchange fee when Shares in a Fund are exchanged for another Share Class in the same Fund. Please see the section headed "Exchanges" for details.

## **BUYING AND SELLING OF SHARES**

### *Subscriptions*

Shares in each Fund may be purchased or sold on any Dealing Day, provided the eligibility requirements are met. The purchase price of Shares will be equal to the Net Asset Value per Share as at the relevant Valuation Point. The Investor may also be required to pay an initial charge as set out in the section headed "Fees and Expenses" above. Investors should note that they will not know the actual purchase price of their Shares until their order has been fulfilled.

An investor intending to subscribe for shares initially must apply for such Shares by completing and signing an application form which is available from the Transfer Agent. Completed originals of the application forms (which shall contain a representation that an applicant has received and read the KIID) must be sent to the Transfer Agent at the following address: SS&C Financial Services Europe Limited SS&C House, St. Nicholas Lane, Basildon,

Essex SS15 5FS, so that received before the relevant cut-off time as set out in Appendix 3 in respect of each of the Funds.

Subsequent Shares may be purchased by facsimile or telephone or by such other means as the ACD may from time to time make available. Any request for the subscription of Shares must be received by the Transfer Agent prior to the relevant cut-off time in order to be processed on that Dealing Day. Any applications received after the relevant cut-off point will be processed on the following Dealing Day. All dealings are at forward prices, such that instructions accepted on a Dealing Day prior to the relevant cut-off point will be priced at the Dealing Valuation point on the same day, instructions received after the relevant cut-off point on any Dealing Day will be priced at the relevant Valuation point on the next Dealing Day. Cleared funds in the relevant currency in respect of the subscription monies must be received by the ACD in full within four Business Days from the relevant Dealing Day or as otherwise outlined in Appendix 3. The ACD will immediately cancel the Shares issued corresponding to any subscription not paid for in full in accordance with these provisions, and the investor submitting the subscription will be liable to the Fund for any loss, costs or expenses incurred directly or indirectly in relation to such cancellation. Investors should make payment as soon as they receive written confirmation of their shareholding from the Transfer Agent.

The Transfer Agent may request an investor to provide additional information to substantiate any representation made by the investor in its application forms. Any application that has not been completed to the satisfaction of the Transfer Agent will be rejected.

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, as soon as practicable, at the risk of the applicant.

To confirm the transaction, a contract note or allocation letter will be issued within one Business Day after the relevant dealing date.

Where an applicant is subscribing for Shares using a third party clearing platform, the applicant will be required to subscribe for shares pursuant to the terms of that clearing platform.

### *Redemptions*

The redemption price per Share will be equal to the Net Asset Value per Share as at the relevant Valuation Point less any charges which may apply as further detailed in the section headed "Fees and Expenses" above.

Shareholders intending to redeem Shares must notify the Transfer Agent by mail or telephone before the relevant cut-off point for any Dealing Day as outlined in Appendix 3, failing which the redemption request will be held over until the next following Dealing Day. Shares will be redeemed at the relevant price applicable on that Dealing Day. If Shareholders elect to notify a redemption request by telephone, the original signed redemption request must be received by the Transfer Agent by the relevant cut-off point on that Dealing Day. No redemption payment may be made until both the original redemption notice have been received and all the documentation required by the Company (including any documents in connection with anti-money laundering procedures) and the anti-money-laundering procedures have been completed.

A request for a partial redemption of Shares may be refused, or the holding redeemed in its entirety, if, as a result of such partial redemption, the Net Asset Value of the Shares retained by the Shareholder would be less than the minimum holding as set out in Appendix 3.

A redemption request, once given, is irrevocable save with the consent of the ACD (which may be withheld in their discretion).

Payment will be made in the currency of denomination of the Shares being redeemed by direct transfer to an account in the name of the redeeming Shareholder in accordance with instructions given by the redeeming Shareholder to the Transfer Agent and at the Shareholder's risk and expense.

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

### *Limited Issue Funds and Share Classes*

#### General

A Fund may, in accordance with the COLL Sourcebook, limit the issue of Shares in a Fund, or any particular Share Class(es), to a prescribed NAV or number of Shares (the "Limit") or as at a particular date (the "Effective Date").

Where a Fund limits the issue of its Shares or a particular Share Class, the ACD may not provide for the further issue of such Shares once the Limit or the Effective Date has been reached (as applicable) unless, at the time of the issue, it is satisfied on reasonable grounds that the proceeds of the subsequent issue can be invested without compromising the Fund's investment objective, or materially prejudicing existing Shareholders.

#### Limited Issue at a Prescribed NAV or Number of Shares

##### i. Assessment at Fund level

The ACD may, at its discretion, on the launch of a Fund or during the life of the Fund (subject to compliance with the procedures set out in the COLL Sourcebook) limit the issue of Shares in a Fund in accordance with the rules in the COLL Sourcebook. Where a Limit is applied, the applicable limit will be set out in Appendix 3.

##### ii. Assessment at Share Class level

The ACD may, at its discretion, on the launch of a new Share Class or during the life of the Share Class (subject to compliance with the procedures set out in the COLL Sourcebook) limit the issue of Shares in a particular Share Class of a Fund. The issue of those Shares will be limited solely in respect of the relevant Share Class and not the applicable Fund as a whole. Where a Limit is applied, the applicable limit will be set out in Appendix 3.

In the case of (i) and (ii), the Limit may be increased or decreased by the ACD where it considers that this is appropriate and is in accordance with the rules in the COLL Sourcebook. An example of circumstances which may result in the Limit being increased and the issue of further Shares permitted could include market developments which enable the proceeds of the subsequent issue to be invested in suitable assets without compromising the Fund's investment objective. Where a new Limit is declared, this fact will be published on the ACD's website at [www.tutman.co.uk](http://www.tutman.co.uk). Shareholders may also enquire as to the level of the Limit for the Fund or Share Class (and whether such Limit has been reached) by calling the Administrator.

The issue of Shares in the relevant Fund or Share Classes will cease from the Dealing Day on which the Limit (or any higher or lower Limit set by the ACD) has been reached for the first time. Shareholders should note that due to varying sizes of purchase orders, the Fund or Share Class (in relation to such particular limited Shares) will not necessarily receive the amount of subscription monies to reach the Limit exactly. As the NAV of the Fund or Share Class (in relation to limited Shares) approaches the Limit, the ACD may, where it deems appropriate at its absolute discretion, accept subscription of Shares in excess of the Limit or

allow for the issue of Shares to cease when the subscriptions reach an acceptable level below the Limit. Accordingly, the ACD may use the flexibility to decline or reject subscription applications at its absolute discretion.

#### Limited Issue as at Effective Date

Where a Fund or Share Class is required to limit the issue of Shares from the Effective Date, the ACD may not provide for the further issue of such Shares, other than in the circumstances outlined in the 'General' section above. In such circumstances, the ACD may provide for the further issue of such Shares after the Effective Date in accordance with the Prospectus. The ACD may take such decision at its discretion and in accordance with the COLL Sourcebook, in circumstances which include, but are not limited to, where the NAV of the Fund is at a level which would permit such re-investment or where market developments have arisen which enable the proceeds of the subsequent issue to be invested in suitable assets without compromising the Fund's investment objective. Shareholders will be notified via the ACD's website [www.tutman.co.uk](http://www.tutman.co.uk) as to whether the issue of such Shares has been permitted.

None of the Funds or Share Classes included in this Prospectus are currently subject to limited issue requirements. In the event that any Fund or Share Class does limit the issue of shares, notification in accordance with the FCA Handbook will be made to Shareholders.

#### Deferred Redemptions

The ACD may defer part or all redemptions at a particular Dealing Day until the next Dealing Day where the requested redemptions (including redemptions deferred from a prior Dealing Day) exceed 5% of a Fund's value. The ACD will ensure the consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemptions are deferred. The ACD will pro-rata all such redemption requests to the stated level and will defer the remainder until such period as it considers to be in the best interest of the Fund and its Shareholders. The ACD will also ensure that all deals relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered.

#### Suspension of Dealing

The ACD may, with the prior agreement of the Depositary, or must without delay if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares in any or all of the Funds, without prior notice to Shareholders. Such suspension will be effected in accordance with the FCA Handbook which currently permit a suspension if the ACD or the Depositary is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of the Shareholders in the Fund concerned. If the redemption of Shares in a Fund is suspended, the obligations, relating to the creation, cancellation, issue and redemption of Shares, contained in the FCA Handbook, will cease to apply in respect of the Fund concerned. The ACD will comply with as much of the obligations in the FCA Handbook relating to the valuation and pricing of Shares as is practicable in the light of the suspension.

Shareholders will be notified of any suspension as soon as practicable after suspension commences. Such notification will draw Shareholder's attention to the exceptional circumstances which resulted in the suspension and the ACD will keep Shareholders informed about the suspension and the likely duration. The ACD and the Depositary will conduct a formal review of the suspension at least every 28 days in accordance with the FCA Handbook.

Where the ACD agrees during the suspension to deal in Shares, all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first relevant Valuation Point after the restart of dealings in Shares.

During any suspension, a Shareholder may withdraw their redemption notice provided that such withdrawal is in writing and is received before determination of the suspension. Any

notice not withdrawn will be dealt with on the next Dealing Day following the end of the suspension.

#### Publication of Share Prices

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

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

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

#### Minimum Investment and Holding

No investor may initially subscribe for less than the amount of the minimum initial investment in respect of each of the Funds as set out in Appendix 3. There is no minimum investment amount for subsequent investments in the Funds. No investor may transfer or redeem Shares of any Share Class if the transfer or redemption would cause the investor's holding amount of that Share Class to fall below the minimum holding amount. The limits for minimum initial investment and minimum holding may be waived or reduced at the discretion of ACD.

The ACD may, in its discretion, provided that equal treatment of Shareholders is complied with and upon certain conditions determined by the ACD, accept a subscription of an amount which is below the minimum initial investment requirement or a redemption request that would cause the investor's holding in any Fund to fall below the minimum holding amount in respect of that Fund, as set out in Appendix 3. In the event the conditions of the exception are no longer satisfied within a certain period of time determined by the ACD, the ACD reserves the right to transfer the Shareholders into another Share Class of the relevant Fund for which the minimum initial investment and/or minimum holding requirements are met if any. Such an exception may only be made in favour of investors who understand and are able to bear the risk linked to an investment in the relevant Fund, on exceptional basis and in specific cases.

#### In Specie Redemption

If any Shareholder is redeeming Shares representing at least 20% of any Share Class, the ACD may arrange that in lieu of payment of the price of the Shares in cash, the Company shall cancel the Shares and transfer to that Shareholder property of the Fund of the relevant value. The ACD must give written notice to the Shareholder concerned of its decision to exercise these powers before the cash payment would otherwise be due. The Fund property to be transferred will be selected by the ACD in consultation with the Depositary and with a view to achieving no more advantage or disadvantage to the Shareholder requesting redemption of their Shares than to continuing Shareholders. The ACD will review its in-specie redemption policy at regular intervals and may change it at any time, in accordance with the FCA Handbook. Any costs incurred in connection in specie redemption shall be borne by the relevant Shareholders.

#### Restrictions and Compulsory Transfer and Redemption

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

If it comes to the notice of the ACD that any Shares are or may be owned or held legally or beneficially by a Non-Qualified Person ("affected Shares"), the ACD may give notice to the holder(s) of the affected Shares requiring either the transfer of such Shares to a person who is

not a Non-Qualified Person or a request in writing for the redemption or cancellation of such Shares in accordance with the FCA Handbook. If any person upon whom such a notice is served does not, within 30 days after the date of such notice, transfer the affected Shares to a person who is not a Non-Qualified Person or establish to the satisfaction of the ACD (whose judgement is final and binding) that they and the beneficial owner are not Non-Qualified Persons, they shall be deemed upon the expiration 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 pursuant to the FCA Handbook.

A person who becomes aware that they have acquired or hold affected Shares as described above shall forthwith, unless they have already received a notice from the ACD as above, either transfer the affected Shares to a person qualified to own them or give a request in writing for the redemption or cancellation of such Shares pursuant to the FCA Handbook. A Shareholder may transfer its shares by an instrument of transfer in writing in any usual or common form or in any other form as may be approved the ACD.

The ACD may decide to close any Share Class (a "closing class") where, one year after the first issue of Shares in that Share Class or at any date thereafter the Net Asset Value of the closing class is less than £1 million or its equivalent in the base currency of the Fund to which the closing class relates, or the ACD decides it is desirable to close that Share Class. In such an event, the ACD will offer to exchange the Shares in the Share Class held by a Shareholder for Shares of such other Share Class in respect of the same Fund as in the opinion of the ACD most nearly equates to, in its discretion, the closing class. Such exchange shall be done by applying the formula for exchanges as set out below.

#### Compulsory Redemption

The Shares in any Fund may be compulsorily redeemed or cancelled in accordance with the Instrument of Incorporation if the ACD reasonably believes that:

- the Shareholder has made any misrepresentation as to their qualifications to be a Shareholder;
- the Shareholder's continued presence as a Shareholder would cause significant harm to the Fund or the other Shareholders;
- the Shareholder's continued presence as a Shareholder would cause the Fund to be or become subject to any reporting obligation, tax withholding obligation, or withholding tax that the Fund would not otherwise be subject to but for the Shareholder's (or similarly situated Shareholders') presence as a Shareholder;
- the Shareholder, by trading Shares frequently, is causing the relevant Fund to incur higher portfolio turnover and thus, causing adverse effects on the fund's performance, higher transactions costs and/or greater tax liabilities;
- the Shareholder's continued presence as a Shareholder would result in a breach of any law or regulation;
- the continued presence of a person or entity as a Shareholder in any Fund would have adverse consequences for the other Shareholders of the Fund or for the fulfilment of the Fund's investment objectives and policies; or
- the Shareholder is or has engaged in marketing and/or sales activities using the name of, or references to the Fund and/or the ACD or any of its strategies or portfolio managers without the prior written consent of the ACD.



In the event that a Shareholder's presence in the Fund causes the Fund to initiate a compulsory redemption and the Shareholder's presence in the Fund has caused the Fund or the Company to suffer any withholding tax which would not have been incurred but for the Shareholder's ownership of Shares, ACD shall have the right to redeem that Shareholder's Shares and withhold as much of the redemption proceeds as is required to satisfy the costs that rose solely due to the Shareholder's presence in the Fund. To the extent that there is more than one Shareholder similarly situated, proceeds will be withheld based on the relative value of redeemed shares.

#### Anti-Money Laundering

Under current laws, firms conducting investment business, including the ACD, are required to maintain procedures to combat money laundering. In order to implement these procedures, in certain circumstances Shareholders or potential Shareholders may be asked to provide documents or information (including proof of identity) in order that the Company or ACD may satisfy its legal requirements. This may be when an account is opened with the ACD's relevant agent, when shares are purchased or when Shares are redeemed. In the latter case, where the ACD is required to seek proof of identity, proceeds cannot be paid until the ACD has received appropriate verification.

The ACD is legally obliged to verify the identity of Shareholders for anti-money laundering purposes. This may involve the ACD obtaining information about Shareholders from a credit reference agency, however, the ACD will use any information they obtain in this way only to comply with its regulatory obligations, and not for any other purposes. The ACD reserves the right to refuse to open an account, to reverse the transaction, to refuse to sell Shares or pay income on Shares to the Shareholder if it is not satisfied with the documents or information received.

#### Automatic exchange of information for international tax compliance

In order to comply with the legislation implementing the United Kingdom's obligations under various intergovernmental agreements relating to the automatic exchange of information to improve international tax compliance (including European Union directives and the United States provisions commonly known as FATCA), the Company (or its agent) will collect and report information about Shareholders for this purpose, including information to verify their identity and tax status.

When requested to do so by the Company or its agent, Shareholders must provide information to be passed on to HM Revenue & Customs, and, by them, to any relevant overseas tax authorities.

#### Market Timing Policy

The ACD does not knowingly allow investments which are associated with market timing activities, as these may adversely affect the interests of all Shareholders.

In general, market timing refers to the investment behaviour of a person or group of persons buying, selling or exchanging Shares on the basis of predetermined market indicators. Market timing may also be characterised by transactions that seem to follow a timing pattern or by frequent and/or large transactions in Shares. Short term trading of this nature may often be detrimental to long term Shareholders, in particular, the frequency of dealing may lead to additional dealing costs which can affect long term performance.

Accordingly, the ACD reserves the right to reject any application for exchanging and/or subscription of Shares from investors whom it considers to be associated with market timing activity. In this connection the ACD may combine Shares which are under common ownership or control for the purposes of ascertaining whether investors can be deemed to be involved in such activities.

## Client Money Rules

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

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

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

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

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

You will be required to provide your written agreement to the use of the delivery versus payment exemption as set out above as part of your application to buy Shares in one of the Funds through the ACD. Should the ACD cease at any time to make use of the delivery versus payment exemption, you will be notified in advance in writing.

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

### Governing Law

All dealings in Shares are governed by English law.

## **EXCHANGES**

A Shareholder may give notice to the ACD, in such form as the ACD shall from time to time determine, that they wish to exchange all or some of their Shares of one Share Class or Fund ("the Original Shares") for Shares ("the New Shares") of another Share Class ("conversions") or Fund ("switches"). Such exchange request will be treated as a redemption of the Original Shares and simultaneous purchase of the New Shares. Consequently, such exchanges can only take place if the Shareholder requesting such exchange complies with the procedures of redemption and if, following the exchange, the Shareholder's holding of New Shares will satisfy the criteria and applicable minimum investment requirement of that Share Class or

Fund. Conversions should not give rise to a liability to U.K. capital gains tax or U.K. corporation tax on chargeable gains, but switches will generally result in such a liability.

The ACD may impose restrictions on any application for exchange of Shares in whole or part on the basis of reasonable grounds relating to the circumstances of the Shareholder concerned.

The number of New Shares to be issued to the holder or an exchange will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time of the Original Shares are redeemed and the New Shares are issued. The formula as set out in the Instrument of Incorporation will be applied.

If Shares are exchanged for Shares of another Fund or Share Class having the same or a lower sales charge, no additional charge shall be levied. If Shares are exchanged for Shares of another Fund or Share Class having a higher sales charge, the exchange may be subject to an exchange fee equal to the difference in percentage of the sales charges of the relevant Shares. The actual amount of the exchange fee is determined by the financial institution through which the exchange of Shares is made. Such financial institution shall retain such exchange fee in remuneration for its intermediary activity.

The exchange of Shares between Funds or Share Classes having different Valuation Points may only be effected on a common Dealing Day. If Shares are exchanged for Shares of another Fund or Share Class having a notice period for subscriptions different from the notice period required for redemptions for the original Shares, the longest notice period will be taken into account for the exchange.

If an exchange 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 a particular Fund, the ACD may, if it thinks fit, convert, without any prior notice or charge, the whole of the Shareholder's holding of Original Shares to New Shares or refuse to effect any exchange of the Original Shares. No exchange will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended. The general provisions on procedures relating to redemption will apply equally to an exchange.

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

The ACD may also, in its sole discretion, convert or switch some or all of the Shares held by any Shareholder from one Class to another Class in the same Fund, provided that the terms of the original Shares are substantially similar to the new Shares and, in any event, the conversion or switch does not materially prejudice any such Shareholder. The ACD will provide the Shareholder with 60 days' prior written notice of any such conversion or switch.

Please note that, under current tax law, a conversion or switch of Shares between different Classes in the same Fund will not be deemed to be a realisation for the purposes of capital gains taxation. Shareholders who are in any doubt as to their tax treatment in respect of any conversion of Shares should seek their own professional advice.

## **GENERAL INFORMATION**

### Reports and Accounts

The annual report in respect of the Company will be published within four months of the end of the annual accounting period which ends on 31 December. The half-yearly accounting period ends on 30 June and half-yearly reports will be made up to such date each year and published within two months and are available free of charge to anyone who requests from the ACD. The half yearly reports are prepared long reports. The accounts contained in the

annual and half yearly reports will be prepared in accordance with the FCA Handbook and the Statement of Recommended Practice for Financial Statements of Authorised Funds.

### Inspection of Documents

Copies of the Prospectus, Instrument of Incorporation, the material contracts referred to below and the most recent annual and half-yearly reports may be inspected during normal office hours at the Head Office (at the address set out in the Directory) and copies may be obtained free of charge upon application.

Supplementary information relating to the quantitative limits which apply to the risk management of the Company and the Funds, the methods used for the purposes of such risk management and any recent developments which relate to the risk and yields of the main categories of investment which apply to the Company and Funds will also be available on request.

### Register of Shareholders

The Register of Shareholders for the Fund of the Company can be inspected at the offices of the Transfer Agent.

### Notices

Any notice or document required to be sent or served to Shareholders will be sent either by first class post to the address as most recently notified to the Company and as entered on the Register of Shareholders, or electronically to the email address most recently notified to the Company (where a Shareholder has consented to the receipt of documents and notices electronically), at the ACD's discretion.

### Telephone calls

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

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

### 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:

- (a) the ACD Agreement between the Company and the ACD;
- (b) the Investment Management Agreement between the ACD and the Investment Manager; and
- (c) the Depositary Agreement between the Company, the ACD and the Depositary

Details of the above contracts are given above in the sections on the ACD, the Investment Manager and the Depositary. A copy of the ACD Agreement will be available to Shareholders on request.

### Additional information

*Risk Management:* Upon request, the following information may be obtained free of charge from the ACD: (i) the quantitative limits applying in the risk management of any Fund; (ii) the methods used in relation to such limits; and (iii) any recent development of the risk and yields of the main categories of investment.

*Voting Rights:* The ACD has a strategy for determining when and how voting rights attached to ownership of Scheme Property are to be exercised for the benefit of each Fund. A summary of this strategy and the details of the actions taken on the basis of this strategy in relation to each Fund are available from the ACD.

#### Non-Accountability for profits

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

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

#### Electronic Communications

The ACD will accept instructions to purchase, sell or transfer Shares or for the renunciation of title to Shares on the basis of an authority communicated by electronic means and sent by the Shareholder, or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

- (a) prior agreement between the ACD and the person making the communication as to:
  - (i) the electronic media by which such communications may be delivered; and
  - (ii) how such communications will be identified as conveying the necessary authority;  
and
- (b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the Shareholder.

#### Electronic Verification

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, SYSC and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check your identity and the source of the money invested. The ACD may also request verification documents from parties associated with you. In some cases, documentation may be required from officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your (or your associated party's) credit rating. They may also use your (or your associated party's) details in the future to assist other companies for verification purposes. If you apply for Shares you are giving the ACD permission to ask for this information in line with the Data Protection Laws. If you invest

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

### Data Protection

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

### Complaints

Shareholders who have a complaint about the operation of the Company should in the first instance contact the ACD. If a complaint cannot be resolved satisfactorily with the ACD, it may be referred to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

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

### Investors Compensation Scheme

Rights to compensation for Shareholders in the Company are those outlined in the Financial Services Compensation Scheme.

### Remuneration Policy

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

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

## **TAXATION**

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

### **Taxation of the Company and the Funds**

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

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

### **Income**

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

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

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

### **Capital gains**

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

### **Stamp Duty Reserve Tax**

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

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

### **Taxation of Shareholders**

#### **Income**

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

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

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

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

### Interest distributions

#### *UK resident individuals*

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

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

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

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

#### UK corporate Shareholders

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

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

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



## Dividend distributions

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

### *UK resident individuals*

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

### *UK corporate Shareholders*

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

## **Chargeable gains**

### *UK resident individuals*

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

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

### *UK corporate Shareholders*

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

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

## **Income equalisation – tax implications**

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

## **UK information reporting regime**

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

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

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

## **International tax compliance**

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

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

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

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

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

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

## **WINDING UP AND TERMINATION**

### Termination of a Fund

The Fund may be terminated:

- (A) if an extraordinary resolution of the Shareholders is passed to that effect; or
- (B) on the date of effect stated in any agreement by the FCA to a request by the ACD for the termination.

Eligible registered shareholders will be informed in writing if the Fund is terminated or has its authorisation revoked by the FCA.

Termination of the Fund commences upon the later of the time for termination of the Fund determined in accordance with the above circumstances and the time at which the FCA, having been supplied with a statement confirming the solvency of the Fund, approves, pursuant to the OEIC Regulations, the necessary changes to the Instrument of Incorporation and this Prospectus which would result from the termination of the Fund.

On the termination of the Fund (other than in accordance with an approved scheme of amalgamation or reconstruction) the ACD is required as soon as practicable after the Fund falls to be terminated to realise the property of the Fund and pay the liabilities of the Fund out of the proceeds.

Provided that there are sufficient liquid funds in the Fund property available after making adequate provision for the expenses of the termination and the discharge of the liabilities remaining to be discharged, the ACD may arrange for the Depositary to make one or more interim distributions out of the property of the Fund to the Shareholders proportionately to the right to participate in the Fund property attached to their respective Shares as at the date of the commencement of the termination.

When the ACD has caused all the Fund property to be realised and all of the liabilities known to the ACD to be met, the ACD shall arrange for the Depositary to make a final distribution, on or prior to the date on which the termination account is sent to Shareholders, of the balance remaining (net of a provision for any further expenses of the termination) to the Shareholders in the proportions stated above.

If the Fund is to be terminated in accordance with an approved scheme of amalgamation or reconstruction, the ACD is required to terminate the Fund in accordance with the resolution of holders approving such a scheme.

Where the Company and one or more Shareholders (other than the ACD) agree, the requirement to realise the property of the Fund shall not apply to that part of the property which is proportionate to the right of that or those Shareholders, and the ACD may distribute that part in the form of property, after making such adjustments or retaining such provision as appears appropriate to the ACD for ensuring that that or those Shareholders bear a proportionate share of the liabilities and expenses.

Where any sum of money (including unclaimed distributions) still stands to the account of the property of the Fund, the ACD shall instruct the Depositary to retain such sum in an account separate from any other part of the property of the Company in accordance with the FCA Handbook. On a winding-up of the Company, the Depositary shall cease to hold those amounts as part of that account and they shall be paid by the Depositary into court in accordance with the OEIC Regulations.

#### Winding up of the Company

The Company is to be wound up:

- (A) if an extraordinary resolution of holders is passed to wind-up the Company; or
- (B) when the period (if any) fixed for the duration of the Company by the Instrument of Incorporation expires or any event occurs, for which the Instrument of Incorporation provides that the Company is to be wound up; or
- (C) on the date of effect stated in any agreement by the FCA in response to a request by the ACD for the winding up of the Company, albeit that such

agreement is subject to there being no material change in any relevant factor prior to the date of the revocation.

The Company may only be wound up under the FCA Handbook if the Company is solvent and there is no vacancy in the position of the ACD. If the Company is insolvent, or there is such a vacancy, the Company may only be wound up under Part V of the Insolvency Act 1986 as an unregistered company.

On a winding up (other than in accordance with an approved scheme of amalgamation or reconstruction) the ACD is required as soon as practicable after the time the Company falls to be wound up, to realise the property of the Company and pay the liabilities of the Company out of the proceeds. Liabilities of the Company attributable to a particular Fund shall be met to the extent possible out of the property attributable or allocated to such a Fund.

After making adequate provision for the expenses of the winding up and the discharge of the liabilities of the Company remaining to be discharged, the ACD may arrange for the Depositary to make one or more interim distributions, and then a final distribution of the proceeds of the realisation of the property attributable or allocated to each Fund to the holders in each Fund, proportionately to the right to participate in the scheme property attached to their respective Shares.

If the Company is to be wound up in accordance with an approved scheme of amalgamation or reconstruction, the ACD is required to wind up the Company in accordance with a resolution of holders approving such scheme.

Where the Company and one or more Shareholders (other than the ACD) agree, the requirement to realise the property of the Company shall not apply to that part of the property which is proportionate to the right of that or those Shareholders, and the ACD may distribute that part in the form of property, after making such adjustments or retaining such provision as appears to the ACD appropriate for ensuring that that or those Shareholders bear a proportionate share of the liabilities and expenses.

If any sum of money is unclaimed or stands to the account of the Company at the date of its dissolution, the ACD shall arrange for the Depositary to pay such sum into court within one month after that date in accordance with the OEIC Regulations.

## **RISK FACTORS**

### **General Risks**

Investors should be aware that there are risks inherent in the holding of or investing in securities:-

- (A) Past performance is no guide to the future. The value of Shares, and any income from them, can go down as well as up, particularly in the short-term, meaning that an investment may not be returned in full.
- (B) For any given Fund, there is a risk that investment techniques or strategies are unsuccessful and may incur losses for the Fund. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Funds, nor an opportunity to evaluate the specific investments made by the Funds or the terms of any of such investments.
- (C) The tax treatment of the Funds may change and such changes cannot be foreseen.

### **Liabilities of the Company**

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

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

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of exchanging) may be suspended (see "Suspension of Dealings").

### **Charges to Capital**

Where all or part of fees and/or charges in respect of any Share Class or Fund may be charged against capital rather than income, this will enhance income returns but may constrain future capital growth. Where the Annual Management Charge of a Fund is charged against capital instead of income, all of the other charges and expenses for that Fund will be treated as capital expenses in accordance with the FCA Handbook. Where the annual management charge is taken out of the income of a Fund all of the other charges and expenses of that Fund will be treated as income expenses (with the exception of any payment as a result of effecting a transaction) to the extent that there is sufficient income. If there is insufficient income then any remaining sums will be charged to capital. See Appendix 3 for details of where the Annual Management Charge is charged in respect of each Fund.

### **Management Risk**

The investment performance of the Company is substantially dependent on the services of the Investment Manager or the Delegated Investment Managers. In the event of the death, disability, departure, insolvency or withdrawal of the Investment Manager's or any of the Delegated Investment Managers' key personnel, including portfolio managers, the performance of the Company may be adversely affected.

### **Net Asset Value**

Whilst the Company may use the latest available published price in respect of each investment in order to calculate the Net Asset Value it reserves the right to use more recent valuations where this is considered appropriate. Such valuations may be based on an estimate of a more recent price of any unit or share in an underlying investment fund of other collective investment undertaking in which a Fund invests obtained from or calculated on the basis of more recent information received from the underlying fund or undertaking or any of its service providers or agents. Subject to the FCA Handbook, in the event that a price or valuation estimate accepted by the Company in relation to an underlying investment subsequently proves to be incorrect or varies from a final published price no adjustment to the Net Asset Value or Shares in issue will be made unless the ACD deems it appropriate in the circumstances.

### **Conflicts of Interest**

The ACD's conflicts of interest policy sets out the principles and guidelines for identifying, managing, recording, and, where relevant, disclosing existing or potential conflicts and protecting the interests of the Company and the Funds. There are a number of different types of possible conflicts, including where the ACD (i) is likely to make a financial gain, or avoid a loss, at the expense of the client; (ii) has an interest in the outcome of a transaction that is likely to be different from the client's interest; (iii) has some kind of incentive to favour one client over another; (iv) carries on the same kind of business as the client; or (v) receives an inducement from a third party in relation to services provided to the client.

The ACD has reviewed its business and identified a number of permanent conflicts along with a brief explanation of the firm's arrangements for mitigating and managing the risks of such conflicts. Such mitigation includes making appropriate disclosures to prospective clients about the ACD's structure and activities, implementing certain procedures and restricting the types of payments made or received from third parties. In addition, all employees undertake to (1) act always in the best interests of the client; (2) comply with any operating controls and procedures established to mitigate any actual or potential conflicts; (3) not to enter into any agreement, without obtaining prior permission from the ACD Compliance Officer, that could potentially conflict with duties to clients; (4) consult with the ACD Compliance Officer whenever they encounter either (i) a conflict or potential conflict that is not set forth here, or (ii) a conflict that is described above but where the arrangements described do not appear adequate for mitigating or managing the conflict. In particular, the ACD's best execution policy sets out the basis upon which the ACD will effect transactions and place orders in relation to the Company whilst complying with its obligations under the FCA Handbook to obtain the best possible result for the Company. Details of the best execution policy are available upon request from the ACD.

Where the ACD is not reasonably confident that the mitigating controls it has implemented will prevent loss to its clients, then the firm will disclose clearly the general nature and sources of conflicts before undertaking the client business.

### **Use of Dealing Commissions**

A Delegated Investment Manager may use internal and external research to inform their decision making. A Delegated Investment Manager will typically either pay for the research it uses from its own resources or, from or by a research payment account set up with the Company and or the ACD in the case of a Delegated Investment Manager that is based within the UK or EU (where permitted by applicable law). A Delegated Investment Manager based outside the UK or the EU may receive research (and other services permitted by local regulation) from investment brokers who are paid for that research (or services) from the commission that a Fund pays for transactions. The ACD will oversee the Investment Manager, in respect of their oversight of such Delegated Investment Managers based outside the UK or the EU, to ensure that internal controls are in place to manage these costs and any conflicts which may arise as a consequence.

### **Tax Considerations**

A Fund may be subject to withholding, capital gains or other taxes on income and/or gains arising from its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by the that Fund is incorporated, established or resident for tax purposes. A Fund may also incur or bear transaction or other similar taxes in respect of the actual or notional amount of any acquisition, disposal or transaction relating to its investment portfolio, including without limitation taxes imposed by the jurisdiction in which the issuer of securities held by that Fund or the counterparty to a transaction involving that Fund is incorporated, established or resident for tax purposes. Where a Fund invests in securities or enters into transactions that are not subject to withholding, capital gains, transaction or other taxes at the time of acquisition, there can be no assurance that tax may not be withheld or imposed in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The relevant Fund may not be able to recover such tax and so any change could have an adverse effect on the Net Asset Value of the Shares.

Where a Fund chooses or is required to pay taxation liabilities and/or account for reserves in respect of taxes that are or may be payable in respect of current or prior periods by the Fund (whether in accordance with current or future accounting standards), this would have an adverse effect on the Net Asset Value of the Shares. This could cause benefits or detriments to certain Shareholders, depending on the timing of their entry to and exit from the relevant Fund.

### **Portfolio Management Risk**

For any given Fund, there is a risk that investment techniques or strategies are unsuccessful and may incur losses for the Fund. Shareholders will have no right or power to participate in the day-to-day management or control of the business of the Funds, nor an opportunity to evaluate the specific investments made by the Funds or the terms of any of such investments.

Past performance is not a reliable indicator as to future performance. The nature of and risks associated with a Fund's future performance may differ materially from those investments and strategies historically undertaken by the portfolio manager. There can be no assurance that the portfolio manager will realise returns comparable to those achieved in the past or generally available on the market.

### **Segregation of Liabilities between Funds**

Each of the Funds has a segregated portfolio of assets and accordingly, the assets of a Fund belong exclusively to that Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other person or body including the Company and any other Fund and shall not be available for any such purpose.

Whilst the provisions of the OEIC Regulations provide for segregated liability between Funds, these provisions are subject to the scrutiny of the courts and it is not free from doubt, in the context of claims brought by local creditors in foreign courts or under foreign law contracts, that the assets of a Fund will always be 'ring fenced' from the liabilities of other Funds of the Company.

Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund. Within the Funds, charges will be allocated between Share Classes in accordance with the terms of issue of Shares of those Share Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular 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 Funds.

### **Risk on Cross Class Liabilities for all Share Classes within a Fund**

Although there is an accounting attribution of assets and liabilities to the relevant Share Class, there is no legal segregation with respect to Classes of the same Fund. Therefore, if the liabilities of a Share Class exceed its assets, creditors of said Share Class of the Fund may seek to have recourse to the assets attributable to the other Classes of the same Fund.

As there is an accounting attribution of assets and liabilities without any legal segregation amongst Share Classes, a transaction relating to a Share Class could affect the other Share Classes of the same Fund.

### **Hedged Share Classes**

While the ACD may attempt to hedge currency risks, there can be no guarantee that it will be successful in doing so and it may result in mismatches between the currency position of the relevant Fund and the relevant hedged class. As there is no segregation of liabilities between Share classes, there is a remote risk that under certain circumstances, currency hedging transactions in relation to a Share class could result in liabilities which might affect the Net Asset Value of other Share classes of the same Fund.

Investors in hedged classes should note that risk warning "Currency Risk" is still applicable to their investment.

### **Custody Risk**

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

### **Infectious Diseases**

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

### **Sustainability Risk**

Sustainability risk is a term used to describe risks to investments (in terms of volatility and/or expected returns) that are related to environmental, social or governance issues.

Environmental risks include climate risk, both physical and transitional.

- Physical risk is the direct effect of climate change, both acute (sudden and severe) and chronic (long developing) on both products and services, but also throughout the supply chain.
- Transition risk includes the impact of policy and regulatory change on a business and the adjustments required to move to a low-carbon economy. This risk also includes legal and reputational risks.

Social risks include labour rights and community relations.

Governance risks include the board's levels of independence, ownership and control.

The underlying risk for all of the above is that the outcome may affect the operational effectiveness and resilience of a company or other investment, as well as the public perceptions affecting a company's profitability.

The impact could vary in severity dependent on the materiality and significance. In particular, assets in particular sectors or geographical areas may have enhanced levels of risk.



## **Specific Investment Risks**

The tables below set out which of the specific investment risks, as detailed in this section, apply to each Fund:

<b>Fund Name</b>	<b>Debt Securities</b>	<b>Equity Securities</b>	<b>Global Investing</b>	<b>Currency</b>	<b>Portfolio Concentration</b>	<b>Emerging Markets</b>	<b>Geographic Concentration</b>	<b>Liquidity</b>	<b>Changes in Law and/or Tax regimes</b>	<b>Growth Investing</b>	<b>Derivatives-Counterparty Risk</b>
<b>TM Natixis Harris Associated Global Concentrated Equity Fund</b>											
<b>TM Natixis Loomis Sayles US Equity Leaders Fund</b>											
<b>TM Natixis Loomis Sayles Strategic Income Fund*</b>											

\* As from 24 October 2022, the TM Natixis Loomis Sayles Strategic Income Fund is no longer available for investment.

Fund Name	Leverage	Loss of Capital	ESG	ESG Driven Investments	Sustainability	Capitalisation of Companies	Value Investing	Market Risk	Unlisted Securities	Structured Instruments	Loans	Convertible Securities
TM Natixis Harris Associates Global Concentrated Equity Fund												
TM Natixis Loomis Sayles US Equity Leaders Fund												
TM Natixis Loomis Sayles Strategic Income Fund*												

\* As from 24 October 2022, the TM Natixis Loomis Sayles Strategic Income Fund is no longer available for investment.

### **Risk of Capital Loss**

Principal value and returns fluctuate over time (including as a result of currency fluctuations), so that Shares, when redeemed, may be worth more or less than their original cost. There is no guarantee that the capital invested in a Share Class will be returned to the investor in full.

### **Market Risk**

The value of investments may decline over a given time period due to market fluctuation (such as stock prices, interest rates, foreign exchange rates or commodity prices). To varying degrees, market risk affects all securities. Market risk may significantly affect the market price or Funds' securities and, therefore their net asset value.

### **Currency Risk**

Some Funds are invested in securities denominated in a number of different currencies other than their base currency. Changes in foreign currency exchange rates may affect the equivalent value of these securities in the base currency of the Funds.

#### Currency risk at Share Class level

For unhedged Share Classes denominated in currencies different from the Fund's base currency, the Share Class value follows fluctuations of the exchange rate between the Shares Class currency and the Fund's base currency, which can generate additional volatility at the Share Class level.

### **Equity Securities**

Investing in equity securities involve risks associated with the unpredictable drops in a stock's value or periods of below-average performance in a given stock or in the stock market as a whole. Shares' prices on equity markets may fluctuate. Such fluctuations, or volatility, have historically been much greater for equity markets than the volatility of fixed income markets. In addition, investors should note that the Net Asset Value of the Fund is expected to fluctuate over time due to the portfolio composition of the Fund.

### **Debt Securities**

Among the principal risks of investing in debt securities are the following:

- Changing Interest Rates

Changing interest rates affect the value of debt securities more directly than equities. As interest rates rise, the price of debt securities fall and vice versa (as interest rates increase, the price of holding a debt security decreases since investors are able to realise greater yields by switching to other investments that reflect the higher interest rate). Long-term debt securities subject their owners to the greatest amount of interest rate risk while short-term debt securities are much less influenced by interest rate movements.

- Credit Risk

The issuer of any debt security acquired by any Fund may default on its financial obligations. Moreover, the price of any debt security acquired by a Fund normally reflects the perceived risk of default of the issuer of that security at the time the Fund acquired the security. If after acquisition the perceived risk of default increases, the value of the security held by the Fund is likely to fall.

There are many factors that could cause an issuer to default on its financial obligations, or an increase in the perceived risk of default of an issuer. Among those factors are the

deteriorating financial condition of the issuer caused by changes in demand for the issuer's products or services, catastrophic litigation or the threat of catastrophic litigation and changes in laws, regulations and applicable tax regimes. The more concentrated the Fund is in a particular industry, the more likely it will be affected by factors that affect the financial condition of that industry as a whole.

- Non-investment Grade Securities

Debt securities rated below investment grade are considered low credit quality. Non-investment grade fixed income securities are securities rated less than BBB- (Standard & Poor's Ratings Services), Baa3 (Moody's Investors Service, Inc.), or if unrated, determined by the Investment Manager to be equivalent. Securities rated below investment grade may have greater price volatility and a greater risk of loss of principal and interest than investment grade securities.

- Variation in Inflation Rates

The value of inflation-linked debt securities fluctuates with the inflation rate of the corresponding geographical area.

- Mortgage-Related Securities and Asset-Backed Securities

Mortgage pass-through securities (such as mortgage derivatives and structured notes, including mortgage-backed and asset-backed securities) are securities representing interests in "pools" of mortgages in which payments of both interest and principal on the securities are usually made monthly, in effect "passing through" monthly payments made by the individual borrowers on the residential mortgage loans which underlie the securities. Early or late repayment of principal based on an expected repayment schedule on mortgage pass-through securities held by a Fund (due to early or late repayments of principal on the underlying mortgage loans) may result in a lower rate of return when the relevant Fund reinvests such principal. In addition, as with callable fixed-income securities generally, if the Fund purchased the securities at a premium, sustained earlier than expected repayment would reduce the value of the security relative to the premium paid.

Asset-backed securities represent a participation in, or are secured by and payable from, a stream of payments generated by particular assets, most often a pool of assets similar to one another, such as motor vehicle loan receivables or credit card receivables, home equity loans, manufactured housing loans or bank loan obligations.

Interest rate risk is greater for mortgage-related and asset-backed securities than for many other types of debt securities because they are generally more sensitive to changes in interest rates. These types of securities are subject to prepayment – borrowers paying off mortgages or loans sooner than expected – when interest rates fall. As a result, when interest rates rise, the effective maturities of mortgage-related and asset-backed securities tend to lengthen, and the value of the securities decreases more significantly. The result is lower returns to the Fund because the Fund may reinvest assets previously invested in these types of securities in securities with lower interest rates.

- Collateralised Mortgage Obligations

A collateralised mortgage obligation ("CMO") is a security backed by a portfolio of mortgages or mortgage-backed securities held under an indenture. CMOs of different classes are generally retired in sequence as the underlying mortgage loans in the mortgage pool are repaid. In the event of sufficient early prepayments on such mortgages, the class or series of CMOs first to mature generally will be retired prior to its maturity. As with other mortgage-backed securities, if a particular class or series of CMOs held by a Fund is retired early, the Fund would lose any premium it paid when it acquired the investment, and the Fund may have to reinvest the proceeds at a lower interest rate than the retired CMO paid. Because of

the early retirement feature, CMOs may be more volatile than other fixed-income investments.

- Trust Preferred Securities

Trust preferred securities are preferred shares issued in certain structured finance transactions by a special purpose trust established to issue the shares and invest the proceeds in an equivalent amount of debt securities of a primary issuer. In addition to the risks associated with the debt securities of the primary issuer, trust preferred securities are subject to the risk that the trustee of the trust may be unwilling or unable to enforce the obligations of the primary issuer under the debt securities in the event of a default by the primary issuer.

- Yankee Bonds

Yankee Dollar bonds (U.S. Dollar-denominated bonds issued in U.S. capital markets by non-U.S. banks or corporations) are generally subject to the same risks as for other debt security investments, notably credit risk, market risk and liquidity risk. Additionally, Yankee Dollar bonds are subject to certain sovereign risks, such as the possibility that a government might prevent capital, in the form of U.S. Dollars, from flowing across its borders. Other risks include adverse political and economic developments; the extent and quality of government regulation of financial markets and institutions; the imposition of foreign withholding taxes; and the expropriation or nationalisation of foreign issuers.

- Zero-Coupon Securities

Zero-coupon securities issued by governmental and private issuers are transferable debt securities that do not pay regular interest payments, and instead are sold at substantial discounts from their value at maturity. The value of these instruments tends to fluctuate more in response to changes in interest rates than the value of ordinary interest-paying transferable debt securities with similar maturities. The risk is greater when the period to maturity is longer. As the holder of certain zero-coupon obligations, the relevant Funds may be required to accrue income with respect to these securities prior to the receipt of cash payment. The Funds may be required to distribute income with respect to these securities and may have to dispose of securities under disadvantageous circumstances in order to generate cash to satisfy these distribution requirements.

### **Convertible Securities**

Certain Funds may invest in convertible securities which may be converted either at a stated price or stated rate for common or preferred stock. As convertible securities generally pay fixed interest or dividends, the market value of convertible securities tends to decline as interest rates rise. Because of the conversion feature, the market value of convertible securities also tends to vary with fluctuations in the market value of the underlying common or preferred stock, although to a lesser extent than with fixed income securities generally.

### **Unlisted Securities**

Unlisted Securities are securities which may be sold through a private offering and/or may be issued by public or private firms who cannot or do not wish to comply with the listing requirements of an official exchange. Unlisted Securities may be illiquid and involve the risk that a Fund may not be able to dispose of these securities quickly, which may be further exacerbated in adverse market conditions.

### **Loans**

Loans that qualify as money market instruments and also in undertakings for collective investment investing in loans may be difficult to value and may be subject to various types of risks, including but not limited to, market risk, credit risk, liquidity risk and risk of changing interest rates.

## **Financial Derivative Instruments**

A derivative is a contract whose price is dependent upon or derived from one or more underlying assets. The most common derivative instruments include, without limitation, futures contracts, forward contracts, options, warrants, swaps and convertible securities. The value of a derivative instrument is determined by fluctuations in its underlying assets. The most common underlying assets include equity securities, bonds, currencies, interest rates and market indices.

The use of derivatives for investment purposes may create greater risk for the Funds than using derivatives solely for efficient portfolio management purposes.

Most derivatives are characterised by high leverage.

OTC derivative transactions are subject to further regulation. On 16 August 2012 EMIR entered into force. Some of the main obligations under EMIR are the requirement for certain classes of OTC derivatives to be cleared through a CCP; reporting to trade repositories; and application of risk mitigation techniques for non-centrally cleared OTC derivatives (i.e. OTC derivative contracts not cleared by a CCP). For non-centrally cleared OTC derivatives, EMIR requires the "timely confirmation, where available, by electronic means, of the terms of the relevant OTC derivative contract". The obligation is one that falls on the financial counterparty (i.e. the Company) to the relevant contract. Most of the specifics of this obligation are subject to separate regulatory technical standards which provide, inter alia, that financial counterparties must have procedures in place to report on a monthly basis the number of unconfirmed, relevant OTC derivative transactions that have been outstanding for more than five Business Days.

The principal risks associated with using derivatives in managing a portfolio are:

- higher absolute market exposures for Funds that make extensive use of derivatives;
- difficulty of determining whether and how the value of a derivative will correlate to market movements and other factors external to the derivative;
- difficulty of pricing a derivative, especially a derivative that is traded over-the-counter or for which there is a limited market;
- difficulty for a Fund, under certain market conditions, to acquire a derivative needed to achieve its objectives; and
- difficulty for a Fund, under certain market conditions, to dispose of certain derivatives when those derivatives no longer serve their purposes.
- Credit Default Swaps – Special Risk Consideration

A Credit Default Swap ("CDS") is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between par value and market price of the said bond or other designated reference obligations (or some other designated reference or strike price) when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swap and Derivatives Association (ISDA) has produced standardised documentation for these derivatives transactions under the umbrella of its ISDA Master Agreement. A Fund may use credit derivatives in order to hedge the specific credit risk of certain issuers in its portfolio by buying protection. In addition, a Fund may, provided it is in its exclusive interest, buy protection using credit derivatives without holding the underlying assets. Provided it is in its exclusive interest, a Fund may also sell protection using credit derivatives in order to acquire a specific credit exposure. A Fund will only enter into OTC credit derivatives transactions with highly-rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement. The maximum exposure of a Fund may not exceed 100% of its net assets.

- Counterparty Risk

The Funds will be subject to the risk of the inability of any counterparty to perform with respect to transactions or its obligations under the transactions, whether due to its own insolvency or that of others, bankruptcy, market illiquidity or disruption or other causes and whether resulting from systemic or other reasons, and as result the Funds may not realise the expected benefit of such transaction. In the event that the counterparty is unable or unwilling to meet its contractual liabilities, there may be a detrimental impact on the Fund, whilst the Investment Manager will conduct due diligence on counterparties, it has no formal credit function which evaluates the creditworthiness of the relevant Fund's counterparties. The ability of the Fund to transact business with any one or number of counterparties, the lack of any separate evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Funds.

The participants in OTC derivative markets are typically not subject to the same credit evaluation and regulatory oversight as are members of "exchange-based" markets. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with such "over-the-counter" transactions. This exposes the relevant Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the relevant Fund to suffer a loss. Such "counterparty risk" is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the relevant Fund has concentrated its transactions with a small group of counterparties.

### **Structured Instruments**

Structured instruments are debt instruments linked to the performance of an asset, a foreign currency, an index of securities, an interest rate, or other financial indicators. The payment on a structured instrument may vary linked to changes of the value of the underlying assets.

Structured instruments may be used to indirectly increase a Fund's exposure to changes to the value of the underlying assets or to hedge the risks of other instruments that the Fund holds.

Structured investments involve special risks including those associated with leverage, illiquidity, changes in interest rate, market risk and the credit risk of their issuers. As an example, the issuer of the structured instruments may be unable or unwilling to satisfy its obligations and/or the instrument's underlying assets may move in a manner that may turn out to be disadvantageous for the holder of the instrument.

- Structured instrument risk (including securitisations)

Securitisations result from complex financial configurations that may contain both legal and specific risks pertaining to the characteristics of the underlying assets.

### **Capitalisation Size of Companies**

- Smaller Capitalisation Companies

Investments in smaller capitalisation companies may involve risks such as fewer managerial and financial resources. Shares of small companies may be particularly sensitive to unexpected changes in interest rates, borrowing costs and earnings. As a result of trading less frequently, shares of smaller companies may also be subject to wider price fluctuations and may be less liquid.

- Large Capitalisation Companies

Funds investing in large capitalisation companies may underperform certain other equity funds (those emphasising small company shares, for example) during periods when large company shares are generally out of favour. Also larger, more established companies are generally not nimble and may be unable to respond quickly to competitive challenges, such as changes in technology and consumer tastes, which may cause the Fund's performance to suffer.

### **Growth Investing**

Shares of growth companies may be more volatile and sensitive to certain market movements because their value is often based on factors such as future earnings expectations which may vary with market changes. Since they usually reinvest a high proportion of earnings in their own businesses, they may lack the dividends associated with shares in companies that can cushion their decline in a falling market. Also, since investors buy these shares because of their expected superior earnings growth, earnings disappointments often result in sharp price declines.

### **Value Investing**

Value investing seeks shares in under-priced companies but there is no guarantee the price will rise and these companies may continue to be undervalued by the market for long periods of time.

### **Emerging Markets**

Investments in emerging market securities involve certain risks, such as illiquidity and volatility, which are greater than those generally associated with investing in developed markets. The extent of economic development, political stability, market depth, infrastructure, capitalisation, tax and regulatory oversight in emerging market economies is generally less than in more developed countries.

### **Geographic Concentration**

Certain funds may concentrate their investments in certain specific parts of the world, involving more risk than investing more broadly. Funds investing in areas where economies are experiencing difficulty or where financial markets are out of favour may underperform funds investing in other parts of the world. Moreover, these concentrated areas may be significantly affected by adverse political, economic or regulatory developments, as well as lack of information transparency. On the other end, global investing involves certain risks such as currency exchange rate fluctuations.

### **Global Investing**

International investing involves certain risks such as currency exchange rate fluctuations, political or regulatory developments, economic instability and lack of information transparency. Securities in one or more markets may also be subject to limited liquidity.

### **Portfolio Concentration**

Although the strategy of certain Funds of investing in a limited number of securities has the potential to generate attractive returns over time, it may increase the volatility of such Funds' investment performance as compared to funds that invest in a larger number of securities. If the securities in which such Funds invest perform poorly, the Funds could incur greater losses than if it had invested in a larger number of securities.



### **Liquidity risk**

Certain Funds may acquire securities that are traded only among a limited number of investors or may not trade frequently. The limited number of investors for those securities may make it difficult for the Funds to dispose of those securities quickly or in adverse market conditions. Many derivatives and securities that are issued by entities that pose substantial credit risks typically are among those types of securities that the Funds may acquire that only are traded among limited numbers of investors.

Some markets, on which certain Funds may invest, may prove at time to be insufficiently liquid or illiquid. This affects the market price of such Fund's securities and therefore its net asset value.

Furthermore, there is a risk that, because of a lack of liquidity and efficiency in certain markets due to unusual market conditions or unusual high volumes of repurchase requests or other reason, the Funds may experience some difficulties in purchasing or selling holdings of securities and, therefore, meeting subscriptions and redemptions in the time scale indicated in this Prospectus.

In such circumstances, the ACD may, in accordance with the Company's Instrument of Incorporation and in the investors' interest, suspend subscriptions and redemptions or extend the settlement timeframe.

### **Leverage**

Leverage is determined by taking into account indirect holdings, including both the financial derivative instruments entered in by the portfolio and the reinvestment of collateral received in cash in relation with efficient portfolio management transactions. Leveraged transactions multiply the risk of potential losses when positions results are contrary to expected market directions, compared to direct holdings, and may add significant risk because of added payment obligations.

### **Changes in Laws and/or Tax Regimes**

Each Fund is subject to the laws and tax regime of the United Kingdom. The securities held by each Fund and their issuers will be subject to the laws and tax regimes of various other countries, including a risk of tax re-characterisation. Changes to any of those laws and tax regimes, or any tax treaty between the United Kingdom and another country or between various countries, could adversely affect the value to any Fund of those securities.

### **Sustainability Risk**

Sustainability risk is a term used to describe risks to investments (in terms of volatility and/or expected returns) that are related to environmental, social or governance issues.

Environmental risks include climate risk, both physical and transitional.

- Physical risk is the direct effect of climate change, both acute (sudden and severe) and chronic (long developing) on both products and services, but also throughout the supply chain.
- Transition risk includes the impact of policy and regulatory change on a business and the adjustments required to move to a low-carbon economy. This risk also includes legal and reputational risks.

Social risks include labour rights and community relations.

Governance risks include the board's levels of independence, ownership and control.

The underlying risk for all of the above is that the outcome may affect the operational effectiveness and resilience of a company or other investment, as well as the public perceptions affecting a company's profitability.

The impact could vary in severity dependent on the materiality and significance. In particular, assets in particular sectors or geographical areas may have enhanced levels of risk.

### **ESG**

Funds that invest with ESG characteristics have an investable universe that is smaller than that of an unscreened universe. The funds will restrict exposure to excluded companies, industries or sectors that do not meet the exclusion policy. Therefore, there may be assets with potentially higher returns that cannot be invested in.

Assessments of sustainability require subjective judgements leading to a risk that a Fund may have sustainability criteria that differ from an investor's own subjective views on sustainability.

### **ESG Driven Investments**

Certain Funds may seek to implement all or part of their investment policy in accordance with the relevant Investment Manager's sustainable environmental, social, and governance ("Sustainable ESG") criteria.

Sustainable ESG criteria may include amongst others:

- Environmental: gas emissions, resource depletion, waste and pollution, deforestation, carbon footprint;
- Social: working conditions, relation to the local communities, health and safety, employee relations, diversity considerations;
- Governance: executive pay, bribery and corruption, political lobbying and donations, tax strategy.

Sustainable ESG criteria may be generated using the relevant Investment Manager's proprietary models, third party models and data or a combination of both. Such models mainly take into account the sustainable ESG scoring as well as other metrics integrated in and applicable to the models of the issuing companies. The Fund's Investment Manager may also take into consideration case studies, environmental impact associated with the issuers and company visits.

Shareholders should note that assessment criteria may change over time or vary depending on the sector or industry in which the relevant issuer operates. Applying Sustainable ESG criteria to the investment process may lead the Investment Manager to invest in or exclude securities for non-financial reasons, irrespective of market opportunities available if assessed while disregarding Sustainable ESG criteria.

Shareholders should note that ESG data received from third parties may be incomplete, inaccurate or unavailable from time to time. As a result, there is a risk that the Investment Manager may incorrectly assess a security or issuer, resulting in the incorrect direct or indirect inclusion or exclusion of a security in the portfolio of a Fund.

Besides, the ESG principles which may be applied by the Investment Manager when determining a company's eligibility to pre-defined Sustainable ESG criteria are intentionally non-prescriptive, allowing for a diversity of solutions for ESG incorporation for each relevant

Fund. This means that the application of ESG criteria may be applied without a generally-agreed framework for constructing such investment strategy.

## **APPENDIX 1 INVESTMENT AND BORROWING POWERS AND RESTRICTIONS**

### **1. General**

- 1.1 The property of each Fund will be invested with the aim of achieving the investment objective of that Fund subject to the limits on investment set out in this Prospectus, in the relevant sections of the FCA Handbook covering the investment and borrowing powers of U.K. open-ended investment companies, ISA regulations (where applicable) and the relevant Fund's investment policy. These limits apply to each Fund as summarised below.
- 1.2 The ACD must ensure that, taking account of the investment objectives and policy of each Fund, the Scheme Property of each Fund aims to provide a prudent spread of risk.

### **2. UK UCITS – general**

- 2.1 The Scheme Property of each Fund must, subject to its investment objective and policy and except where otherwise provided in the COLL Sourcebook, only consist of any or all of:

- (A) transferable securities;
- (B) approved money market instruments;
- (C) units in collective investment schemes;
- (D) derivatives and forward transactions;
- (E) deposits; and
- (F) movable and immovable property that is essential for the direct pursuit of the Company's business

in accordance with COLL 5.2.

- 2.2 Transferable securities and approved money market instruments held within a Fund must (subject to paragraph 2.3) be:
- (A) admitted to or dealt in on an eligible market as described in paragraph 3.1(A) or 3.2; or
  - (B) dealt in on an eligible market as described in paragraph 3.1(B); or
  - (C) for an approved money market instrument not admitted to or dealt in on an eligible market, it is one that fulfils the following requirements:
    - (1) the issue or the issuer is regulated for the purposes of protecting investors and savings, as set out in COLL 5.2.10A(2); and
    - (2) the instrument is issued or guaranteed in accordance with paragraph 10 (issuers and guarantors of money market instruments); or
  - (D) recently issued transferable securities (provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and such admission is secured within a year of issue).

2.3 Not more than 10% in value of the Scheme Property is to consist of transferable securities and approved money market instruments (other than those that are referred to in paragraph 2.2).

2.4 It is not intended that any Fund will have an interest in any immovable property or tangible movable property.

### **3. Eligible markets requirements**

3.1 A market is eligible for the purposes of the rules in the COLL Sourcebook if it is:

(A) a regulated market (as defined in the FCA Glossary);

(B) a market in the UK or an EEA State which is regulated, operates regularly and is open to the public; or

(C) any market within 3.2.

3.2 If a market does not fall within paragraph 3.1 it is eligible for the purposes of the COLL Sourcebook if:

(A) the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;

(B) the market is included in a list in the Prospectus; and

(C) the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market and all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

3.3 In paragraph 3.2(A) a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation 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 to the order of investors.

3.4 The eligible securities and derivatives markets for each Fund of the Company are set out in Appendix 2 below.

3.5 New eligible securities markets may be added to the existing list in accordance with the FCA Handbook.

### **4. Transferable securities**

4.1 A transferable security is an investment which is any of the following:

(A) a share;

(B) a debenture;

(C) an alternative debenture;

(D) a government and public security;

(E) a warrant; or

(F) a certificate representing certain securities,

(as such terms are defined in the FCA Glossary).

- 4.2 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.
- 4.3 In applying paragraph 4.2 to an investment which is issued by a body corporate, and which is a share or a debenture (as such terms are defined in the FCA Glossary), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 4.4 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.

## **5. Investment in transferable securities**

5.1 A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

- (A) the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
- (B) 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 "Dealing" section in the COLL Sourcebook;
- (C) reliable valuation is available for it as follows:
- (1) 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;
  - (2) 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;
- (D) appropriate information is available for it as follows:
- (1) 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;
  - (2) 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;
- (E) it is negotiable; and
- (F) its risks are adequately captured by the risk management process of the ACD.

- 5.2 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
- (A) not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and
  - (B) to be negotiable.

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

- 6.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Fund, provided it fulfils the criteria for transferable securities set out in paragraph 5 (investment in transferable securities), and either:
- (A) where the closed end fund is constituted as an investment company or a unit trust:
    - (1) it is subject to corporate governance mechanisms applied to companies; and
    - (2) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
  - (B) where the closed end fund is constituted under the law of contract:
    - (1) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
    - (2) it is managed by a person who is subject to national regulation for the purpose of investor protection.

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

- 7.1 A Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Fund provided the investment:
- (A) fulfils the criteria for transferable securities set out in paragraph 5 (investment in transferable securities); and
  - (B) is backed by or linked to the performance of other assets, which may differ from those in which the Fund can invest.
- 7.2 Where an investment in paragraph 7.1 contains an embedded derivative component the requirements of the COLL Sourcebook with respect to derivatives and forwards will apply to that component.

## **8. Approved Money Market Instruments**

- 8.1 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.
- 8.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:

- (A) has a maturity at issuance of up to and including 397 days;
- (B) has a residual maturity of up to and including 397 days;
- (C) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
- (D) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 8.2(A) or 8.2(B) or is subject to yield adjustments as set out in paragraph 8.2(C).

8.3 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.

8.4 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:

- (A) enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
- (B) based either on market data or on valuation models including systems based on amortised costs.

8.5 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.

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

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

- (A) the issue or the issuer is regulated for the purpose of protecting investors and savings; and
- (B) the instrument is issued or guaranteed in accordance with paragraph 10 (issuers and guarantors of money market instruments).

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 investors and savings if:

- (A) the instrument is an approved money-market instrument;
- (B) 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); and
- (C) the instrument is freely transferable.



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

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

- (A) issued or guaranteed by any one of the following:
  - (1) 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;
  - (2) a regional or local authority of the UK or an EEA State;
  - (3) the Bank of England, the European Central Bank or a central bank of an EEA State;
  - (4) the European Union or the European Investment Bank;
  - (5) a non-EEA State or, in the case of a federal state, one of the members making up the federation;
  - (6) a public international body to which the UK or one or more EEA States belong; or
- (B) issued by a body, any securities of which are dealt in on an eligible market; or
- (C) issued or guaranteed by an establishment which is:
  - (1) subject to prudential supervision in accordance with criteria defined by UK or EU law; or
  - (2) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

10.2 An establishment shall be considered to satisfy the requirement in paragraph 10.1(C)(2) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

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

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

11.1 In the case of an approved money-market instrument within paragraph 10.1(B) or issued by a body of the type referred to in the COLL Sourcebook under the guidance section relating to other money-market instruments with a regulated issuer; or which is issued by an authority within paragraph 10.1(A)(2) or a public international body within paragraph 10.1(A)(6) but is not guaranteed by a central authority within paragraph 10.1(A)(1), the following information must be available:

- (A) 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;
- (B) updates of that information on a regular basis and whenever a significant event occurs; and
- (C) 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 paragraph 10.1(C), the following information must be available

- (A) 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;
- (B) updates of that information on a regular basis and whenever a significant event occurs; and
- (C) 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:

- (A) within paragraphs 10.1(A)(1), 10.1(A)(4) or 10.1(A)(5); or
- (B) which is issued by an authority within paragraph 10.1(A)(2) or a public international body within paragraph 10.1(A)(6) and is guaranteed by a central authority within paragraph 10.1(A)(1);

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 paragraph 12 on spread does not apply to government and public securities.

12.2 The specific limits are set out as follows:

- (A) For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006, Directive 2013/34/EU or in the same group in accordance with international accounting standards are regarded as a single body.
- (B) Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.
- (C) Not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money market instruments issued by any single body, 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.

- (D) The limit of 5% in paragraph (C) is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds must not exceed 80% in value of the Scheme Property.
- (E) Not more than 20% in value of the Scheme Property is to consist of the units of any one collective investment scheme.
- (F) Not more than 20% in value of the Scheme Property may consist of transferable securities and approved money market instruments issued by the same group (as referred to in paragraph (A)).
- (G) The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.
- (H) In applying the limits in paragraphs (B), (C), (E), (F) and (G), not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
  - (1) transferable securities (including covered bonds) or approved money market instruments issued by; or
  - (2) deposits made with; or
  - (3) exposures from OTC derivatives transactions made with;a single body.

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

- 13.1 The Fund's counterparty risk arising from OTC derivative transactions or efficient portfolio management techniques is subject to the limits set out in paragraphs 12.2(G) and 12.2(H) above.
- 13.2 When calculating the exposure of the Fund to a counterparty to an OTC derivative in accordance with the limits in paragraph 12.2(G), the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 13.3 OTC derivative positions of a Fund with the same counterparty may be netted provided that the ACD is able legally to enforce netting agreements in place with the counterparty on behalf of the Fund and these netting agreements do not apply to any other exposures the Fund may have with that counterparty.
- 13.4 The exposure of the Scheme Property to a counterparty to an OTC derivative or efficient portfolio management technique may be reduced through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 13.5 Collateral must be taken into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 13.7 when collateral is passed to a counterparty to an OTC derivative transaction on behalf of the Fund.

- 13.6 Collateral passed in accordance with paragraph 13.5 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of the Fund.
- 13.7 The ACD must calculate the issuer concentration limits referred to in paragraphs 12.2(G) and 12.2(H) on the basis of the underlying exposure created through the use of OTC Derivatives in accordance with the commitment approach (as set out in paragraph 44 below)
- 13.8 In relation to exposures arising from OTC derivative transactions, as referred to in paragraph 12.2(H), the ACD must include in the calculation any counterparty risk relating to the OTC derivative transactions.

#### **14. Spread: government and public securities**

- 14.1 The following applies to transferable securities or approved money market instruments issued or guaranteed by the UK or a single EEA State, or a local authority of the UK or an EEA State, a non-EEA State or a public international body to which the UK or one or more EEA States belong ("such securities").
- 14.2 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 14.3 A Fund may invest more than 35% and up to 100% in value of the Scheme Property in such securities issued by any one body provided that:
- (A) before any such investment is made, the ACD has 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 authorised fund;
  - (B) no more than 30% in value of the Scheme Property consists of such securities of any one issue; and
  - (C) the Scheme Property includes such securities issued by that or another issuer, of at least six different issues.
- 14.4 In relation to such securities:
- (A) issue, issuer and guarantor include guarantee, guaranteed and guarantor; and
  - (B) an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.
- 14.5 Notwithstanding paragraph 12.1 and subject to paragraphs 12.2 and 12.2(B), in applying the 20% limit in paragraph 12.2(H) with respect to a single body, government and public securities issued by that body shall be taken into account.
- 14.6 A Fund may invest over 35% in value of Scheme Property in the securities issued by or on behalf of or guaranteed by those issuers listed in Appendix 4.

#### **15. Collective Investment Schemes**

- 15.1 A Fund may invest in units in a collective investment scheme ("second scheme"), including for the avoidance of doubt Shares in other Funds of the Company, provided that the second scheme satisfies the following conditions and provided that no more

than 30% of the value of that investing scheme is invested in second schemes within (A) to (E):

- (A) The second scheme must:
  - (1) be a UK UCITS or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
  - (2) be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or
  - (3) is authorised as a Non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR are met); or
  - (4) is authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or
  - (5) is authorised by the competent authority of an OECD member country (other than an EEA State) which has:
    - (a) signed the IOSCO Multilateral Memorandum of Understanding; and
    - (b) approved the scheme's management company, rules and depositary/custody arrangements(provided the requirements of COLL 5.2.13AR are met);
- (B) the second scheme must comply, where relevant, with paragraph 15.6 (investment in other group schemes) below;
- (C) the second scheme must have terms which prohibit more than 10% in value of its scheme property consisting of units in collective investment schemes; and
- (D) where the second scheme is an umbrella, the provisions in paragraph 12.2(A) and (B) (Spread: general) apply to each sub-fund as if it were a separate scheme.

15.2 The requirements referred to in COLL 5.2.13AR(1) are that:

- (1) the second scheme is an undertaking:
  - (a) with the sole object of collective investment in transferable securities or in other liquid financial assets, as referred to in this chapter, of capital raised from the public and which operate on the principle of risk-spreading; and
  - (b) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption);
- (2) the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the United Kingdom, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured;

- (3) the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UK UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and approved money market instruments are equivalent to the requirements of this chapter; and
  - (4) the business of the second scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.
- 15.3 Unless otherwise specified in Appendix 3 below in relation to any specific Fund, up to 100% of the Scheme Property of any Fund may consist of units in collective investment schemes.
- 15.4 For the purposes of paragraphs 15.1 and 15.2 each Fund of an umbrella scheme is to be treated as if it were a separate scheme. A Fund may invest in or dispose of Shares of another Fund (the Second Fund) only if the following conditions are satisfied:
- (A) the Second Fund does not hold units in any other Fund of the same umbrella scheme;
  - (B) the conditions 15.5 and 15.6 are complied with; and
  - (C) the investing or disposing Fund must not be a feeder UCITS to the Second Fund.
- 15.5 In accordance with the relevant section of the COLL Sourcebook covering investments in associated collective investment schemes each of the Funds may invest in units in collective investment schemes managed or operated by (or, if it is an open-ended investment company, has as its authorised corporate director), the ACD or an Associate of the ACD.
- 15.6 The Funds must not invest in or dispose of units in another collective investment scheme (the second scheme), which is managed or operated by (or in the case of an open-ended investment company, has as its authorised corporate director), the ACD, or an Associate of the ACD, unless:
- (A) there is no charge in respect of the investment in or the disposal of units in the second scheme; or
  - (B) the ACD is under a duty to pay to the Fund the following amount by the close of business on the fourth Business Day next after the agreement to invest in or dispose of shares in the second scheme:
    - (1) on investment, either:
      - (a) any amount by which the consideration paid by the Fund for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or
      - (b) if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units in the second scheme;
    - (2) on disposal, the amount of any charge made for the account of the authorised fund manager or operator of the second scheme or an Associate of any of them in respect of the disposal.

- 15.7 In paragraph 15.6 above, references to "second scheme" are to be taken to be references to the Second Fund where the Fund in question is investing in another Fund of the Company.
- 15.8 In paragraphs 15.6(A) and 15.6(B) above:
- (A) any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy or dilution adjustment, is to be treated as part of the price of the units and not as part of any charge; and
  - (B) any switching charge made in respect of an exchange of units in one Fund or separate part of the second scheme for units in another Fund or separate part of that scheme is to be included as part of the consideration paid for the units.
- 15.9 Notwithstanding clause 15.3 no more than 10% of the value of the Scheme Property of the each Fund may be invested in other collective investment schemes.

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

A transferable security or an approved money market instrument on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required without contravening the rules in the COLL Sourcebook.

## **17. Investment in Deposits**

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

## **18. Significant Influence**

- 18.1 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:
- (A) immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power to significantly influence the conduct of business of that body corporate; or
  - (B) the acquisition gives the Company that power.
- 18.2 For the purposes of paragraph 18.1, 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).

## **19. Concentration**

- 19.1 The Company must not hold more than:
- (A) 10% of the transferable securities (other than debt securities) issued by a body corporate which do not carry rights to vote on any matter at a general meeting of that body; or

- (B) 10% of the debt securities issued by any single body\*; or
- (C) 10% of the approved money market instruments issued by any single body\*; or
- (D) 25% of the units in a collective investment scheme\*.

\*The Company need not comply with the limits in (B)-(D) above if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

## **20. Cash and Near Cash**

20.1 Cash or near cash must not be retained in the Scheme Property except to the extent that this may reasonably be regarded as necessary in order to enable:

- (A) the pursuit of that Fund's investment objective;
- (B) the redemption of Shares in that Fund;
- (C) efficient management of the Fund in accordance with its investment objective;
- (D) a purpose which may reasonably be regarded as ancillary to the investment objectives of that Fund.

## **21. Efficient Portfolio Management ("EPM") techniques**

21.1 A Fund may enter into stock lending arrangements and/or repurchase/reverse repurchase contracts ("EPM techniques").

21.2 A Fund may only enter into a stock lending arrangement or repurchase/reverse repurchase contract in accordance with the rules in COLL 5.4 if the arrangement or contract is:

- (A) for the account of and for the benefit of a Fund; and
- (B) in the interest of its Shareholders.

21.3 Such an arrangement or contract is not in the interests of Shareholders unless it reasonably appears to the ACD to be appropriate with a view to generating additional income for the Fund with an acceptable degree of risk.

21.4 The Company on behalf of a Fund(s) or the Depositary at the request of the ACD may enter into a repurchase/reverse repurchase contract or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:

- (A) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
- (B) the counterparty is:
  - an authorised person; or
  - a person authorised by a Home State regulator; or
  - a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or



- a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; and the Board of Governors of the Federal Reserve System and the Office of Thrift Supervision; and

(C) high quality and liquid collateral is obtained to secure the obligation of the counterparty under the terms referred to in 21.4(A) and the collateral is:

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

21.5 The counterparty for the purpose of paragraph 21.4 is the person who is obliged under the agreement referred to in paragraph 21.4(A) to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.

21.6 Paragraph 21.4(C) does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

21.7 There is no limit on the value of the Scheme Property which may be the subject of repurchase/reverse repurchase contracts or stock lending transactions.

21.8 Any interest or dividends paid on securities which are the subject of such stock lending arrangements shall accrue to the benefit of the relevant Fund.

21.9 The Company will have the right to terminate a stock lending arrangement at any time and demand the return of any or all of the securities loaned.

21.10 In the case that the Company enters into a reverse repurchase agreement, it will have the right to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued or a mark-to market basis at any time. Where the cash is recallable at any time on a mark-to market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the purposes of the calculation of the net asset value of the Fund.

21.11 In the case that the Company enters into a repurchase agreements, the Company will have the right to recall any securities subject to the agreement or to terminate the repurchase agreement at any time.

21.12 Fixed term repurchase and reverse repurchase contracts which do not exceed seven days shall be regarded as arrangements on terms which allow the assets to be recalled at any time by the Company.

21.13 All the revenues arising from EPM techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the relevant Fund in respect of which the relevant party has been engaged.

## **22. Treatment of collateral for stock lending and repurchase/reverse repurchase transactions ("EPM techniques")**

- 22.1 Collateral obtained by a Fund in the context of EPM techniques must be:
- (A) transferred to the Depositary or its agent;
    - (aa) received under a title transfer arrangement;
    - (ab) at all times equal in value to the market value of the securities transferred by the Depositary plus a premium.
- 22.2 Where the collateral is invested in units in a qualifying money market fund managed or operated by (or, for an OEIC, whose authorised corporate director is) the ACD or an associate of the ACD, the conditions in paragraph 15.6 must be complied with.
- 22.3 Collateral is sufficiently immediate for the purposes of this paragraph if:
- (A) it is transferred before or at the time of the transfer of the securities by the Depositary; or
  - (B) the Depositary takes reasonable care to determine at the time referred to in paragraph 22.3(A) that it will be transferred at the latest by the close of business on the day of the transfer.
- 22.4 The Depositary must ensure that the value of the collateral is at all times equal in value to the market value of the securities transferred by the Depositary.
- 22.5 The duty in paragraph 22.4 may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 22.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) under this paragraph may be regarded, for the purposes of valuation and pricing of the Company or this Appendix, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the authorised fund.
- 22.7 Collateral transferred to the Depositary is part of the Scheme Property for the purposes of COLL, except in the following respects:
- (A) it does not fall to be included in any calculation of NAV or this Appendix, because it is offset under paragraph 22.6 by an obligation to transfer; and
  - (B) it does not count as Scheme Property for any purpose of this Appendix other than this paragraph.
- 22.8 Paragraphs 22.6 and 22.7(A) do not apply to any valuation of collateral itself for the purposes of this paragraph.

## **23. Collateral received for OTC derivative transactions and EPM techniques**

- 23.1 Collateral posted by a counterparty for the benefit of a Fund will be taken into account as reducing the exposure to such counterparty. Each Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits are not breached. Counterparty risk may be reduced to the extent that the value of the

collateral received, in conjunction with paragraph 27.1, corresponds with the value of the amount exposed to counterparty risk at any given time.

23.2 Collateral used to reduce counterparty risk exposure will comply with the following criteria:

- (A) Liquidity - collateral (other than cash) will be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral will comply with the provisions of rule 5.2.29 of the COLL Sourcebook (as summarised in paragraph 19.1 above).
- (B) Valuation - collateral will be valued on a daily basis and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place.
- (C) Issuer credit quality - collateral will be of high quality.
- (D) Correlation – collateral will be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.
- (E) Diversification - collateral will be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of EPM and OTC derivative transactions a basket of collateral with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

23.3 All assets received by the Funds in the context of OTC derivative transactions and EPM techniques will be considered as collateral and will comply with the criteria above. Risks linked to the management of collateral, including operational and legal risks, are identified and mitigated by risk management procedures employed by the Company.

23.4 Where there is a title transfer, the collateral received will be held by the Depositary or a delegate thereof. For other types of collateral arrangement the collateral may be held by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

23.5 Collateral received will be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty. Accordingly collateral will be immediately available to the Company without recourse to the counterparty in the event of default by that entity.

## **24. Permitted types of Collateral for OTC derivative transactions and EPM techniques**

24.1 It is proposed that the Company will accept the following types of collateral (subject, in the case of EPM techniques, to compliance with paragraph 22 above):

- (A) cash; or
- (B) government or other public securities; or
- (C) certificates of deposit issued by Approved Banks; or

- (D) bonds/commercial paper issued by Approved Banks or by non-bank issuers where the issue or the issuer are rated A1 or equivalent; or
- (E) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by Approved Banks; or
- (F) equity securities traded on a stock exchange in the EEA, Switzerland, Canada, Japan, the United States, Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

## **25. Reinvestment of Collateral**

25.1 Cash received as collateral for OTC derivatives and efficient portfolio management techniques may not be invested or used other than as set out below:

- (A) placed on deposit with Approved Banks;
- (B) invested in high-quality government securities;
- (C) used for the purpose of reverse repurchase transactions, provided that the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on an accrued basis; or
- (D) invested in a "Short Term Money Market Fund" as defined by the European Securities and Markets Authority's guidelines on a Common Definition of European Money Market Funds.

25.2 Re-invested cash collateral will be diversified in accordance with the diversification requirements outlined above in paragraph 23.2(E).

25.3 Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

25.4 The reinvestment of cash collateral leads to certain risks such as counterparty risk (e.g. borrower default) and market risk (e.g. decline in value of the collateral received or of the reinvested cash collateral) and these risks need to be monitored. The risk related to the reinvestment of cash collateral, which is not indemnified by the lending agent, is mitigated by investing cash collateral in highly liquid and diversified money market funds or in reverse repurchase agreements.

25.5 For funds which receive collateral for at least 30% of their assets, the associated liquidity risk is assessed.

25.6 Non-cash collateral received cannot be sold, pledged or re-invested.

## **26. Stress testing of Collateral**

26.1 In the event that the Company receives collateral for at least 30% of the Net Asset Value of a Fund, it will implement regular stress tests carried out under normal and exceptional liquidity conditions in order to allow it to assess the liquidity risk attached to collateral.

## **27. Haircut policy**

27.1 Collateral received from a counterparty may be offset against counterparty exposure provided it meets a range of standards, including those for liquidity, valuation, issuer

credit quality, correlation and diversification. The Company has established a haircut policy in respect of each class of assets received as collateral in respect of the Funds. This policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the collateral, the price volatility of the collateral and the results of any stress tests which may be performed in accordance with the collateral management policy. In offsetting exposure, where the Company considers appropriate, the value of collateral is reduced by a percentage (haircut) which provides, amongst other things, a buffer for short-term fluctuations in the value of the exposure and of the collateral.

## **28. Counterparty exposure reporting**

28.1 The annual report of the Funds will contain details of (i) the counterparty exposure obtained through efficient portfolio management techniques as well as exposure to OTC derivative transactions, (ii) counterparties to efficient portfolio management techniques and OTC derivative transactions, (iii) the type and amount of collateral received by the Funds to reduce counterparty exposure and (iv) revenues arising from efficient portfolio management techniques for the reporting period, together with direct and indirect costs and fees incurred and to which entity these have been paid.

## **29. Underwriting and Stock Placings**

29.1 Any power in the COLL Sourcebook to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation.

29.2 This section applies, subject to paragraph 29.3, to any agreement or understanding which:

- (A) is an underwriting or sub-underwriting agreement; or
- (B) contemplates that securities will or may be issued or subscribed for or acquired for the account of the Fund.

29.3 Paragraph 29.2 does not apply to:

- (A) an option; or
- (B) a purchase of a transferable security which confers a right to:
  - to subscribe for or acquire a transferable security; or
  - to convert one transferable security into another.
- (C) The exposure of the Fund to agreements and understandings within paragraph 29.2 must, on any day:
  - be covered in accordance with the requirements of COLL 5.3.3AR (see paragraph 40); 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 COLL 5.

## **30. Borrowing powers**

- 30.1 The Company or Depositary may, in accordance with this paragraph and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Company on the terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Company to comply with any restriction in the Instrument of Incorporation.
- 30.2 The ACD must ensure that borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the ACD must have regard in particular to:
- (A) the duration of any period of borrowing; and
  - (B) the number of occasions on which it has resorted to borrowing in any period.
- 30.3 The ACD must ensure that no period of borrowing exceeds three months without the prior consent of the Depositary.
- 30.4 The Depositary may only give its consent as required under paragraph 30.3 on such conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis only.
- 30.5 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property. For these purposes borrowing includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.
- 30.6 These borrowing restrictions do not apply to “back to back” borrowing for cover under COLL 5.3.5R (2).
- 30.7 The Company must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraphs 30.1 and 30.2.

### **31. Derivatives: general**

- 31.1 Funds which may use derivatives in pursuit of their investment objectives, as well as Funds which may use derivatives for efficient portfolio management purposes, must do so in accordance with the following rules.
- 31.2 **The use of derivatives for efficient portfolio management will generally not increase the risk profile of a Fund (see paragraph 49 for further details on efficient portfolio management).** In adverse situations, however, a Fund’s use of derivatives may become ineffective in hedging or EPM and a Fund may suffer significant loss as a result. A Fund’s abilities to use derivatives for EPM may be limited by market conditions, regulatory limits and tax considerations. **The use of derivatives for investment purposes may increase the risk profile of a Fund.**
- 31.3 A transaction in derivatives or a forward transaction must not be effected for a Fund unless:
- (A) the transaction is of a kind specified in 32.2 below (Permitted transactions (derivatives and forwards)); and
  - (B) the transaction is covered, as required by the FCA Regulations at COLL 5.3.3AR.
- 31.4 Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in paragraphs 12 (Spread: general) and paragraphs 14 (Spread: government and public securities) save as provided in 31.8.

- 31.5 Where a transferable security or money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 31.6 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- (A) 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;
  - (B) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - (C) it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 31.7 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.
- 31.8 Where a Fund invests in an index based derivative, provided the relevant index falls within the FCA Regulations at COLL 5.2.20AR, 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, provided the ACD takes account of the requirements in COLL 5.2.3 for a prudent spread of risk.

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

- 32.1 A transaction in a derivative must:
- (A) be in an approved derivative; or
  - (B) an OTC derivative which complies with paragraph 36 (OTC transactions in derivatives).
- 32.2 The underlying of a transaction in a derivative must consist of any one or more of the following to which the Fund is dedicated:
- (A) transferable securities permitted under paragraphs 2.2(A) and 2.2(D);
  - (B) money-market instruments permitted under paragraph 8;
  - (C) deposits permitted under paragraph 17;
  - (D) derivatives permitted under this rule;
  - (E) collective investment scheme units permitted under paragraph 15;
  - (F) financial indices which satisfy the criteria set out in paragraph 33;
  - (G) interest rates;
  - (H) foreign exchange rates; and

(I) currencies.

- 32.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market as set out in Appendix 2.
- 32.4 A transaction in a derivative must not cause a Fund to diverge from its investment objectives as stated in the Instrument of Incorporation and this Prospectus.
- 32.5 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, money-market instruments, units in collective investment schemes or derivative provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R (1) (Requirement to cover sales) as read in accordance with guidance at COLL 5.2.22A G are satisfied.
- 32.6 Any forward transaction must be made with an Eligible Institution or an Approved Bank.
- 32.7 A derivative includes an instrument which fulfils the following criteria:
- (A) It allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
  - (B) It does not result in the delivery or transfer of assets other than those referred to in paragraph 2.1 (UCITS schemes: permitted types of scheme property) including cash above;
  - (C) In the case of an OTC derivative, it complies with the requirements in COLL 5.2.23R (OTC transactions in derivatives);
  - (D) Its risks are adequately captured by the risk management process of the ACD, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 32.8 A Fund may not undertake transactions in derivatives on commodities.

### **33. Financial indices underlying derivatives**

- 33.1 The financial indices referred to in paragraph 32.2(F) are those which satisfy the following criteria:
- (A) the index is sufficiently diversified;
  - (B) the index represents an adequate benchmark for the market to which it refers; and
  - (C) the index is published in an appropriate manner.
- 33.2 A financial index is sufficiently diversified if:
- (A) 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;



- (B) where it is composed of assets in which a 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
  - (C) where it is composed of assets in which a 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.
- 33.3 A financial index represents an adequate benchmark for the market to which it refers if:
- (A) it measures the performance of a representative group of underlyings in a relevant and appropriate way;
  - (B) 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
  - (C) the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 33.4 A financial index is published in an appropriate manner if:
- (A) 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
  - (B) 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.
- 33.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 33.2, be regarded as a combination of those underlyings.

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

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

#### **35. Requirement to cover sales**

- 35.1 No agreement by or on behalf of a Fund to dispose of property or rights (except for a deposit) may be made unless:
- (A) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and
  - (B) the property and rights at 35.1(A) are owned by the Fund at the time of the agreement.
- 35.2 Paragraph 35.1 does not apply to a deposit.

- 35.3 In the FCA's view, the requirement in paragraph 35.1(A) can be met where:
- (A) 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
  - (B) the ACD or the Depositary has the right to settle the derivative in cash, and cover exists within the Fund's property which falls within one of the following asset classes:
    - (1) cash;
    - (2) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
    - (3) 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).

35.4 In the asset classes referred to in 35.3, 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.

## **36. OTC transactions in derivatives**

36.1 A transaction in an OTC derivative under paragraph 32.2(B) (money-market instruments permitted under paragraph 8) or, for the purposes of 36.1(A)(1) only, executed by or on behalf of a regulated money market fund, must be:

- (A) with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:
  - (1) an Eligible Institution or an Approved Bank;
  - (2) a person whose permission (including any requirements or limitations), as published in the Financial Services Register, permits it to enter into the transaction as principal off-exchange;
  - (3) a CCP that is authorised in that capacity for the purposes of EMIR;
  - (4) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
  - (5) to the extent not already covered above, a CCP supervised in a jurisdiction that:
    - (a) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom; and
    - (b) is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019;
- (B) on approved terms; the terms of the transaction in derivatives are approved only if the ACD:

- (1) carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (i.e. the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and
  - (2) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and
- (C) 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:
- (1) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
  - (2) if the value referred to above is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- (D) subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
- (1) 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
  - (2) a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.
- (E) "Fair value" for these purposes is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.
- (F) The Fund may enter into a range of swap transactions in pursuit of the investment objective of the Fund (including Total Return Swaps) or other financial derivatives instruments with similar characteristics. The underlying assets and investment strategies or such swaps, to which exposure will be gained, are described in the investment objective and policy of the relevant Fund.
- (G) The counterparty does not have discretion over the composition or management of a Fund's portfolio or over the underlying of financial derivative instruments used by a Fund. Counterparty approval is not required in relation to any investment decision made by the Fund.

### **37. Risk management process**

- 37.1 The risk management process should take account of the investment objectives and policy of the Fund as stated in this prospectus.
- 37.2 The Depositary should take reasonable care to review the appropriateness of the risk management process in line with its duties under COLL 6.6.14(1) (Duties of the

depository and authorised fund manager: investment and borrowing powers), as appropriate.

- 37.3 The ACD is expected to demonstrate more sophistication in its risk management process for a Fund with a complex risk profile than for one with a simple risk profile. In particular, the risk management process should take account of any characteristic of non-linear dependence in the value of a position to its underlying.
- 37.4 The ACD should take reasonable care to establish and maintain such systems and controls as are appropriate to its business as required by SYSC 3.1 (Systems and controls).
- 37.5 The risk management process should enable the analysis required by paragraph 38 to be undertaken at least daily or at each valuation point whichever is the more frequent.

### **38. Risk management: derivatives**

- 38.1 The ACD uses a risk management process (including a risk management policy) enabling it to monitor and measure at any time the risk of a Fund's position and their contribution to the overall risk profile of the Funds.
- 38.2 The following details of the risk management process must be notified by the ACD to the FCA and at least on an annual basis:
- (A) a true and fair view of the types of derivatives and forward transactions to be used within the Company together with their underlying risks and any relevant quantitative limits; and
  - (B) the methods for estimating risks in derivative and forward transactions.
- 38.3 The ACD must assess, monitor and periodically review:
- (A) The adequacy and effectiveness of the risk management policy and of the arrangements, processes and techniques referred to in COLL 6.12.5R;
  - (B) The level of compliance by the ACD with the risk management policy and with those arrangements, processes and techniques referred to in COLL 6.12.5R; and
  - (C) The adequacy and effectiveness of measures taken to address any deficiencies in the performance of the risk management process.

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

### **39. Valuation of OTC derivatives**

- (A) For the purposes of paragraph 38.2(B) the ACD must:
  - (1) establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Fund to OTC derivatives; and
  - (2) ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- (B) Where the arrangements and procedures referred to in paragraph 39(A) above involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC (Additional requirements for a

management company) and COLL (Due diligence requirements of AFMs of UCITS schemes).

- (C) The arrangements and procedures referred to in 39(A) must be:
- (1) adequate and proportionate to the nature and complexity of the OTC derivative concerned; and
  - (2) adequately documented.

#### **40. Derivatives exposure and cover**

- 40.1 A Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 40.2 Cover ensures that a Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed.
- 40.3 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.
- 40.4 The global exposure relating to derivatives and forward transactions held in a Fund may not exceed the net value of the Scheme Property.

#### **41. Borrowing**

- 41.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 40 (Derivatives exposure and cover) as long as the normal limits on borrowing (see below) are observed.
- 41.2 Where, for the purposes of this paragraph the Company 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 on deposit with the lender (or their agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property, and the normal limits on borrowing under paragraph 30 (Borrowing powers) do not apply to that borrowing.

#### **42. Daily calculation of global exposure**

- (A) The ACD must calculate the global exposure of a Fund on at least a daily basis, in accordance with the methods described in COLL 5.3.7R to COLL 5.3.10R.
- (B) For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

#### **43. Global Risk Exposure**

- 43.1 The ACD must calculate the global exposure of a Fund by using the standard commitment approach or the Value at Risk ("VaR") approach. The ACD must ensure

that the method selected to calculate global exposure is appropriate, taking into account: the investment strategy pursued by the Fund; the types and complexities of the derivatives and forward transactions used; and the proportion of the scheme property comprising derivatives and forward transactions.

- 43.2 Where a Fund employs techniques and instruments including repurchase/reverse repurchase contracts or stock lending transactions in accordance with paragraph 21 (EPM techniques) in order to generate additional leverage or exposure to market risk, the ACD must take those transactions into consideration when calculating global exposure.
- 43.3 For the purposes of paragraph 43, VaR means a measure of the maximum expected loss at a given confidence level over a specific time period and the standard commitment approach means that the ACD converts each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that derivative taking into account netting and hedging arrangements.

#### **44. Commitment approach**

- 44.1 Where the ACD uses the commitment approach for the calculation of global exposure, it must:
- (A) ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in paragraph 31 (Derivatives: general)), whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with paragraph 21 (EPM techniques); and
  - (B) convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).
- 44.2 The ACD may apply other calculation methods which are equivalent to the standard commitment approach.
- 44.3 For the commitment approach, the ACD may take account of netting and hedging arrangements when calculating global exposure of a Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.
- 44.4 Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.
- 44.5 Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Fund need not form part of the global exposure calculation.

#### **45. Schemes replicating an index**

- 45.1 Notwithstanding paragraph 12 (spread: general) a 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.
- 45.2 Replication of the composition of a relevant index shall be understood to be a reference to 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.

- 45.3 The 20% limit in 45.1 can be raised for a particular Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions. In the event that the 20% limit is raised, the ACD will provide appropriate information in the Prospectus in order to explain the ACD's assessment of why this increase is justified by exceptional market conditions.
- 45.4 In the case of a 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 the Fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.
- 45.5 The indices referred to above are those which satisfy the following criteria:
- (A) The composition is sufficiently diversified;
  - (B) The index represents an adequate benchmark for the market to which it refers; and
  - (C) The index is published in an appropriate manner.
- 45.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.
- 45.7 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.
- 45.8 An index is published in an appropriate manner if:
- (A) it is accessible to the public;
  - (B) the index provider is independent from the index-replicating Fund; this does not preclude index providers and the Fund from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

#### **46. Restrictions on lending of money**

- 46.1 None of the money in the Scheme Property of the Fund may be lent and, for the purposes of this prohibition, money is lent by the Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.
- 46.2 Acquiring a debenture is not lending for the purposes of paragraph 46.1; nor is the placing of money on deposit or in a current account.
- 46.3 Paragraph 46.1 does not prevent the Company from providing an officer of the Company with funds to meet expenditure to be incurred by them for the purposes of the Company (or for the purposes of enabling them properly to perform their duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

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

- 47.1 The Scheme Property of the Fund other than money must not be lent by way of deposit or otherwise.
- 47.2 Transactions permitted by paragraph 21 (EPM techniques) are not lending for the purposes of paragraph 47.1.
- 47.3 The Scheme Property of the Fund must not be mortgaged.
- 47.4 Where transactions in derivatives or forward transactions are used for the account of the Fund in accordance with the FCA Handbook, nothing in this rule prevents the Company or the Depositary at the request of the Company, from:
- (A) lending, depositing, pledging or charging Scheme Property for margin requirements; or
  - (B) 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..

#### **48. Guarantees and indemnities**

- 48.1 The Company or the Depositary for the account of the Fund must not provide any guarantee or indemnity in respect of the obligation of any person.
- 48.2 None of the Scheme Property of the Fund may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 48.3 Paragraphs 48.1 and 48.2 do not apply in respect of the Fund to:
- (A) any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA Rules;
  - (B) an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
  - (C) 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
  - (D) 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 units in that scheme become the first shareholders in the Company.

#### **49. Efficient Portfolio Management**

- 49.1 Each Fund may in addition to the ability to use derivatives for investment purposes as referred to above, utilise the Scheme Property of the Fund to enter into transactions for the purposes of hedging or EPM. Permitted EPM transactions include 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 Funds may effect synthetic short positions by using derivatives for EPM purposes. There is no limit on the amount or



value of the Scheme Property of any Fund which may be used for EPM but the ACD must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with an acceptably low level of, risk. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.

- 49.2 Permitted transactions are those that the ACD reasonably regards as economically appropriate to EPM, that is:
- (A) 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
  - (B) Transactions for the generation of additional capital growth or income for the 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:
    - (1) pricing imperfections in the market as regards the property which the Fund holds or may hold; or
    - (2) receiving a premium for the writing of a covered call option or a covered put option on property of the Fund which the Company is willing to buy or sell at the exercise price.
- 49.3 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 FCA Handbook, or be a "synthetic future" (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the FCA Handbook. A permitted transaction may at any time be closed out.
- 49.4 Permitted EPM transactions must also fulfil the following criteria:
- (A) Their risks are adequately captured in risk management procedures implemented in relation to the Company; and
  - (B) They cannot result in a change to a Fund's declared investment objective or add supplementary risks in comparison to the general risk policy as described in this Prospectus.

While the use of EPM transactions will be in line with the best interests of the Fund, individual techniques may result in increased counterparty risk and potential conflicts of interest (examples include but are not limited to where the counterparty is a related party). Details of the relevant risks are set out in the section of the Prospectus headed "Risk Factors".

All of the revenues arising from EPM transactions, net of direct and indirect operational costs, will be returned to the Company.

The Company will ensure, at all times, that the terms of EPM transactions, including any investment of cash collateral, will not impact on its ability to meet with its redemption obligations.

#### **50. Securities Financing Transactions**

Where the use of SFTs and/or TRS, as defined under UK SFTR, is contemplated in a Fund's investment policy, the SFTs/TRS used as part of the investment policy of the relevant Fund shall be set out in the relevant Fund's description and the ACD will include additional disclosures in the Prospectus in accordance with UK SFTR.

The Funds do not currently make use of, and are not engaged in, any such transactions.

## APPENDIX 2 ELIGIBLE MARKETS

A market is an “eligible market” if it is:

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

The following stock exchanges or markets are deemed Eligible Markets for investment by the Company:

Argentina	Bolsa de Comercio de Buenos Aires ( BCBA ) OTC Market ( MAE )
Australia	ASX Limited ( ASX ) Sydney Futures Exchange ( SFE )
Austria	Vienna Stock Exchange ( VSE ) EuroMTS / MTS Austria ( MTS Austria )
Belgium	NYSE Euronext Brussels ( NYSE Euronext Brussels )
Brazil	Sao Paulo Stock Exchange ( BOVESPA )
Canada	NASDAQ Canada ( NASDAQ CAN ) TSX Venture Exchange ( TSXVE ) Montreal Exchange ( MX ) Toronto Stock Exchange ( TSX )
Chile	Santiago Stock Exchange ( BCS ) Bolsa Electronica de Chile ( BEC )
Cyprus	Cyprus Stock Exchange ( CSE )
Czech Republic	OTC ( OTC ) Prague Stock Exchange ( PSE )
Denmark	NASDAQ OMX Copenhagen Stock Exchange ( CSE ) MTS Associated Markets ( MTS Denmark )
Finland	NASDAQ OMX Helsinki ( NASDAQ OMX )
France	NYSE Euronext France ( NYSE Euronext France )
Germany	Frankfurter Wertpapierboerse ( FWB® ) Eurex Deutschland ( Eurex )

Greece	Athens Exchange ( ATHEX ) Electronic Secondary Securities Market of the Bank of Greece ( HDAT )
Hong Kong	The Stock Exchange of Hong Kong ( SEHK )
Hungary	Budapest Stock Exchange ( BSE )
India	Bombay Stock Exchange ( BSE ) National Stock Exchange of India ( NSE )
Indonesia	Indonesian Stock Exchange ( IDX )
Ireland	Irish Stock Exchange ( ISE )
Israel	Tel Aviv Stock Exchange (TASE )
Italy	Borsa Italiana ( Borsa Italiana ) MTS ( MTS )
Japan	Tokyo Stock Exchange, Inc. ( TSE ) Osaka Securities Exchange ( OSE )
Luxembourg	The Luxembourg Stock Exchange ( LSE )
Malaysia	Bursa Malaysia Securities Berhad ( Bursa Securities ) Electronic Trading Platform ( ETP )
Mexico	Over-the-Counter ( OTC ) Mexican Derivatives Exchange ( MexDer ) Mexican Stock Exchange ( BMV )
Netherlands	NYSE Euronext Amsterdam ( NYSE Euronext Amsterdam )
New Zealand	New Zealand Exchange ( NZX )
Norway	Oslo Børs ( OSE )
Peru	Lima Stock Exchange ( BVL )
Poland	Warsaw Stock Exchange ( WSE ) BondSpot S.A. ( BondSpot S.A. )
Portugal	MTS Portugal ( MTS Portugal ) NYSE Euronext Lisbon ( NYSE Euronext Lisbon )
Philippines	Philippine Stock Exchange ( PSE ) OTC Fixed Income Exchange Market ( FIE )
Singapore	Singapore Exchange Limited ( SGX )
Slovakia	Bratislava Stock Exchange ( BSSE / BCPB )
Slovenia	Ljubljana Stock Exchange ( LJSE )
South Africa	Johannesburg Securities Exchange SA ( JSE )
South Korea	Korea Exchange ( KRX )

Spain	Spanish Stock Exchange Organisation ( BME )
Sweden	NASDAQ OMX Stockholm ( NASDAQ OMX Stockholm )
Switzerland	SIX Swiss Exchange ( SIX SE ) SIX Swiss Exchange Blue Chip Segment ( Blue Chip Segment )
Taiwan	Taiwan Stock Exchange Corporation ( TWSE ) GreTai Securities Market ( GTSM ) Taiwan Futures Exchange ( TAIFEX )
Thailand	The Stock Exchange of Thailand ( SET )
Turkey	Istanbul Stock Exchange ( ISE )
U.K.	London Stock Exchange ( LSE ) London International Financial Futures and Options Exchanges ( LIFFE )
U.S.	New York Stock Exchange ( NYSE Euronext ) NYSE AMEX ( NYSE AMEX ) ICE Futures U.S. ( ICE Futures U.S. ) Chicago Mercantile Exchange ( Chicago Mercantile Exchange ) NASDAQ ( NASDAQ ) Over-The-Counter ( OTC ) Chicago Board of Trade ( CBOT )
Uruguay	Montevideo Stock Exchange

For the purposes only of determining the value of the assets of a Fund, the term "Eligible Market" shall be deemed to include, in relation to any futures or options contract utilised by the Fund for the purposes of efficient portfolio management or to provide protection against exchange rate risk, any organised exchange or market on which such futures or options contract is regularly traded.

### **APPENDIX 3 FUNDS**

- TM Natixis Harris Associates Global Concentrated Equity Fund
- TM Natixis Loomis Sayles Strategic Income Fund\*
- TM Natixis Loomis Sayles U.S. Equity Leaders Fund

\* As from 22 October 2022, the TM Natixis Loomis Sayles Strategic Income Fund is no longer available for investment.

## **TM Natixis Harris Associates Global Concentrated Equity Fund**

**(PRN: 637603)**

### **Investment Objective**

The TM Natixis Harris Associates Global Concentrated Equity Fund (the "Fund") seeks to grow your investment over the long term (at least five years).

### **Investment Policy**

#### **Types of assets and investment limits**

At least 80% of the Fund's assets will be invested directly in equity securities (shares of companies which can be located anywhere in the world, including emerging markets) listed on a stock exchange in an Eligible Market. No more than 10% of the Fund's assets can be invested in equity securities which are not listed on a stock exchange.

It is not intended that any of the Fund's assets are invested in other Collective Investment Schemes (which can include those managed by the ACD, the Investment Manager, or any of their associates). However, in the event that the Fund does invest in other Collective Investment Schemes (for example for cash management purposes), this will not exceed 10% of the Fund's assets.

Derivatives (financial contracts that derive their value from other investments) may be used to reduce the risks or costs which might be incurred through investing in a particular asset directly or to generate additional income or capital (this is known as "efficient portfolio management" or "EPM"). For example, the Investment Manager may use currency futures and forwards in the Fund when seeking exposure to assets which are based in currencies other than sterling to reduce the risk of any losses caused by currency exchanges.

In the case of exceptional or adverse market conditions, instead of investing in line with the limits set out above, the Investment Manager can invest up to 100% of the Fund's assets in cash. The Investment Manager will only invest in this way if it believes that this is necessary to try to protect the Fund from any risks and/or losses which could arise from these market conditions. It is not expected that the Investment Manager will do so for long periods. In the event that the Investment Manager takes this action, the Fund may not achieve its investment objective.

The Investment Manager can invest the Fund's assets in any country, sector and currency which may include emerging market countries.

### **Investment strategy**

The Investment Manager actively manages the Fund and, when investing in equity securities, will actively research and identify companies that it believes are high quality, but which are undervalued, and which in its view have the potential to produce future returns that will cause a company's market value to be equal to that company's true value. The Investment Manager can invest in companies of any size.

The Investment Manager will usually invest in approximately 20-30 equity securities, resulting in a concentrated portfolio. The Investment Manager can, based on its research of available investment opportunities, invest in a higher or lower number of companies. When the Investment Manager chooses to invest the Fund's assets in a lower number of companies (20 or below), the equity securities in the portfolio may be less diversified meaning that the performance of the Fund may fluctuate more than if a larger number of companies were invested in.

## Comparator Benchmark and assessing performance

The ACD can compare the performance of the Fund against the MSCI World Index (net return) (the "Comparator Benchmark"). The Comparator Benchmark is made up of large and medium market capitalisation sized companies in developed markets throughout the world. The ACD has selected the Comparator Benchmark for performance comparison because it reflects the broad range of companies which the Fund can invest in. The Investment Manager does not have to invest in the same companies which make up the Comparator Benchmark. Where it does invest in the same companies it does not need to invest in the same amounts as the company's weighting in the Comparator Benchmark.

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics (the "Peer Group"). The ACD may compare the Fund against the performance of the Investment Association Global sector. Although they may not have exactly the same characteristics as the Fund, the funds in this sector invest at least 80% of their assets globally in shares.

The Fund is not constrained to, or managed in line with the Comparator Benchmark or the Investment Association Global sector, or any other benchmark.

## Typical Investors Profile

The Fund is suitable for institutional and retail investors who:

- are looking for exposure to the equity markets on a global basis;
- are looking for a concentrated portfolio;
- can afford to set aside capital for at least 5 years (long term horizon);
- can accept temporary losses; and
- can tolerate volatility.

## Specific risks

Investors are referred to the section of this document headed "Risk Factors" and in particular, to the section headed "Specific Investment Risks". The following risks may be particularly relevant to an investment in this Fund:

- Equity securities
- Value investing
- Portfolio concentration
- Geographic concentration
- Market risk
- Emerging markets
- Global investing
- Currency risk
- Changes in laws or tax regimes
- Loss of capital
- Capitalisation of companies

The global exposure of the Fund is calculated using the "Commitment Approach" method as described under paragraph 44 of Appendix 1.

## Past performance

Please refer to the Fund's Key Investor Information Document, or Appendix 5 of this Prospectus.



## SHARE CLASSES AVAILABLE

Type	Great British Pound (GBP)	U.S. Dollar (USD)
	Accumulation	Accumulation
I	I/A(GBP)	I/A(USD)
N	N/A(GBP)	N/A(USD)
S1		S1/A (USD)

## SHARE CLASS CHARACTERISTICS

Type	Management Fee*	Operating Expenses (maximum)	Base currency	Maximum initial charge	Redemption charge	Minimum initial investment / holding
I	0.80%	0.15%	U.S. Dollar	1%	None	£5,000,000 / \$10,000,000
N	0.85%	0.15%				None
S1	0.70%	0.15%				\$200,000,000

\*The Management Fee will be deducted first from the income property of the Fund (except those charges and expenses relating directly to the purchase and sale of investments).

Key to Share Class naming convention: A – denotes Accumulation Shares.

## Subscriptions and Redemptions in the Fund: Pricing and Settlement

Valuation Point	Subscription/ Redemption Date	Application Date and Cut-Off Time	Settlement Date
Each Business Day in the U.K. at 12:00 noon	T* (i.e., any Business Day in the U.K.)	T at 12:00 noon	T+4

\*T = Day on which any subscription, redemption or exchange application is processed by the Transfer Agent. Applications received by the Transfer Agent before the cut-off time on any Dealing Day will be processed on such day. Applications received after the cut-off time will be processed on the following Dealing Day.

## **TM Natixis Loomis Sayles Strategic Income Fund\***

**(PRN: 637600)**

\* As from 24 October 2022 the TM Natixis Loomis Sayles Strategic Income Fund is no longer available for investment.

### **Investment Objective**

The TM Natixis Loomis Sayles Strategic Income Fund (the "Fund") seeks to provide income as well as grow your investment over the long term (at least 5 years).

### **Investment Policy**

#### **Types of assets and investment limits**

Up to 100% of the Fund's assets can be invested directly in bonds issued by governments, companies and supranational entities. These investments can be investment grade and non-investment grade. Investment grade means the asset is given a speculative rating by a rating agency (for example, at least BBB- by Standard & Poor's Ratings Services or Baa3 by Moody's Investors Services, Inc.). Non-investment grade means the asset is given a speculative rating by a rating agency (for example, less than BBB- by Standard & Poor's Ratings Services or less than Baa3 by Moody's Investors Services, Inc.). Where an investment is not rated, the Investment Manager may assign a rating. The Fund's assets can also be invested directly in bonds which are backed by other investments. These are bonds, referred to as asset-backed securities or mortgage backed securities, which represent a pool of assets, e.g., mortgages or loans, and whose value and income payments of these types of bonds are dependent on the pool of relevant assets.

Up to 20% of the Fund's assets can be invested directly in equity securities (shares of companies which can be located anywhere in the world, including emerging markets).

Up to 10% of the Fund's assets can be invested in bank loans that qualify as money market instruments.

It is not intended that any of the Fund's assets are invested in other Collective Investment Schemes (which can include those managed by the ACD, the Investment Manager, or any of their associates). However, in the event that the Fund does invest in other Collective Investment Schemes (for example for cash management purposes), this will not exceed 10% of the Fund's assets.

Derivatives (financial contracts that derive their value from other investments) may be used to reduce the risks or costs which might be incurred through investing in a particular asset directly or to generate additional income or capital (this is known as "efficient portfolio management" or "EPM"). For example, the Investment Manager may use currency futures and forwards in the Fund when seeking exposure to assets which are based in currencies other than sterling to reduce the risk of any losses caused by currency exchanges.

In the case of exceptional or adverse market conditions, instead of investing in line with the limits set out above, the Investment Manager can invest up to 100% of the Fund's assets in cash. The Investment Manager will only invest in this way if it believes that this is necessary to try to protect the Fund from any risks and/or losses which could arise from these market conditions. It is not expected that the Investment Manager will do so for long periods. In the event that the Investment Manager takes this action, the Fund may not achieve its investment objective.

The Investment Manager can invest the Fund's assets in any country, sector and currency which may include emerging market countries.

## Investment strategy

The Investment Manager actively manages the Fund and will aim to identify investments which it believes are strategic as they are income producing, have strong or improving credit profiles, attractive returns potential and discounted prices, although it may select investments which do not have these characteristics according to its opinion of preferable market conditions. Based upon its active research, the Investment Manager may diversify the Fund's investments and will consider factors such as the financial strength of the issuer, current interest rates as well as the Investment Manager's expectations of future interest rates, and valuations.

## Comparator Benchmark and assessing performance

The ACD can compare the performance of the Fund against the Bloomberg Barclays US Aggregate Bond Index (total return) (the "Comparator Benchmark"). The Comparator Benchmark is made up of investment grade bonds traded in the United States. The ACD has selected the Comparator Benchmark for performance comparison because it provides a broad range of securities against which to compare the strategy and performance of the Fund. The Investment Manager does not have to invest in the same companies which make up the Comparator Benchmark. Where it does invest in the same companies it does not need to invest in the same amounts as the company's weighting in the Comparator Benchmark.

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics (the "Peer Group"). The ACD may compare the Fund against the performance of the Investment Association Sterling Strategic Bond sector. Although they may not have exactly the same characteristics as the Fund, the funds in this sector invest at least 80% of their assets in sterling denominated fixed interest securities.

The Fund is not constrained to, or managed in line with the Comparator Benchmark or the Investment Association Sterling Strategic Bond sector, or any other benchmark.

## Typical investor profile

The Fund is suitable for institutional and retail investors who:

- want to obtain higher income than available from traditional fixed income portfolios;
- can afford to set aside capital for at least 3 years;
- can accept temporary losses; and
- can tolerate volatility.

## Specific Investment Risks

Investors are referred to the section of this document headed "Risk Factors" and in particular, to the section headed "Specific Investment Risks". The following risks may be particularly relevant to an investment in this Fund:

- Debt securities (including Credit risk, non-investment grade securities, Changing interest rates, Convertible securities)
- Currency risk
- Equity Securities
- Loans
- Emerging Markets
- Geographic concentration
- Changes in laws or tax regimes
- Liquidity risk
- Financial derivative instruments - Counterparty risk
- Structured Instruments
- Convertible Securities

The global exposure of the Fund is calculated using the "Commitment Approach" method as described under paragraph 38 of Appendix 1.

## Past performance

Please refer to the Fund's Key Investor Information Document, or Appendix 5 of this Prospectus.

SHARE CLASSES AVAILABLE		
Type	Accumulation	Semi-Annual Distribution
I	I/AG(GBP)	I/DG(GBP)
N	N/AG(GBP)	N/DG(GBP)
Q	Q/AG(GBP)	

SHARE CLASS CHARACTERISTICS						
Type	Management Fee*	Operating Expenses	Base currency	Maximum initial charge	Redemption charge	Minimum initial investment / holding
I	0.80%	0.15%	Great British Pound	1%	None	£5,000,000
N	0.85%	0.15%				None
Q	0.10%	0.15%				£10,000,000

\*\*The Management Fee will be deducted first from the income property of the Fund (except those charges and expenses relating directly to the purchase and sale of investments). The portion of the Ongoing Charges Ratio attributable to the Management Fee will be deducted from the income property of the Fund.

Key to Share Class naming convention: A – denotes Accumulation Shares / D – denotes Distribution Shares.

Dividend for Distribution Shares only is distributed on a semi-annual basis. Interim Accounting Period for Distribution Shares ends on the last day of December and June. Interim Income Distribution Date for Distribution Shares is the last Business Day of the second calendar month following an interim accounting period.

## Subscriptions and Redemptions in the Fund: Pricing and Settlement

Valuation Point	Subscription/Redemption Date	Application Date and Cut-Off Time	Settlement Date	Initial Offer price
Each Business Day in the U.K. at 12:00 noon	T* (i.e., any Business Day in the U.K.)	T at 12:00 noon	T+4	100.00p

\*T = Day on which any subscription, redemption or exchange application is processed by the Transfer Agent. Applications received by the Administrator before the cut-off time on any Dealing Day will be processed on such day. Applications received after the cut-off time will be processed on the following Dealing Day.

## **TM Natixis Loomis Sayles U.S. Equity Leaders Fund**

**(PRN: 637601)**

### **Investment Objective**

The TM Natixis Loomis Sayles U.S. Equity Leaders Fund (the "Fund") seeks to grow your investment over the long term (at least 5 years).

### **Investment Policy**

#### **Types of assets and investment limits**

At least 80% of the Fund's assets will be invested directly in U.S. equity securities (shares of companies which are located in the United States).

Up to 20% of the Fund's assets can be invested in instruments related to non-U.S. equity securities, such as depositary receipts (negotiable securities traded on a U.S. stock exchange but represent a holding in a non-U.S. equity security).

It is not intended that any of the Fund's assets are invested in other Collective Investment Schemes (which can include those managed by the ACD, the Investment Manager, or any of their associates). However, in the event that the Fund does invest in other Collective Investment Schemes (for example for cash management purposes), this will not exceed 10% of the Fund's assets.

Derivatives (financial contracts that derive their value from other investments) may be used to reduce the risks or costs which might be incurred through investing in a particular asset directly or to generate additional income or capital (this is known as "efficient portfolio management" or "EPM"). For example, the Investment Manager may use currency futures and forwards in the Fund when seeking exposure to assets which are based in currencies other than sterling to reduce the risk of any losses caused by currency exchanges.

In the case of exceptional or adverse market conditions, instead of investing in line with the limits set out above, the Investment Manager can invest up to 100% of the Fund's assets in cash. The Investment Manager will only invest in this way if it believes that this is necessary to try to protect the Fund from any risks and/or losses which could arise from these market conditions. It is not expected that the Investment Manager will do so for long periods. In the event that the Investment Manager takes this action, the Fund may not achieve its investment objective.

The Investment Manager can invest the Fund's assets in any country, sector and currency which may include emerging market countries.

### **Investment strategy**

The Investment Manager actively manages the Fund and, when investing in equity securities, the Investment Manager will adopt a growth style of active equity management to identify and select companies which it believes are high quality and are expected to grow and lead above the average market rate. When investing in equity securities, the Investment Manager seeks companies that trade at a discount to the Investment Manager's estimate of that company's true value. The Investment Manager focuses 80% of the Fund's assets upon investment in companies with market capitalisation (which is established by multiplying the number of a company's shares outstanding by its price per share) greater than US\$500m. However, the Investment Manager may also invest in companies of any market capitalisation size.

## Comparator Benchmark and assessing performance

The ACD can compare the performance of the Fund against the S&P 500 Index (total return) (the "Comparator Benchmark"). The Comparator Benchmark is made up of 500 large companies listed on stock exchanges in the United States. The ACD has selected the Comparator Benchmark for performance comparison because it reflects the type of companies the Fund can invest in. The Investment Manager does not have to invest in the same companies which make up the Comparator Benchmark. Where it does invest in the same companies it does not need to invest in the same amounts as the company's weighting in the Comparator Benchmark.

Many funds sold in the UK are grouped into sectors by the Investment Association (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics (the "Peer Group"). The ACD may compare the Fund against the performance of the Investment Association North America sector. Although they may not have exactly the same characteristics as the Fund, the funds in this sector invest at least 80% of their assets in North American equities.

The Fund is not constrained to, or managed in line with the Comparator Benchmark or the Investment Association North America sector, or any other benchmark.

## Typical investor profile

The Fund is suitable for institutional and retail investors who:

- are looking for exposure to the U.S. equity markets;
- are looking for a relatively concentrated portfolio;
- can afford to set aside capital for at least 5 years;
- can accept temporary losses; and
- can tolerate volatility.

## Specific risks

Investors are referred to the section of this document headed "Risk Factors" and in particular, to the section headed "Specific Investment Risks". The following risks may be particularly relevant to an investment in this Fund:

- Equity securities
- Geographic concentration
- Loss of capital
- Market risk
- Growth investing
- Currency risk (for non-USD investments only)
- Capitalisation of companies

The global exposure of the Fund is calculated using the "Commitment Approach" method as described under paragraph 44 of Appendix 1.

## Past performance

Please refer to the Fund's Key Investor Information Document, or Appendix 5 of this Prospectus.

## SHARE CLASSES AVAILABLE

Type	Great British Pound (GBP)		U.S. Dollar (USD)		Euro (EUR)	
	Accumulation	Annual Distribution	Accumulation	Annual Distribution	Accumulation	Annual Distribution
I	I/A(GBP) H-I/A(GBP)	I/D(GBP) H-I/D(GBP)	I/A(USD)	I/D(USD)	I/A(EUR) H-I/A(EUR)	I/D(EUR) H-I/D(EUR)
N	N/A(GBP) H-N/A(GBP)	N/D(GBP) H-N/D(GBP)	N/A(USD)		N/A(EUR) H-N/A(EUR)	N/D(EUR) H-N/D(EUR)
Q	Q/A(GBP) H-Q/A(GBP)		Q/A(USD)			

## SHARE CLASS CHARACTERISTICS

Type	Management Fee*	Operating Expenses (maximum)	Base currency	Maximum initial charge	Redemption charge	Minimum initial investment / holding
I	0.65%	0.15%	U.S. Dollar	1%	None	£5,000,000 / \$10,000,000 / €10,000,000
N	0.85%	0.15%				None
Q	0.45%	0.15%				£10,000,000 / \$15,000,000

\*The Management Fee will be deducted first from the income property of the Fund (except those charges and expenses relating directly to the purchase and sale of investments).

Key to Share Class naming convention: H – denotes hedged shares / A – denotes Accumulation Shares / D – denotes Distribution Shares.

Dividend for Distribution Shares only is distributed on a yearly basis. There is no Interim Accounting Period for Distribution Shares. Income Distribution Date for Distribution Shares is the last Business Day of February, being the second calendar month following the end of the annual accounting period.

## Subscriptions and Redemptions in the Fund: Pricing and Settlement

Valuation Point	Subscription/ Redemption Date	Application Date and Cut- Off Time	Settlement Date
Each Business Day in the U.K. at 12:00 noon	T* (i.e., any Business Day in the U.K.)	T at 12:00 noon	T+4

\*T = Day on which any subscription, redemption or exchange application is processed by the Transfer Agent. Applications received by the Transfer Agent before the cut-off time on any

Dealing Day will be processed on such day. Applications received after the cut-off time will be processed on the following Dealing Day.



## **APPENDIX 4 GOVERNMENT AND PUBLIC SECURITIES**

List of issuers of Government and public securities in which the Company may invest up to 100% of the Scheme Property of each Fund. These are the only public bodies in which the Company may invest more than 35% of the assets of each Fund:

1. the government of or a local authority in the United Kingdom of Great Britain and Northern Ireland; or
2. the Scottish Administration; or
3. the Executive Committee of the Northern Ireland Assembly; or
4. the National Assembly for Wales; or
5. the government of any of the following countries or territories outside the United Kingdom:
  - 5.1 Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Portugal, Poland, Romania, Slovakia, Slovenia, Spain and Sweden; or
  - 5.2 Australia, Canada, Japan, New Zealand, Switzerland and the United States of America.

## APPENDIX 5 PAST PERFORMANCE

The below performance table provides comparisons representative of **Distribution Shares and Accumulation Shares**, as applicable, for performance over a five year period. The performance table shows the total annual return up to 31 December in each year listed.

Where data is not available, the table is marked as N/A. This may be due to the Fund not having been launched, the Share Class not being in issue or the Fund/Share Class being terminated.

The performance information is net of subscription and redemption fees but does not include the effect of any preliminary charge that may be paid on the purchase of an investment. A basic rate of tax deduction is applied to the performance figures.

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

	<b>PAST PERFORMANCE PERIODS</b>				
	<b>01/01/2019</b>	<b>01/01/2020</b>	<b>01/01/2021</b>	<b>01/01/2022</b>	<b>01/01/2023</b>
	<b>31/12/2019</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2022</b>	<b>31/12/2023</b>
<b>TM Natixis Loomis Sayles US Equity Leaders Fund</b>	27.28	27.34	20.38	-19.79	43.99
Class I GBP	31.95	31.82	19.10	-28.20	52.73
Class Q USD	29.24	28.09	18.19	-30.54	50.83
Class N GBP Hedged	27.03	27.08	20.14	-19.95	43.70
Class N GBP	27.54	27.59	20.62	-19.63	44.27
Class Q GBP	31.68	31.57	18.86	-28.34	52.43
Class I USD	N/A	N/A	N/A	N/A	52.12
Class N USD					
<u>Comparator Benchmark</u>					
Investment Association North America	24.56	16.46	25.24	-10.10	16.65
S&P 500 Total Return USD	31.49	18.40	28.71	-18.11	26.29

<b>TM Natixis Harris Associates Global Concentrated Equity</b>					
Fund Class I GBP	24.67	8.80	17.30	-7.24	18.98
Class N GBP	24.61	8.75	17.24	-7.29	18.92
Class S1 USD	N/A	N/A	N/A	N/A	26.09
<u>Comparator Benchmark</u>					
Investment Association Global Sector	22.01	14.81	17.57	-11.35	12.66
MSCI World Index (Net Return)	22.74	12.32	22.94	-7.83	16.81

Source of performance data - Morningstar  
Data displayed in GBP

## APPENDIX 6 DELEGATIONS MADE BY THE DEPOSITARY

The Depositary has delegated those safekeeping duties set out in COLL 6.6B.18 to State Street Bank and Trust Company with registered office at Congress Street, Suite 1, Boston, Massachusetts, 02114-2016, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian.

At the date of this prospectus State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below.

As appropriate to the Eligible Markets listed in Appendix 2.

MARKET	SUB-CUSTODIAN
<b>Albania</b>	Raiffeisen Bank sh.a., Tirana
<b>Argentina</b>	Citibank, N.A., Buenos Aires
<b>Australia</b>	Hong Kong and Shanghai Banking Corporation Limited, Sydney
<b>Austria</b>	UniCredit Bank Austria AG, Vienna
<b>Bahrain</b>	First Abu Dhabi Bank, Manama
<b>Bangladesh</b>	Standard Chartered Bank, Dhaka
<b>Belgium</b>	BNP Paribas S.A., Paris (operating through the Paris office with support from its Brussels branch)
<b>Benin</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan
<b>Bermuda</b>	HSBC Bank Bermuda Limited, Hamilton
<b>Federation of Bosnia and Herzegovina</b>	UniCredit Bank d.d., Sarajevo
<b>Botswana</b>	Standard Chartered Bank Botswana Limited, Gaborone
<b>Brazil</b>	Citibank, N.A. – Sao Paolo Branch, Sao Paolo
<b>Bulgaria</b>	Citibank Europe Plc, Bulgaria Branch, Sofia
	UniCredit Bulbank AD, Sofia
<b>Burkina Faso</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan
<b>Canada</b>	State Street Trust Company Canada, Toronto
<b>Chile</b>	Banco de Chile, Santiago
<b>China</b>	HSBC Bank (China) Company Limited, Shanghai (for QFI scheme and CIBM, and B-share market)
	China Construction Bank Corporation, Beijing (for QFI scheme and CIBM)
	Standard Chartered Bank (Hong Kong) Limited, Hong Kong (for Stock/Bond Connect market)
<b>Clearstream</b>	Clearstream Banking S.A., Luxembourg
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria, Bogota
<b>Costa Rica</b>	Banco BCT S.A., San Jose
<b>Croatia</b>	Privredna Banka Zagreb d.d., Zagreb

<b>MARKET</b>	<b>SUB-CUSTODIAN</b>
<b>Cyprus</b>	Via BNP Paribas S.A., Athens (operating remotely to service the Cyprus market)
<b>Czech Republic</b>	Československá obchodní banka, a.s., Prague
	UniCredit Bank Czech Republic and Slovakia, a.s., Prague
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (SEB), Copenhagen
<b>Egypt</b>	Citibank, N.A., Egypt, New Cairo (for Government Bonds)
	Egyptian Central Securities Depository (ECSD)
<b>Estonia</b>	AS SEB Pank, Tallinn
<b>Euroclear</b>	Euroclear Bank, Brussels
<b>Finland</b>	Skandinaviska Enskilda Banken AB (Publ), Helsinki
<b>France</b>	BNP Paribas S.A., Paris
<b>Republic of Georgia</b>	JSC Bank of Georgia, Tbilisi
<b>Germany</b>	State Street Bank International GmbH, Munich
	Deutsche Bank AG, Frankfurt
<b>Ghana</b>	Standard Chartered Bank Ghana Plc, Accra
<b>Greece</b>	BNP Paribas S.A., Athens
<b>Guinea-Bissau</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan
<b>Hong Kong</b>	Hongkong and Shanghai Banking Corporation Limited, Hong Kong
<b>Hungary</b>	Citibank Europe plc, Hungarian Branch, Budapest
	UniCredit Bank Hungary Zrt., Budapest
<b>Iceland</b>	Landsbankinn hf., Reykjavik
<b>India</b>	Deutsche Bank AG Investor Services, Mumbai
	Citibank, N.A., Mumbai.
	Hongkong and Shanghai Banking Corporation Limited, Mumbai
<b>Indonesia</b>	Standard Chartered Bank, Indonesia Branch, Jakarta
	Deutsche Bank AG Securities Services, Jakarta
<b>Ireland</b>	via Euroclear Bank, Brussels
<b>Israel</b>	Bank Hapoalim B.M., Tel Aviv
<b>Italy</b>	Intesa Sanpaolo S.p.A., Milan
<b>Ivory Coast</b>	Standard Chartered Bank Côte d'Ivoire S.A., Abidjan
<b>Japan</b>	Mizuho Bank Limited, Tokyo (only for clients participating in State Street International Lending Program)
	Hong Kong and Shanghai Banking Corporation Limited, Japan branch, Tokyo (only for clients not participating in State Street International Lending Program)
<b>Jordan</b>	Standard Chartered Bank, Dubai, United Arab Emirates

<b>MARKET</b>	<b>SUB-CUSTODIAN</b>
<b>Kazakhstan</b>	JSC Citibank Kazakhstan, Almaty
<b>Kenya</b>	Standard Chartered Bank Kenya Limited, Nairobi
<b>Republic of Korea</b>	Deutsche Bank Securities Service, Seoul
	Hong Kong and Shanghai Banking Corporation Limited, Seoul
<b>Kuwait</b>	First Abu Dhabi Bank, Kuwait City
<b>Latvia</b>	AS SEB Banka, Riga
<b>Lithuania</b>	SEB Bankas, Vilnius
<b>Luxembourg</b>	via Clearstream Banking S.A., Luxembourg;
	via Euroclear Bank, Brussels
	via the international central securities depositaries
<b>Malawi</b>	Standard Bank Plc, Blantyre
<b>Malaysia</b>	Standard Chartered Bank Malaysia Berhad, Kuala Lumpur
<b>Mali</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan
<b>Malta</b>	via Clearstream Banking S.A. Luxembourg
<b>Mauritius</b>	Hongkong and Shanghai Banking Corporation Limited, Ebene
<b>Mexico</b>	Banco Nacional de México, S.A. (Banamex) Global Securities Services, Mexico City
<b>Morocco</b>	Citibank Maghreb, Casablanca
<b>Namibia</b>	Standard Bank Namibia Limited, Windhoek
<b>Netherlands</b>	BNP Paribas S.A., Paris (operating through the Paris office with support from its Amsterdam branch)
<b>New Zealand</b>	Hongkong and Shanghai Banking Corporation Limited, Auckland
<b>Niger</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan
<b>Nigeria</b>	Stanbic IBTC Bank Plc., Lagos
<b>Norway</b>	Skandinaviska Enskilda Banken Securities Services, Oslo
<b>Oman</b>	First Abu Dhabi Bank, Muscat
<b>Pakistan</b>	Deutsche Bank AG, Karachi
	Citibank N.A., Karachi (effective 1 October 2021, all new account openings are being directed to Citibank)
<b>Panama</b>	Citibank, N.A., Panama City
<b>Peru</b>	Citibank del Perú, S.A., Lima
<b>Philippines</b>	Standard Chartered Bank, Philippines Branch, Makati City
<b>Poland</b>	Bank Handlowy w Warszawie S.A., Warsaw
<b>Portugal</b>	via Citibank Europe Plc, Dublin

<b>MARKET</b>	<b>SUB-CUSTODIAN</b>
<b>Qatar</b>	HSBC Bank Middle East Limited, Doha
<b>Romania</b>	Citibank Europe plc, Dublin – Romania Branch, Bucharest
<b>Russia</b>	AO Citibank, Moscow (AO Citibank reduced the scope of custody services it offers in Russia, effective 1 October 2022, in light of its assessment of market conditions. AO Citibank does not support receiving local shares resulting from a depositary receipt conversion and processing of any receive instructions (buys). Subject to further market restrictions, applicable law, and other developments, AO Citibank provides settlement services to accommodate sales of securities or delivering out of portfolios and FOP transactions)
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited, Riyadh
	FAB Capital, Riyadh (five conversions tranches to FAB Capital have been completed. Accounts included in any of the five conversion tranches should allege trades to FAB Capital. Clients that were not specifically notified as being part the five conversion tranches should continue to use information reflected for HSBC Saudi Arabia)
<b>Senegal</b>	via Standard Chartered Bank Côte d’Ivoire S.A., Abidjan
<b>Serbia</b>	UniCredit Bank Serbia JSC, Belgrade
<b>Singapore</b>	Citibank N.A., Citigroup Global Transaction Services, Singapore
<b>Slovak Republic</b>	UniCredit Bank Czech Republic and Slovakia, a.s., Bratislava
<b>Slovenia</b>	UniCredit Banka Slovenija d.d., Ljubljana
<b>South Africa</b>	FirstRand Bank Limited, Johannesburg
	Standard Chartered Bank, Johannesburg Branch, Johannesburg
<b>Spain</b>	Citibank Europe Plc, Dublin
<b>Sri Lanka</b>	Hongkong and Shanghai Banking Corporation Limited, Colombo
<b>Republic of Srpska</b>	UniCredit Bank d.d., Sarajevo
<b>Sweden</b>	Skandinaviska Enskilda Banken AB, Stockholm
<b>Switzerland</b>	UBS Switzerland AG, Zurich
<b>Taiwan</b>	Standard Chartered Bank (Taiwan) Limited, Taipei
<b>Tanzania</b>	Standard Chartered Bank Tanzania Limited, Dar es Salaam
<b>Thailand</b>	Standard Chartered Bank (Thai) Public Company Limited, Bangkok
<b>Togo</b>	via Standard Chartered Bank Côte d’Ivoire S.A., Abidjan
<b>Tunisia</b>	Union Internationale de Banques, Tunis
<b>Turkey</b>	Citibank, A.S., Istanbul
<b>Uganda</b>	Standard Chartered Bank Uganda Limited, Kampala
<b>Ukraine</b>	JSC Citibank, Kyiv

<b>MARKET</b>	<b>SUB-CUSTODIAN</b>
<b>United Arab Emirates - Dubai Financial Market (DFM)</b>	First Abu Dhabi Bank PJSC, Abu Dhabi
<b>United Arab Emirates - Dubai International Financial Center (DIFC)</b>	First Abu Dhabi Bank PJSC, Abu Dhabi
<b>United Arab Emirates - Abu Dhabi Securities Exchange (ADX)</b>	First Abu Dhabi Bank PJSC, Abu Dhabi
<b>United Kingdom</b>	State Street Bank and Trust Company, United Kingdom Branch, Edinburgh
<b>United States</b>	State Street Bank and Trust Company, Boston
<b>Uruguay</b>	Banco Itaú Uruguay S.A., Montevideo
<b>Vietnam</b>	Hongkong and Shanghai Banking Corporation Limited, Ho Chi Minh City
<b>Zambia</b>	Standard Chartered Bank Zambia Plc., Lusaka
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited, Harare (as delegate of Standard Bank of South Africa Limited)



**APPENDIX 7 LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD**

**Authorised Contractual Schemes**

TM Brunel Pension Partnership ACS

**Authorised Investment Companies with Variable Capital**

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

**Authorised Unit Trusts**

BPM Trust  
 Eden Investment Fund  
 Elfynn International Trust  
 Glenhuntingley Portfolio Trust  
 Hawthorn Portfolio Trust  
 KES Diversified Trust  
 KES Growth Fund  
 KES Income and Growth Fund  
 KES Ivy Fund  
 KES Strategic Investment Fund  
 Latour Growth Fund  
 Lavaud Fund  
 Mossylea Fund  
 Pippin Return Fund  
 The Argo Fund  
 The Castor Fund  
 The Darin Fund  
 The Delta Growth Fund  
 The Deribee Funds  
 The Eldon Fund  
 The Endeavour II Fund  
 The Hall Fund  
 The HoundStar Fund  
 The Iceberg Trust  
 The Maiden Fund  
 The Millau Fund  
 The Norfolk Trust  
 The Notts Trust  
 The Palfrey Fund  
 The TM Stockwell Fund  
 The White Hill Fund  
 Thesis Headway Fund  
 Thesis Lion Growth Fund  
 Thesis PM A Fund  
 Thesis PM B Fund  
 Thesis Thameside Managed Fund  
 TM Balanced Fund  
 TM Chainpoint Fund  
 TM Growth Fund  
 TM Hearthstone UK  
 Residential Feeder Fund  
 TM Managed Fund  
 TM Masonic Charitable Foundation Investment Fund  
 TM Merlin Fund  
 TM New Court Fund  
 TM New Court Growth Fund

**Authorised Contractual Schemes**

**Authorised Investment Companies with Variable Capital**

TM Brown Advisory Funds  
TM Brunsdon OEIC  
TM Cerno Investment Funds  
TM Cresswell Fund  
TM First Arrow Investment Funds  
TM Hearthstone ICVC  
TM Investment Exposures Fund  
TM Investment Funds  
TM Lime Fund  
TM Oak Fund  
TM Oberon Funds ICVC  
TM OEIC  
TM Optimal Funds  
TM P1 Investment Funds  
TM Redwheel Funds  
TM Ruffer Portfolio  
TM Stonehage Fleming Global Multi-Asset Umbrella Fund  
TM Stonehage Fleming Investments Funds  
TM Tellworth Investments Funds  
TM Total Return Fund  
TM UBS (UK) Fund  
TM Veritas Investment ICVC  
Trowbridge Investment Funds  
Vastata Fund

**Authorised Unit Trusts**

TM New Court Return Assets Fund  
TM New Institutional World Fund  
TM Preservation Fund  
TM Private Portfolio Trust  
TM Stonehage Fleming Global Equities Fund  
TM Stonehage Fleming Global Equities Umbrella Fund

## APPENDIX 8 DIRECTORY

TM Natixis Investment Funds U.K. ICVC

### Head Office

Exchange Building  
St John's Street  
Chichester  
West Sussex  
PO19 1UP

### Administrator

State Street Bank and Trust Company  
Congress Street  
Suite 1  
Boston  
Massachusetts  
USA  
02113-2026  
*London Branch:*  
20 Churchill Place  
Canary Wharf  
London  
E14 5HJ

### Depository

State Street Trustees Limited  
Congress Street  
Suite 1  
Boston  
Massachusetts  
02113-2016  
USA  
*London Branch:*  
20 Churchill Place  
Canary Wharf  
London  
E14 5HJ

### Investment Managers

Natixis Investment Managers International  
43, avenue Pierre Mendès France  
75013 Paris  
France

### FCA

Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN

### Authorised Corporate Director

Thesis Unit Trust Management Limited  
Exchange Building  
St John's Street  
Chichester  
West Sussex  
PO19 1UP

### Auditor

PricewaterhouseCoopers LLP  
Erskine House  
68-73 Queen Street  
Edinburgh  
EH2 4NH

### Transfer Agent

SS&C Financial Services Europe Limited and  
SS&C Financial Services International Limited  
SS&C House  
St Nicholas Lane  
Basildon  
Essex  
SS15 5FS

### Delegated Investment Managers

Harris Associates L.P.  
111 S. Wacker Drive, Suite 4600  
Chicago  
Illinois 60606  
USA

Loomis, Sayles & Company, L.P.  
One Financial Center  
Boston  
Massachusetts 02111  
USA