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PROSPECTUS

of

**The Capital Link Growth Fund**

A NURS

Investment Company with Variable Capital

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Valid as at and dated 10 September 2024

This document constitutes the Prospectus for The Capital Link Growth Fund (the "Company") which has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook ("COLL") and the Investment Funds Sourcebook ("FUND") 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

## **PROSPECTUS OF**

### **THE CAPITAL LINK GROWTH FUND**

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

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

In particular, the Shares have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia or offered or sold to US Persons. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been registered under the United States Investment Advisers Act of 1940.

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

The Authorised Corporate Director ("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 herein does not contain any untrue or misleading statement or omit any matters required by COLL and FUND to be included in it. The ACD accepts responsibility accordingly.

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

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

The Prospectus is based on information, law and practice at the date hereof. The Company is not bound by any out of date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus. Purchases must be made on the basis of the information contained in the most recently published Prospectus and supplementary documentation, including the latest reports when issued, which are available from the registered office of the ACD. Investors should check with the ACD that this is the most recently published version of the Prospectus.

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

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

## **Data Protection**

The personal details of each applicant for shares and each Shareholder will be held by the ACD and/or the Administrator as its agent in accordance with Data Protection Laws for the purposes of carrying out the ACD's agreement with each shareholder. This may include the transfer of such data to other members of the ACD's group and to other businesses providing services to the ACD (including their offices outside the UK), where the transfer is necessary for the provision of services in relation to the ACD's role as operator of the Company.

The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances the ACD will take steps to ensure that your privacy rights are respected. Shareholders have the right to access their personal data processed by the ACD together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons.

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

## **Electronic Verification**

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, the Senior Management Arrangements Systems & Controls Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check your identity and the source of the money invested. The ACD may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your credit rating (or your associated party's). 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.

## **RISK FACTORS**

Potential investors should consider the Risk Factors set out in paragraph 27.

There are specific risks, in relation to the Company, elsewhere in the Prospectus. Investors should consider these risks before investing in the Company.

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## 1. Introduction

This document is the Prospectus of **The Capital Link Growth Fund** (the "Company"). In this Prospectus the below words and expressions shall have the following meanings:

### DEFINITIONS

"Accumulation Shares"	net paying shares, denominated in base currency, in the Company as may be in the issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules;
"ACD"	Thesis Unit Trust Management Limited, the Authorised Corporate Director of the Company from time to time;
"Act"	Financial Services and Markets Act 2000, as amended;
"Administrator"	Northern Trust Global Services SE, UK branch, or such other entity as may be appointed as administrator of the Company from time to time;
"AIF"	an alternative investment fund within the scope of the UK AIFMD regime;
"AIFM"	the alternative investment fund manager for the purpose of the UK AIFM regime;
"AIFMD"	Alternative Investment Funds Manager Directive (2011/61/EU);
"AIFMD Level 2 regulation"	has the meaning set out in the FCA Glossary;
"AIFMD UK regulation"	means the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773);
"Approved Bank"	in relation to a bank account opened for the Company:  (a) If the account is opened at a branch in the UK:  (i) the Bank of England; or  (ii) the central bank of a member state of the OECD; or  (iii) a bank; or  (iv) a building society; or  (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or

- (b) if the account is opened elsewhere:
  - (i) a bank in (a); or
  - (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or
- (c) a bank supervised by the South African Reserve Bank;
  - and a credit institution established in an EEA State and duly authorised by the relevant home state regulator,

as such definition may be updated in the FCA Glossary from time to time;

"Approved Derivative"	an approved derivative is one which is traded or dealt on an eligible derivatives market and any transaction in such a derivative must be effected on or under the rules of the market;
"Auditor"	KPMG LLP, or such other entity as is appointed to act as auditor to the Company from time to time;
"Business Day"	a weekday being Monday to Friday (excluding any public or bank holiday in England);
"CASS"	the Client Assets Sourcebook issued as part of the FCA Handbook and amended from time to time;
"Client Money"	means any money that a firm receives from or holds for, or on behalf of, a shareholder in the course of, or in connection with, its business unless otherwise specified;
"COLL"	refers to the appropriate chapter or rule in the COLL Sourcebook, as amended;
"the COLL Sourcebook"	the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time;
"Company"	The Capital Link Growth Fund, a UK authorised investment company with variable capital;
"Conversion"	the conversion of shares of one class for shares of another class. 'Convert' shall be construed accordingly;
"Custodian"	the person who provides custodian services to the Company, being The Northern Trust Company, and its successor or successors as custodian;
"Data Protection Laws"	all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances:

- (a) the UK GDPR;
- (b) the Data Protection Act 2018;
- (c) any laws which implement any such laws;
- (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
- (e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws;

"Dealing Day"	Thursday of each week, but excluding the Thursday falling in the same week as the last business day of the month, when the Company will deal on that day;
"Depository Agreement"	the agreement between the Company, the ACD and the Depository regarding the appointment of the Depository;
"Depository"	NatWest Trustee & Depository Services Limited, the depository of the Company from time to time;
"EEA State"	a member state of the European Union or any other state which is within the European Economic Area;
"Efficient Portfolio Management"	an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional capital or income with an acceptably low level of risk;
"Eligible Institution"	one of the eligible institutions as defined in the FCA Glossary;
"EMIR"	as defined in the FCA Glossary;
"EMT"	means the European MiFID Template;
"EUWA"	The European Union (Withdrawal) Act 2018;
"the FCA"	the Financial Conduct Authority or such successor regulator authority as may be appointed from time to time, and (where applicable) its predecessors including the Financial Services Authority. The address for the Financial Conduct Authority is set out in the Directory (Appendix 9);
"FCA Glossary"	the glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time;
"FCA Regulations"	the rules contained in the Collective Investment Schemes Sourcebook (COLL), and the Investment Funds Sourcebook (FUND), as part of the FCA Rules



	as they may be amended or updated from time to time;
"FCA Handbook"	the FCA Handbook of rules and guidance made under the Act;
"FCA Rules"	the rules contained in COLL and FUND but, for the avoidance of doubt, not including guidance or evidential requirements contained in either sourcebook;
"Financial instruments"	as defined in the FCA Glossary;
"FUND"	the Investment Funds sourcebook published by the FCA as part of the FCA Handbook made under the Act as it may be amended, or replaced, from time to time;
"Fund Accountant"	the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch and its successor or successors as fund accountant;
"Income Share"	net paying shares, denominated in base currency, in the Company as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules net of any tax deducted or accounted for by the Company;
"Instrument of Incorporation"	the Company's Instrument of Incorporation, 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"	namely Saltus Partners LLP;
"Net Accumulation Shares"	accumulation shares which are net paying shares;
"Net Asset Value" or "NAV"	the value of the Scheme Property of the Company less the liabilities of the Company as calculated in accordance with the Company's Instrument of Incorporation;
"Net Paying Shares"	shares (of whatever class) of the Company as may be in issue from time to time and in respect of which income allocated thereto is credited periodically to capital (in the case of accumulation shares) or distributed periodically to the holders thereof (in the case of income shares) in either case in accordance with the relevant tax law net of any tax deducted or accounted for by the Company;

“Non-UCITS retail scheme”	an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund;
OCF (Ongoing Charges Figure)	ongoing charges figure is based on the last year’s expenses and may vary from year to year. It excludes the costs of buying or selling assets for the Company (unless these assets are shares of another fund). where there is not enough historic data available, or when historic data will not provide a reliable indication of future costs, an estimated ongoing charges figure will be calculated based on the most reliable information available;
“OECD”	OECD means the Organisation for Economic Co-operation and Development;
“OEIC Regulations”	the Open-Ended Investment Companies Regulations 2001, as amended;
“Register”	the register of shareholders of the Company;
“Registrar”	Northern Trust Global Services SE, UK branch, the registrar of the Company;
“Regulated Activities Order”	the Financial Services and Markets Act 2000 (Regulated Activities Order) 2001 (SI 2001/544), as amended;
“Scheme Property”	as defined in the FCA Glossary;
“Shareholder(s)”	a holder of registered shares in the Company and whose name is entered on the register in relation to that share;
“Share(s)”	a share or shares in the Company;
“Share Class”	in relation to shares, means (according to the context) a particular class or classes of share as described in paragraph 4;
“Switch”	the exchange where permissible of shares of one class for shares of another class;
“Total Expense Ratio”	means the annual percentage reduction in investor returns that would result from largely fixed operating costs if the markets were to remain flat and a fund’s portfolios were to be held and not traded during a period This is based on the Net Asset Value of a fund;
“Valuation Point”	the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company for the purpose of determining the price at which shares of a class may be issued, cancelled or redeemed. The current Valuation Point is 5.00 p.m. London time on each Dealing Day, with

the exception of any bank holiday in England and Wales or the last business day prior to those days annually, where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary;

"UCITS"	Undertaking for Collective Investment in Transferable Securities. This will include a UCITS scheme or an EEA UCITS scheme, each as defined in the FCA Glossary;
"UCITS Directive"	the European Parliament and Council Directive of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC) as amended;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"UK AIF"	as defined in the FCA Glossary;
"UK UCITS"	as defined in the FCA Glossary;
"UK AIFM regime"	means: <ul style="list-style-type: none"><li>(a) the AIFMD UK regulation;</li><li>(b) the AIFMD Level 2 regulation; and</li><li>(c) all other UK law and regulation (including FUND) which when made, implemented AIFMD in the UK;</li></ul>
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
"US 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 Rule 902 of Regulation S 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>

For the avoidance of doubt, a person is excluded from this definition of U.S. Person only if they or it is outside both the definition of "U.S. person" in Rule 902 and the definition of "Non-United States person" under CFTC Rule 4.7;

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

## **2. The Company**

The Capital Link Growth Fund is an investment company with variable capital, incorporated in England and Wales, whose effective date of authorisation was 8 April 2009. Its registration number is IC000726.

The head office and registered office of the Company is at Exchange Building, St Johns Street, Chichester, PO19 1UP and is also the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

The base currency of the Company is Pounds Sterling or such other currency as may be lawful currency of the UK from time to time. The ACD in consultation with the Depositary shall determine the best means to effect this conversion.

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

Information on the typical investor profile for the Company is set out in Appendix 6.

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

The Company has been established as “Non-UCITS retail scheme”. FCA Product Reference Number: 491222.

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

### **3. Company Structure**

The Company is a Non-UCITS retail scheme being a category of authorised scheme for the purposes of COLL 1.2.1R. It is not intended that the Company will be marketed outside of the UK. The Company is a UK AIF for the purposes of FUND and the UK AIFM regime.

Details of the Company, including its investment objective and policy are set out in Appendix 1.

### **4. Shares**

The Share Classes presently available are set out in the details in Appendix 1. Further Share Classes may be made available in due course, as the ACD may decide.

All shares issued by the Company at present will be Net Accumulation Shares and Net Income Shares.

When available, shareholders are entitled (subject to certain restrictions) to switch all or part of their shares in one class of shares for shares of a different class. Details of this switching facility and the restrictions are set out in the paragraphs 14 and 15.

The minimum initial investment for each Share Class is set out in Appendix 1. These limits may be waived at the discretion of the ACD.

The shares of the Company are not listed or dealt in on any investment exchange.

### **5. Management and Administration**

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

The Authorised Corporate Director 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 Johns Street, Chichester, West Sussex PO19 1UP

Share Capital: Issued and paid up £5,673,167 Ordinary shares of £1 each.

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

The ACD is an AIFM for the purposes of the UK AIFM regime and, for the purposes of COLL, an authorised fund manager. Further details are set out under paragraph "UK AIFMD regime" below.

As at the date of this Prospectus, the ACD acts as manager or authorised corporate director of the authorised funds set out in Appendix 8.

#### **Delegated functions**

The ACD has, pursuant to the ACD Agreement (defined below), delegated its administration and registrar functions to Northern Trust Global Services SE, UK branch.

Saltus Partners LLP are appointed to provide investment management and related advisory services to the ACD.

## 5.2 **Terms of Appointment**

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

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

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

The Shareholder will be given the opportunity, upon request, to have the proceeds returned by submitting a written request to the Administrator, to the address set out in the Directory at Appendix 9.

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. The fees to which the ACD is entitled are set out in paragraphs 29 and 30. Copies of the ACD Agreement are available to Shareholders upon request.

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

The directors of the ACD are listed in Appendix 7. None of them have any significant business activities not connected with the business of the ACD.

## 5.3 **Implications of contractual relationships**

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

- (a) By investing in the Company through the means of Electronic Communications, by telephone or by submitting an application form to the Administrator, the investor makes an offer to subscribe for Shares which, once it is accepted by the ACD, or the Administrator on its behalf, has the effect of a binding contract to subscribe for Shares.
- (b) The provisions of the scheme documents made between the ACD and the Depositary by way of which the Company is constituted, as the same may be amended from time to time are binding on each of the Shareholders (who

are taken to have notice of them) as if that Shareholder was a party to it with effect on and from the date that any person has become a Shareholder.

- (c) The scheme documents and the application form are each made under and governed by and shall be construed in accordance with the laws of England and Wales. The Company, the ACD and Shareholders will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with a Shareholder's investment in the Company or any related matter.
- (d) The scheme documents may be amended by agreement between the ACD and the Depositary.
- (e) In absence of a direct contractual relationship between a Shareholder and the relevant service provider, Shareholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Company by the relevant service provider is, prima facie, the Company itself or the ACD acting on behalf of the Company, as the case may be.
- (f) The Investment Manager may hold or trade in securities and instruments of the same type as the securities and instruments held or traded in by the funds and fund managers; they may also utilise the same or similar strategies as those adopted by the fund managers. The Investment Manager may therefore trade and compete with fund managers and funds on an arm's length basis. In addition, the Investment Manager may make investments in other funds managed or advised by it.
- (g) The Investment Manager has discretion to enter into foreign exchange hedging transactions and borrowings on behalf of the Company. The Investment Manager may appoint an affiliate of any existing service provider or any other third party to act as a counterparty in the execution of foreign exchange transactions in connection with the currency hedging activities of the Company and/or to implement the hedging strategy.

#### 5.4 **UK AIFM regime**

The ACD holds professional indemnity insurance to cover its professional liability risks (as set out in Article 12 of the AIFMD Level 2 Regulation), has appropriate professional indemnity insurance in place and maintains an amount of own funds sufficient to meet the PII Requirements in accordance with Article 15 of the AIFMD Level 2 Regulation (professional indemnity insurance). The ACD has internal operational risk policies in place to identify, measure, manage and monitor appropriately operational risks including professional liability risks to which the ACD is or could be reasonably exposed in accordance with the requirements of Article 13 of the AIFMD Level 2 Regulation. The operational risk management activities are performed independently by the Risk Oversight function.

#### 6. **The Depositary**

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

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

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

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

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

### **Duties of the Depositary**

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

### **Conflicts of interest**

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

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

As the Depositary operates independently from the Company, Shareholders, the ACD and the Custodian, the Depositary does not anticipate any conflicts of interest arising between it and any of the aforementioned parties and has confirmed that it is not aware of any conflict of interest arising from its delegation of custody of the Scheme Property to the Custodian. Should any such conflict arise, the Depositary shall notify the ACD and take necessary steps to address the conflict.

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

### **Terms of Appointment**

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

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

Under the Depositary Agreement the Depositary has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The



Depositary has delegated custody of the Scheme Property to The Northern Trust Company (the 'Custodian'). Contact details for the Custodian are set out in the Directory. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("sub-custodians").

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

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

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

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

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

Details of the fees payable to the Depositary are set out in the "Depositary's Fees" section of this Prospectus at paragraph 34.

## **7. The Investment Manager**

The ACD has appointed Saltus Partners LLP to provide investment management and related advisory services to the ACD pursuant to an agreement (the "Investment Advisory Agreement"). The Investment Manager has the authority to make investment decisions on behalf of the Company and the ACD.

The Investment Advisory Agreement may be terminated on three months' written notice by the ACD or the Investment Manager. Notwithstanding this, the ACD may terminate the Investment Advisory Agreement with immediate effect if it is in the interests of the shareholders.

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

The principal activity of the Investment Manager is providing investment management services.

The fees and expenses of the Investment Manager will be paid by the Company as set out in paragraph 31. Appendix 1 provides detail of the fee.

The Investment Manager is required to comply with its own execution policy. A copy of its execution policy is available from the Investment Manager's website (listed in Appendix 9) or on request from the ACD.

## **8. The Auditors**

The Auditors of the Company are KPMG LLP, whose address is Appendix 9.

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

The ACD has appointed Northern Trust Global Services SE, UK branch to act as administrator, fund accountant and registrar to the Company. Contact details for the dealing office are set out in Appendix 9.

The Administrator's registered office address is 50 Bank Street, London E14 1BT. The Register (and any plan sub-registers) may be inspected at this address (which is the address for the Registrar).

Northern Trust Global Services SE, UK branch is authorised and regulated by the FCA.

## **10. Conflicts of Interest**

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

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

The Custodian may, from time to time, act as custodian and hold assets of other funds and investors.

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

To ensure the fair treatment of shareholders is central to all the activities of the ACD, the ACD has implemented a Treating Customers Fairly policy, against which all its policies and procedures and those of its delegates are measured and must conform. This ensures that conflicts of interest are appropriately managed in a way that is fair to investors as outlined in this section, that expenses are proportionate and allocated fairly (see Fees and Expenses), that investors can redeem their holdings (see Buying and Selling Shares) and that if investors are dissatisfied with

their treatment their complaints are assessed by an independent and impartial investigator (see Complaints).

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

- (a) the delegate and an investor in a Company are members of the same group or have any other contractual relationship, if the investor controls the delegate or has the ability to influence its actions (in such cases the likelihood of conflict is likely to increase the greater the extent of such control);
- (b) the delegate makes a financial gain, or avoids a financial loss, at the expense of the Company or the investors in the Company;
- (c) the delegate has an interest in the outcome of a service or an activity provided to the ACD or the Company;
- (d) the delegate has a financial or other incentive to favour the interest of another client over the interests of the Company or the investors in the Company;
- (e) the delegate receives or will receive from a person other than the ACD an inducement in relation to the collective portfolio management activities provided to the ACD and the Company in the form of monies, goods or services other than the standard commission or fee for that service;

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

## **11. Client Money**

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

- 11.1 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
- 11.2 The money is held in the course of redeeming shares, where the proceeds are paid to the client within the timeframe specified in COLL.

Where money is received in either of the circumstances set out in paragraph 11.1 or 11.2 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 Depository 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 in respect of money received other than in the form of cheques. Money received in other payment forms 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.

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

### **The Financial Services Compensation Scheme**

The ACD is covered by the Financial Services Compensation Scheme (FSCS). The FSCS may pay compensation if the ACD is unable to meet its financial obligations.

For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) is on the FSCS website [www.FSCS.org.uk](http://www.FSCS.org.uk) or call the FSCS on 020 7741 4100 or 0800 678 1100.

## **12. Buying, Selling and Switching Shares**

The dealing office of the ACD is open from 9.00 am until 5.00 pm on each Business Day to receive requests for the purchase, redemption and switching of shares, which will be effected at prices determined at the next Valuation Point following receipt of such request. Telephone calls may be recorded for training and monitoring purposes. The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future. Please see paragraph 38.5 for further information.

## **13. Buying Shares**

### **13.1 Procedure**

Where the minimum investment levels allow, initial investments can only be made by sending a completed application form to Thesis Unit Trust Management Limited at the dealing office of the ACD's Administrator, either (i) accompanied by a cheque (up to a maximum value of £50,000) or (ii) having made a telegraphic transfer to the ACD's bank account. Application forms are available from the ACD. The ACD will accept written instructions accompanied by payment for subsequent transactions which can be carried out by writing to the ACD's Administrator. The ACD will also accept telephone purchases from FCA regulated entities for subsequent investments which may purchase shares by telephoning the ACD on 0333 300 0375.

The address for the Administrator and the dealing office is set out in the Directory at Appendix 9.

The ACD may accept applications to purchase shares by electronic communication (please refer to paragraph 14.6). Electronic communication does not include email. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

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

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

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

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

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

Shareholders have the right to cancel their transactions within 14 calendar days of receipt of their contract note. If a shareholder cancels their contract, they will receive a refund of the amount that they invested including the initial charge either in full or less a deduction to reflect any fall in share price since the date of investment. This may result in a loss on the part of shareholders. If shareholders wish to exercise their right to cancel they should write to the Administrator (please refer to the Directory in Appendix 9 for details of the Administrator's office). Shareholders will not be able to exercise their cancellation rights after 14 calendar days of receipt of their contract note. Shareholders should note that in certain circumstances, there may be a delay in returning their investment.

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.

## 13.2 Documentation

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

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

## 13.3 Minimum Subscriptions and Holdings

The minimum initial and subsequent subscription levels, and minimum holdings, are set out in Appendix 1. The ACD may at its discretion accept subscriptions lower than the minimum amount.

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

## 13.4 In Specie Issue

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

## 14. Selling Shares

### 14.1 Procedure

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

Requests to redeem Shares may be made in writing to the Administrator at the address set out in Appendix 9. The ACD may also, at its discretion and by prior agreement, accept instructions to redeem Shares from FCA regulated entities by telephone on 0333 300 0375 or by fax. The ACD may accept requests to sell or transfer Shares by electronic communication (please refer to paragraph 14.6. Electronic communication does not include email. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

### 14.2 Documents the Seller will receive

- (a) a contract note giving details of the number and price of Shares sold will be sent to the selling Shareholder (the first named, in the case of joint

Shareholders) or their duly authorised agents together (if sufficient written instructions have not already been given) with a form of renunciation for completion and execution by the Shareholder (and, in the case of a joint holding, by all the joint holders) not later than the end of the business day following the Valuation Point by reference to which the redemption price is determined. Payment will be made by BACS, telegraphic transfer or CHAPS in satisfaction of the redemption monies and will be received within four Business Days of the later of:

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

#### **14.3 Minimum Redemption**

Part of a Shareholder's holding may be sold but the ACD reserves the right to refuse a redemption request if the value of the Shares to be redeemed is less than any minimum redemption amount set out in Appendix 1 or would result in a Shareholder holding less than the minimum holding, as detailed in Appendix 1. In the latter case the Shareholder may be asked to redeem their entire shareholding.

#### **14.4 In Specie Redemption**

If a Shareholder requests the redemption of Shares, the ACD may, if it considers the deal substantial in relation to the total size of the Company, arrange for the Company to cancel the Shares and transfer Scheme Property to the Shareholder instead of paying the price of the Shares in cash, or, if required by the Shareholder, pay the net proceeds of sale of the relevant Scheme Property to the Shareholder. A deal involving Shares representing 5% or more in value of the Company will normally be considered substantial, although the ACD may in its discretion agree an in specie redemption with a Shareholder whose Shares represent less than 5% in value of the Company concerned.

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

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

#### **14.5 Direct Issue or Cancellation of Shares by an ICVC through the ACD**

The ACD may require, on agreement with the Depositary, or may permit, on the request of a Shareholder, direct issues and cancellations of Shares by the Company.

#### **14.6 Electronic Communications**

The ACD will accept instructions to transfer or 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 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;
  - (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 communication does not include email. The ACD may, at its discretion, introduce further methods of dealing in Shares in the future

## **15. Switching**

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

Switching may be effected by writing to the Administrator, at the address set out in Appendix 9. The Shareholder may be required to complete a switching form (which, in the case of joint Shareholders must be signed by all the joint holders). A switching Shareholder must be eligible to hold the Shares into which the switch is to be made.

The ACD may at its sole discretion and by prior agreement, accept switching instructions by telephone from FCA regulated entities only. The ACD may accept requests to switch Shares by electronic communication (please refer to paragraph 14.6). Electronic communication does not include email. Telephone calls may be recorded by the ACD, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

The ACD may at its discretion charge a fee on the switching of Shares between classes. These fees are set out in paragraph 15.

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

The ACD may adjust the number of New Shares to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect



of the issue or sale of the New Shares or repurchase or cancellation of the Old Shares as may be permitted pursuant to the FCA Regulations.

**A switch of Shares in one sub-fund for Shares in any other sub-fund (if the fund were an umbrella scheme) is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation.**

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

### **Share Class Conversions**

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

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

Share Class Conversions may be effected either by telephone on 0333 300 0375 or in writing to the Administrator (which, in the case of joint Shareholders must be signed by all the joint holders). A converting Shareholder must be eligible to hold the Shares into which the Share Class Conversion is to be made. It is the ACD's intention that Share Class Conversions will be processed at the next Valuation Point following receipt of the instruction, however the ACD reserves the right to defer a Share Class Conversion until no later than after the next Annual Accounting Date if it is in the interests of other Shareholders. The ACD may accept requests to convert Shares by electronic communication (please refer to paragraph 14.6). Electronic communication does not include email.

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

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

**A shareholder who converts their shares in one Share Class to Shares in a different Share Class in the same sub-fund will not be given a right by law to withdraw from or cancel the transaction.**

## **16. Dealing Charges**

### **16.1 Preliminary Charge**

The ACD may impose a charge on the sale of shares to investors which is based on the amount invested by the prospective investor. The preliminary charge is payable to the ACD. Full details of the current preliminary charge for each class of share are set out in Appendix 1.

### **16.2 Redemption Charge**

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

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

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

### **16.3 Switching Fee**

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

## **17. Other Dealing Information**

### **17.1 Dilution Levy**

The basis on which the Company's investments are valued for the purpose of calculating the issue and redemption price of shares as stipulated in the FCA Regulations and the Company's Instrument of Incorporation is summarised in paragraph 21. The actual cost of purchasing or selling investments may be higher or lower than the mid-market value used in calculating the share price - for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the shareholders' interest. In order to prevent this effect, called "dilution", the ACD has the power to charge a "dilution levy" on the sale and/or redemption of shares. If a dilution levy is not charged on the sale and/or redemption of shares, the cost of purchasing or selling investments for the Company subsequent to shareholder dealing will be borne by the Company with a consequent effect on future growth. If the ACD charges a dilution levy (as it may do as set out below), it will be calculated by reference to the costs of dealing in the underlying investments of the Company, including any dealing spreads, commission and transfer taxes. If charged, the dilution levy will be paid into the Company and will become part of its property.

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

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

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

It is therefore not possible to predict accurately whether dilution will occur at any point in time. Based on future projections, the ACD expects that the vast majority of sales and/or redemptions of Shares will be 'large deals' and that a dilution levy may be charged on the majority of deals. If a dilution levy is required then, based on historical data the estimated rate or amount of such levy will be 0.06% on sales (creations) and 0.04% on redemptions (liquidations) and it will be incurred on a majority of deals. If a dilution levy is not charged then this may restrict the future growth of the Company.

The number of days on which a dilution levy has been applied between 1 July 2023 and 30 June 2024 is nil.

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

## **18. Money Laundering**

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

Please refer to the paragraph 'Electronic Verification' (at the front of this Prospectus) for details of certain resources the ACD may access to verify information on you.

## **19. Restrictions and Compulsory Transfer and Redemption**

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

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

The ACD may, with the agreement of the Depositary, and must if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of shares in the Company, if the ACD or the Depositary is of the opinion that due to exceptional circumstances it is in the interests of all the shareholders. The suspension will only be permitted to continue for as long as it is justified having regard to the interests of the shareholders. The ACD and Depositary must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

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

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

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

## **21. Governing Law**

All transactions in Shares are governed by the laws of England and Wales.

By applying for Shares, the Shareholder agrees to be bound by the Instrument of Incorporation and this Prospectus (as may be amended from time to time). The Company, the Instrument of Incorporation and this Prospectus are governed by the laws of England and Wales. The Company, the ACD and Shareholders will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with a Shareholder's investment in a Company or any related matter.

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

## **22. Valuation of the Company**

The price of a share in the Company is calculated by reference to the Net Asset Value of the Company. There is only a single price for any share as determined from time to time by reference to a particular Valuation Point. The Net Asset Value per share of the Company is currently calculated on each Dealing Day at 5pm.

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

The ACD maintains a Fair Value Pricing policy with an audit review carried out annually. The policy is detailed fully in the Fair Value Policy document.

The ACD's Administrator may request a change to the pricing methodology in certain circumstances. The policy is detailed in the Pricing Policy document.

All asset prices from the primary price source are compared to two other sources to ensure the validity of each price. The policy is detailed in the Pricing Policy document

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

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

23.2 All the scheme property (including receivables) is to be included, subject to the following provisions:

23.3 Scheme Property which is not cash (or other assets dealt with in paragraph 23.4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

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

- (i) if a single price for buying and selling units or shares is quoted, at that price; or
- (ii) if separate buying and selling prices are quoted, at the average of the two prices providing 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 or if 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, at that price; or
- (ii) if separate buying and selling prices are quoted, at the average of the two prices;
- (iii) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;

- (c) any other investment:
  - (i) if a single price for buying and selling the security is quoted, at that price; or
  - (ii) if separate buying and selling prices are quoted, at the average of the 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, is fair and reasonable; and
  - (iv) property other than that described in 24.3(a) 24.3(b) and 24.3(c) above: at a value which, in the opinion of the ACD, is fair and reasonable (less any dealing costs (as defined below))
- 23.4 Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- 23.5 In determining the value of the Scheme Property, all instructions given to issue or cancel shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 23.6 Subject to paragraphs 23.7 and 23.8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 23.7 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 23.6.
- 23.8 All agreements are to be included under paragraph 23.6 which are, or ought reasonably to have been, known to the person valuing the property.
- 23.9 Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.
- 23.10 Deduct an estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day.
- 23.11 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- 23.12 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 23.13 Add any other credits or amounts due to be paid into the scheme property.
- 23.14 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
- 23.15 Currencies or values in currencies other than the base currency or (as the case may be) the designated currency of a sub-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.

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

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

#### **25. Pricing Basis**

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

#### **26. Publication of Prices**

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

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

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

#### **27. Risk Factors**

Potential investors should consider the following risk factors before investing in the Company. Shares in the Company should generally be regarded as a long-term investment.

##### **27.1 General Risks**

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

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

##### **27.2 Equities Risk**

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

##### **27.3 Warrants Risk**

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

#### **27.4 Collective Investment Schemes Risk**

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

Unregulated collective investment schemes in which the Company may invest up to 20% of its scheme property may invest in highly illiquid securities that may be difficult to value. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. You should be aware that liquidity constraints and the extent to which a fund's securities are valued by independent sources are factors which could have an impact on the Company's valuation.

#### **27.5 Leverage Risk**

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

#### **27.6 Leveraged Companies Risk**

Investments may be made in companies or collective investment schemes which borrow funds. Such companies or collective investment schemes may not be subject to any limitations on the amount of their borrowings, and the amount of borrowings that they may have outstanding at any time may be large in comparison to their capital. Furthermore, given that the Company may borrow in order to make investments, the Shareholders must be aware that they may suffer a greater risk resulting from the decline of the net asset value of the underlying investments made with this borrowing facility and therefore, the Company's risk exposure will be higher.

#### **27.7 Futures and Options Risk**

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



## 27.8 **Foreign Currency Risk**

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

## 27.9 **Pricing And Valuation Risk**

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

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

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

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

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

## 27.12 **Risk To Capital**

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

### 27.13 **Country Concentration Risk**

If the Company invests in essentially only one country it will have greater exposure to market, political, legal, economic and social risks of that country than if it diversifies country risk across a number of countries. There is a risk that a particular country may impose foreign exchange and/or conversion controls or regulate in such a way as to disrupt the way the markets in that country operate. The consequences of these actions and others, such as confiscation of assets, could be to hinder the normal operation of the Company with regard to the purchase and sale of investments and possibly the ability to meet redemptions. Dealing in the Company may be suspended and investors may not be able to acquire or redeem units in the Company. These and other actions could also adversely affect the ability to price investments in the Company which could affect the Net Asset Value of the Company in a material way. However, diversification across a number of countries could introduce other risks such as currency risk. In certain countries, and for certain types of investments, transaction costs are higher and liquidity is lower than elsewhere.

### 27.14 **Holdings Concentration Risk**

The Company may invest in a relatively small number of investments and the Net Asset Value of the Company may be more volatile as a result of this concentration of holdings relative to a Fund which diversifies across a larger number of investments.

### 27.15 **Liquidity Risk**

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

### 27.16 **Credit Risk**

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

### 27.17 **Settlement Risk**

All security investments are transacted through brokers who have been approved by the Investment Manager as an acceptable counterparty. The list of approved brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations to the Company, for example, the possibility that a counterparty may default, by failing to make payments due, or

make payments in a timely manner. If settlement never occurs the loss incurred by the Company will be the difference between the price of the original contract and the price of the replacement contract or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided. Furthermore, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if the Company meets its settlement obligations but the counterparty fails before meeting its obligations.

#### **27.18 Custody Risk**

The Depository may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint custody agents. The Depository 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.

#### **27.19 Tax Risk**

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

#### **27.20 Inflation Risk**

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

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

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

#### **27.22 Market Risk**

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

#### **27.23 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 Shareholders.

## **28. Risk Management**

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

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

The FCA Regulations require that authorised corporate directors maintain a liquidity risk management process.

The ACD assesses how many days are likely to be required to sell investments without negatively impacting the fund price or liquidity on a best endeavours basis i.e. a liquidity ladder. The ACD assess the bid/offer spreads and trading volumes as widening spreads and thin trading volumes give an indication that it might be more difficult to dispose of an investment. The characteristic of the Company determines the frequency of this assessment. The main factors are:

- (a) Liquidity of underlying investments;
- (b) The size of the investment as a proportion of the Company and also relative to the market (e.g. proportion of the holding to the average trade size); and
- (c) The average holding period of Shareholders in the Company.

It is also the ACD's responsibility to ensure that the Investment Manager undertakes testing of their liquidity management arrangements against various stressed liquidity arrangements on a regular basis.

## **29. Liabilities of the Company**

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

## **30. Historical Performance Data**

Historical performance data for the Company is set out in Appendix 3. This is given each full calendar year that the Company has been in existence. Past performance should not be seen as an indication of future performance.

## **31. Fees and Expenses**

### **31.1 General**

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

- the fees and expenses payable to the ACD, to the Depositary and to the Investment Manager;
- broker's commission, fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessarily incurred

in effecting transactions for the Company and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

- fees and expenses in respect of establishing and maintaining the register of shareholders and any sub-register of shareholders;
- any costs incurred in or about the listing of shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of shares;
- any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company, or the Prospectus;
- any fees, expenses or disbursements of any legal or other professional adviser of the Company, including those incurred on the establishment of the Company;
- any costs incurred in taking out and maintaining any insurance policy in relation to the Company;
- any fees or costs associated with any CASS related support activity incurred by the Registrar;
- any costs incurred in respect of meetings of shareholders convened for any purpose including those convened on a requisition by shareholders not including the ACD or an associate of the ACD;
- liabilities on unitisation, amalgamation or reconstruction including certain liabilities arising after transfer of property to the Company in consideration for the issue of shares as more fully detailed in the FCA Regulations;
- interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- taxation and duties payable in respect of the property of the Company or the issue or redemption of shares;
- the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- the fees of the FCA, in accordance with the Fees Manual, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;
- the Depositary's expenses, as detailed in paragraph 32 below;
- any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company and any expenses incurred in distributing information regarding the prices of shares to shareholders;
- any fees or expenses incurred in the modification of the Prospectus and/or Instrument of Incorporation and/or simplified prospectus or any successor document, to the extent permitted by the FCA Handbook;
- any expenses incurred in the printing and preparation (but not the dissemination) of the simplified prospectus or any successor document; and

- any payments otherwise due by virtue of the FCA Regulations.
- any costs associated with any CASS related support activity incurred by the Registrar.

Value Added Tax is payable on these charges where appropriate.

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

### **Allocation of expenses**

Expenses are allocated between income (except those charges and expenses relating directly to the purchase and sale of investments) and capital in accordance with the FCA Regulations and the OEIC Regulations and as specified in Appendix 1. Where expenses are allocated to income, but at the end of the accounting period there is insufficient income, the shortfall may be allocated to capital in accordance with the FCA Regulations and the OEIC Regulations. **Please note that this policy may result in capital erosion or constrain capital growth.**

## **32. Charges Payable to the ACD**

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

The annual management charge accrues daily and is payable monthly in arrears on the last calendar day of each month. The fee is calculated by reference to the value of the Company on the last Business Day of the preceding month. The current management charges are set out in Appendix 1.

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

The allocation of the ACD between capital and income is shown in Appendix 1.

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

The ACD may not increase the current rate or amount of its remuneration payable out of the Scheme Property of the Company or the preliminary charge unless, not less than 60 days before the introduction or increase, the ACD gives notice in writing of the introduction or increase and the date of its commencement to all shareholders and has revised and made available the Prospectus to reflect the introduction or new rate and the date of its commencement.

## **33. Investment Manager's Fee**

The Investment Manager's fees and expenses are paid by the Company. The current annual fees are as set out in Appendix 1.

## 34. Depositary's Fee

### Periodic fee

The Depositary receives for its own account a periodic fee which will accrue daily from the last business day in the preceding month to the last business day in each month. It is payable within seven days after the last business day in each month. The fee is calculated by reference to the value of the Company on the last business day of the preceding month except for the first accrual, which is calculated by reference to the first Valuation Point of the Company. The fee is payable out of the property attributable to the Company. The rate of the periodic fee is agreed between the ACD and the Depositary and is subject to a current annual minimum of £7,500 plus VAT.

The Depositary fee is currently calculated on a sliding scale; details are out in the summary at Appendix 1.

### Transaction and custody charges

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

Item	Range
Transaction Charges	Range from £7.50 to £180.00 per transaction
Custody Charges	Up to 0.9% of the value of the holding involved subject to a minimum aggregate custody charge of £7,500 per annum.

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last business day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary. In addition, charges may be applied for cash payments, currency conversion, corporate actions and other incidental expenses. Details are available on request.

Where relevant, the Depositary may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending transactions, in relation to the Company and may sell or deal in the sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the Regulations.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument, the Regulations or by the general law.

On a winding up of the Company or the redemption of a class of shares, the Depositary will be entitled to its *pro rata* fees, charges and expenses to the date of

winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the agreement with the Depositary.

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

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

## **35. Shareholder Meetings and Voting Rights**

35.1 For the purposes of this paragraph 35:

- (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.
- (d) The provisions below, unless the context otherwise requires, apply to Share Class meetings as they apply to general meetings of the Company.

### **35.2 Annual General Meeting**

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

### **35.3 Requisitions of Meetings**

- (a) 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.
- (b) Shareholders may request the convening of a general meeting by a requisition which must state the objective of the meeting, be dated, 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 the requisition must be deposited at the head office of the Company or with the Depositary. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.
- (c) 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.
- (d) 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.



- (e) 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.
- (f) 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.
- (g) 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 Share Class meeting of Shareholders.
- (h) 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.
- (i) A meeting of Shareholders has no powers other than those contemplated by the FCA Rules.

#### 35.4 **Notice of Quorum**

- (a) Where a meeting of Shareholders is convened by the ACD or the Depositary, Shareholders must receive at least 14 days' written notice (inclusive of the date on which the notice is first served and the day of the meeting) and the notice shall specify:
  - (i) whether the meeting is to be a physical meeting, a hybrid meeting or a virtual meeting;
  - (ii) if the meeting is a physical meeting or a hybrid meeting, the place of the meeting;
  - (iii) if the meeting is a hybrid meeting or a virtual meeting, the means by which a Shareholder may participate, including any requirements for Shareholders to register before the meeting begins or to provide proof of their right to attend, and an explanation of how participating Shareholders may vote in a show of hands or in a poll, if they do not appoint a proxy;
  - (iv) the day and hour of the meeting;
  - (v) the terms of the resolutions to be proposed; and
  - (vi) the address of the website where the minutes of the meeting will subsequently be published.
- (b) Where the notice is served by the ACD a copy shall be sent to the Depositary.
- (c) The accidental omission to give notice to, or the non-receipt of notice by any Shareholder will not invalidate the proceedings at any meeting.
- (d) 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.

- (e) 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.
- (f) The quorum at a meeting of Shareholders shall be two Shareholders present in person, by proxy or (where applicable) remotely using the means specified in the notice. If, after a reasonable time after the start of the meeting, a quorum is not present, the meeting:
  - (i) if convened on the requisition of Shareholders, must be dissolved;
  - (ii) in any other case, must stand adjourned to:
    - (A) a day and time which is seven or more days after the day and time of the meeting;
    - (B) in the case of a physical meeting or a hybrid meeting, a place to be appointed by the chair; and
  - (iii) if, at an adjourned meeting under paragraph (ii) above, a quorum is not present after a reasonable time from the time for the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum.
- (g) The chair of a meeting which permits Shareholders to attend and vote remotely shall take reasonable care to give such Shareholders:
  - (i) an adequate opportunity to be counted as present in the quorum; and
  - (ii) sufficient opportunities to participate fully in the proceedings of the meeting, in particular when a vote is taken on a show of hands or by poll.

### 35.5 **Voting Rights**

- (a) In the case of an equality of votes cast, the chair is entitled to a casting vote.
- (b) 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.
- (c) 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.
- (d) A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way. For joint

Shareholders, the vote of the first Shareholder, or the proxy of the first Shareholder, stated in the Register will be accepted to the exclusion of the votes of other joint Shareholders.

- (e) In the context of despatch of notice, "Shareholders" means the persons who were entered in the Register seven days before the notice of meeting was given but excluding persons who are known not to be entered on the Register at the date of despatch of the notice.
- (f) To be included in the quorum and entitled to vote at the meeting, "Shareholders" means the persons entered on the Register at a time determined by the ACD and stated in the notice of the meeting, which must not be more than 48 hours before the time fixed for the meeting.
- (g) 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.
- (h) The ACD will publish the minutes on a website accessible to the general public without charge, no later than 5 Business Days after the meeting has taken place (but in the case of an original meeting which is adjourned, the minutes will be published no later than 5 Business Days after the adjourned meeting has taken place).

### 35.6 **Service of documents and notices**

- (a) Any notice or document to be served upon a Shareholder will be duly served if it is:
  - (i) delivered to the Shareholder's address as appearing in the Register; or
  - (ii) sent using an electronic medium in accordance with paragraph 14.6 above.
- (b) 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.
- (c) Any document left at a registered address or delivered other than by post is deemed to have been served on that day.
- (d) 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.
- (e) Any document or notice to be served on, or information to be given to a Shareholder, must be in legible form. For this purpose, any form is a legible form if it:

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

### 35.7 **Changes to the Company**

- (a) Changes to the Company are classified as fundamental, significant or notifiable.
- (b) The ACD must obtain the prior approval of Shareholders by extraordinary resolution for any proposed change to the Company which constitutes a "fundamental change". This is a change or event which:
  - (i) changes the purpose or nature of the Company;
  - (ii) may materially prejudice a Shareholder;
  - (iii) alters the risk profile of the Company; or
  - (iv) introduces a new type of payment out of the Scheme Property.
- (c) The ACD must give prior written notice to Shareholders of any proposed change which constitutes a "significant change". This is a change or event which is not fundamental, but which:
  - (i) affects a Shareholder's ability to exercise their rights in relation to their investment;
  - (ii) would reasonably be expected to cause the Shareholder to reconsider their participation in the Company;
  - (iii) results in any increased payments out of Scheme Property to the ACD, or an associate of the ACD; or
  - (iv) materially increases other types of payment out of the Scheme Property.

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

- (d) 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.
- (e) Changes to the investment objective and policy will normally require approval by Shareholders at an extraordinary general meeting if the change alters the nature or risk profile of the Company, or on giving 60 days' notice to Shareholders where the changes do not alter the nature or risk profile of the Company. In exceptional circumstances, changes may

be made to the investment objective and policy of the Company with no minimum period of notice where these are for clarification purposes only. In all cases, changes may only be made to the investment objective and policy following notification to the FCA pursuant to the OEIC Regulations and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Company.

## **36. Taxation**

**The following summary is based on current UK law and HM Revenue & Customs practice. It summarises the UK tax position of Investment Companies with Variable Capital (“ICVCs”) 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.**

### **36.1 Taxation of the Company**

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

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

#### **(i) Income**

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

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

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

#### **(ii) Capital gains**

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

**(iii) Stamp Duty Reserve Tax**

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

**36.2 Taxation of Shareholders**

**(i) Income**

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

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

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

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

**(a) Interest distributions**

UK resident individuals

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

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

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

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

### UK corporate Shareholders

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

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

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

### **(b) Dividend distributions**

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

### UK resident individuals

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

### UK corporate Shareholders

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

### **(ii) Chargeable gains**

#### UK resident individuals

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

the Company. Gains will be tax-free if after deduction of allowable losses, they fall within an individual's annual capital gains exemption.

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

#### 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.**

### **36.3 Income equalisation – tax implications**

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

### **36.4 UK information reporting regime**

ICVCs 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.

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

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

### **36.6 International Tax Compliance**

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

The International Tax Compliance Regulations transpose into UK law rules and obligations derived from international standards and inter-governmental agreements entered into by the UK which are aimed at increasing transparency and reducing tax evasion. The regulations include rules derived from the US Foreign



Account Tax Compliance Act ("FATCA") and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("CRS").

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

**Shareholders should note that:**

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

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

### **37. Winding up of the Company**

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

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

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

- an extraordinary resolution to that effect is passed by shareholders; or
- the period (if any) fixed for the duration of the Company by the Instrument of Incorporation expires, or an event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company is to be wound up (for example, if the share capital of the Company is below its prescribed minimum); or
- on the date of effect stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company.

On the occurrence of any of the above:

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

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

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

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

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

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

## **38. General Information**

### **38.1 Accounting Periods**

The annual accounting period of the Company ends each year on 31 July (the accounting reference date). The interim accounting period of the Company ends each year on 31 January.

### **38.2 Income Allocations**

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

Income shall be accumulated accordance with paragraph 4, on or before the annual income allocation date of 30 November and on or before the interim allocation date of 31 March.

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

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

Income will be distributed as a dividend where the Company is deemed to be an Equity Company or an interest payment if the Company is deemed to be a Bond Company over the relevant accounting period.

The treatment of income anticipated by the ACD is given in Appendix 1. However Shareholders are advised the treatment of income will depend on the composition of assets over the accounting period. Income can only be distributed as an interest payment if the Company has held the minimum Qualifying Investments over the accounting period (see Taxation for further details). Details of the treatment of income for taxation purposes over an accounting period will be given in a tax voucher sent to all Shareholders when the income is allocated.

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

### **38.3 Annual Reports**

Annual reports of the Company will be published within four months of each annual accounting period and half-yearly reports will be published within two months of each interim accounting period. These reports are available (free of charge) on request.

The accounting and distribution dates are set out in Appendix 1. The annual and half-yearly reports will include disclosures on the following:

- (a) The percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature;
- (b) Any new arrangements for managing the liquidity of the Company;
- (c) The current risk profile of the Company and the risk management systems employed by the ACD to manage those risks;
- (d) Any changes to the maximum level of leverage that the ACD may employ on behalf of the Company;
- (e) Any changes to any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and
- (f) The total amount of leverage employed by the Company.

#### **38.4 Documents of the Company**

The following documents may be inspected free of charge between 9.00 a.m. and 5.00 p.m. every business day at the offices of the ACD at Exchange Building, St Johns Street, Chichester, West Sussex PO19 1UP.

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

The ACD may make a charge at its discretion for copies of the Instrument of Incorporation. The reports and the Prospectus are available free of charge.

Copies of the ACD agreement or any contract of service between the Company and its directors can be obtained free or charge on request of the ACD.

#### **38.5 Telephone Recording**

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

#### **38.6 Complaints**

Complaints concerning the operation or marketing of the Company should be referred to the compliance officer of the ACD at Exchange Building, St Johns Street, Chichester, PO19 1UP, in the first instance. If the complaint is not dealt with satisfactorily then it can be made direct to The Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR, telephone number 0845 080 1800. A copy of the ACD's complaints handling procedure is available on request.

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

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

### **38.7 Best Execution**

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

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

### **38.8 Inducements and Soft Commission**

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

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

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

### **38.9 Compensation**

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

### **38.10 Fair Treatment of investors**

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

The ACD is required, under the FCA Rules, to treat its customers fairly, when they become, remain or as they cease to be Shareholders. The ACD complies with the rules in the FCA Rules, and has adopted a series of policies and procedures (including a Conflict of Interest policy, paragraph 10) which are designed to achieve this outcome.

The ACD and the Investment Manager may in certain circumstances grant preferential treatment to investors. This may include, for example, access to

certain share classes, a waiver or reduction of certain charges, the payment of rebates, or access to individuals within the ACD or the Investment Manager. If such rights are granted, this would typically be to investors who invest significant amounts in the Company. Such investors would not typically be legally or economically linked to the ACD.

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

The ACD and/or the Investment Manager may enter into side letters and/or other arrangements with Shareholders, including those deemed to involve a significant or strategic relationship, that will result in the terms of an investment in the Company being different to the terms applicable to other shareholders and/or provide the following preferential treatment:

#### **Disclosure/Reporting**

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

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

Neither the Company, the ACD, the Depositary, the Investment Manager (or any associate of the same) or the Auditors 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.

## APPENDIX 1

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

Investment of the assets of the Company must comply with the FCA Regulations and its own investment objective and policy. Details of the investment objective and policy are set out overleaf together with other information including available Share Classes, charges, minimum investment levels and distribution dates. A detailed statement of the investment and borrowing restrictions applicable to the Company is contained in Appendix 2. Lists of the eligible securities and derivatives markets on which the Company may invest are contained in Appendix 4 and Appendix 5.

Changes to the Investment objective and policy will normally require approval by Shareholders at an extraordinary general meeting if the changes alter the nature or risk profile of the Company, or on giving 60 days' notice to Shareholders where the changes do not alter the nature or risk profile of the Company. Usually, changes may only be made to the investment objective and policy following notification to the FCA pursuant to the OEIC Regulations and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Company.

Information is given regarding the ongoing charges figure (**OCF**) in respect of the Company. The OCF provides investors with a clearer picture of the total annual costs in running a collective investment scheme and is based on the previous year's expenses. The figure may vary from year to year and it excludes the costs of buying or selling assets for the Company (but includes transaction charges incurred by investing in any other collective investment schemes). Where there is not enough historic data available, or when historic data will not provide a reliable indication of future costs, an estimated OCF will be calculated based on the most reliable information available (**OCF (Estimated)**).

## THE CAPITAL LINK GROWTH FUND

### Investment Objective and Policy

#### Investment Objective

The objective of the Company is to achieve capital growth (net of fees) in excess of SONIA +2% over the long term (an 8 year period).

**Capital is at risk and investors should note that while the Company aims to deliver positive returns in all market conditions, there is no guarantee that this objective will be achieved over 8 years, or any time period.**

#### Investment Policy

The Company aims to achieve the objective through investment primarily (approx. 70%) in a widely diversified (across asset classes and geographies) portfolio of collective investment schemes. The Company may also invest in transferable securities including shares, government and public securities, certificates representing certain securities, warrants, debentures and alternative debentures, money market instruments, deposits and cash. There may be occasions during times of market stress when the ACD holds a significant (approx. 80%) proportion of the Company in cash and near cash instruments.

**Derivatives and forward transactions may be used for Efficient Portfolio Management and investment purposes. The use of derivatives may increase the risk profile of the Company.**

The Company will be managed in a manner that maintains eligibility for the stocks and shares component of an individual savings account.

### **Performance Target**

The performance of the Company will be measured against the Sterling Overnight Index Average (SONIA) + 2%, net of fees, for target return purposes. This index was chosen because it represents the minimum level of return that is expected from the Company in all market conditions over the 8 year period.

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

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

<b>Classes of shares available</b>	Net Accumulation Shares Net Income Shares
<b>Currency of denomination</b>	Pounds Sterling
<b>Minimum initial investment</b>	£1,000,000
<b>Minimum subsequent investment</b>	£100,000
<b>Minimum withdrawal</b>	None
<b>Minimum holding</b>	£1,000,000
<b>ACD's preliminary charge</b>	5%
<b>Annual management charge</b>	0.14% per annum subject to a minimum of £37,000
<b>Charge for investment research</b>	None
<b>OCF</b>	1.71% for the interim accounting period ending 31/01/2020
<b>Investment Manager's fee</b>	Up to 1.15% (currently 0.60%) per annum of the net asset value.
<b>Depositary's fee</b>	0.0275% per annum on the first £50 million  0.025% per annum on the next £50 million up to £100 million  0.02% per annum on the next £100 million up to £200 million  0.015% per annum on the value of the Scheme Property thereafter.



	The annual fee is subject to a minimum fee of £7,500 per annum. VAT (at the standard rate) is added to these fees.
<b>Annual accounting date</b>	31 July
<b>Interim accounting date</b>	31 January
<b>Annual income allocation date</b>	30 November
<b>Interim income allocation date</b>	31 March
<b>Invest in any Securities Market of a Member State of the EU or states within the EEA on which securities are admitted to Official Listing</b>	Yes
<b>Invest in Eligible Markets</b>	As listed in Appendix 4 and Appendix 5
<b>Income Equalisation</b>	Yes, averaged
<b>Charges taken from Income or Capital?</b>	<p>All charges will be taken from income other than those relating directly to the purchase and sale of investments which will be taken from capital.</p> <p>If at the end of an accounting period there is insufficient income the shortfall may be allocated to capital.</p> <p><b>Please note that, if all or part of an income expense payments is treated as a capital expense this policy may result in capital erosion or constrain capital growth.</b></p>
<b>Income to be distributed as a dividend or interest?</b>	The Company may distribute income in the form of a dividend or interest depending on the composition of the assets held over the accounting period.

### Investor Profile

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

- (a) want to achieve long term capital growth through investing in a diverse portfolio of assets in a spread of countries using the expertise of the Investment Manager;
- (b) can meet the minimum investment levels;
- (c) are able to commit to a long term investment in the Company and take the risk of losing part or all of their investment capital; and
- (d) understand and are willing to take the risks involved in investing in the Company (as detailed under "Risk Factors").

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

## APPENDIX 2

### Investment and Borrowing Powers of the Company

These restrictions apply to the Company.

#### 1.1 Investment Restrictions

The Company will be invested with the aim of achieving the investment objective of the Company but subject to the limits on investment set out in the FCA Regulations and the Company's investment policy.

Generally the Company will invest in the investments to which it is dedicated including approved securities which are transferable securities admitted to or dealt on a regulated market or in a market in the UK or an EEA State which is regulated, operates regularly and is open to the public, units in collective investment schemes, warrants, money market instruments and deposits and derivatives and forward transactions.

Eligible markets are regulated markets or markets established in the UK or an EEA State which are regulated, operate regularly and are open to the public; and markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the Company having regard to the relevant criteria in the FCA Regulations and guidance from the FCA. Such markets must operate regularly, be regulated, recognised, open to the public, adequately liquid and have arrangements for unimpeded transmission of income and capital to or to the order of the investors. The eligible securities and derivatives markets for the Company are set out in Appendix 4 and Appendix 5.

New eligible securities markets may be added to the existing list in accordance with the FCA Regulations governing approvals and notifications.

#### 1.2 Transferable Securities

1.2.1 Up to 20% of the value of the Company may be invested in transferable securities which are not approved securities.

1.2.2 Up to 10% of the value of the Company may be invested in transferable securities, other than Government and public securities, or money market instruments issued by any single body.

**1.2.3 More than 35% of the scheme property of the Company may be invested in government and public securities issued by or on behalf of or guaranteed by a single named issuer which may be one of the following: the government of the United Kingdom and Northern Ireland and of a member State of the European Community or EEA (i.e. Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, United Kingdom); or by or on behalf of the Governments of Australia, Canada, Japan, New Zealand, Switzerland or the United States of America.**

#### 1.3 Criteria for investment in transferable securities

1.3.1 The Company may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

- (a) the potential loss which the Company may incur with respect to holding the transferable security is limited to the amount paid for it;
- (b) its liquidity does not compromise the ACD's ability to comply with its obligations to redeem units at the request of any qualifying shareholder;
- (c) reliable valuation is available for it as follows:
  - (i) in the case of a transferable security admitted to or dealt in on an eligible market (see further Appendix 4 below for an explanation of eligible market) where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
  - (ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- (d) appropriate information is available for it as follows:
  - (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
  - (ii) in the case of a transferable security not admitted to or dealt in on an eligible market where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- (e) it is negotiable; and
- (f) its risks are adequately captured by the risk management process of the ACD.

1.3.2 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

obligations to redeem shares at the request of any qualifying shareholder; and

(b) to be negotiable.

#### 1.4 Closed ended funds constituting transferable securities

1.4.1 A unit in a closed ended fund shall be taken to be a transferable security for the purposes of investment by the Company, provided it fulfils the criteria for transferable securities set out in paragraph 1.3 above and either:

(a) where the closed ended fund is constituted as an investment company or a unit trust:

(i) it is subject to corporate governance mechanisms applied to companies; and

(ii) where another person carries out asset management activity on its behalf that person is subject to national regulation for the purpose of investor protection; or

(b) where the closed ended fund is constituted under the law of contract:

(i) it is subject to corporate governance mechanisms equivalent to those applied to companies; and

(ii) it is managed by a person who is subject to national regulation for the purpose of investor protection.

#### 1.5 Transferable securities linked to other assets

1.5.1 The Company may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Company provided the investment:

(c) fulfils the criteria for transferable securities set out in paragraph 1.3 above; and

(d) is backed by or linked to the performance of other assets which may differ from those in which the Company can invest.

1.5.2 Where an investment in paragraph 1.5.1 contains an embedded derivative component (see COLL 5.2.19R (3A)), the requirements of this Appendix and the FCA Rules with respect to derivatives and forwards will apply to that component.

#### 1.6 Types of transferable security

1.6.1 A transferable security is an investment which is a share, a debenture, an alternative debenture, a government and public security, a warrant, or a certificate representing certain securities (as such terms are defined in the FCA Glossary).

- 1.6.2 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.
- 1.6.3 In applying paragraph 1.6.2 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.
- 1.6.4 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.

## 1.7 **Collective Investment Schemes**

Except where the investment policy of the Company is inconsistent with this, up to 100% in value of the property of the Company may be invested in units in other collective investment schemes (hereafter a "second scheme") although not more than 35% in value of the scheme property of the Company is to consist of the units of any one second scheme. Investment may be made in a second scheme managed by the ACD or an associate of the ACD. Investment may only be made in second schemes whose maximum annual management charge does not exceed 5%.

Any second scheme must either:

- 1.7.1 be a UK UCITS or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
- 1.7.2 be a Non-UCITS retail scheme;
- 1.7.3 be a recognised scheme (as defined in the FCA Glossary); or
- 1.7.4 be constituted outside the UK and the investment and borrowing powers of which are the same or more restrictive than those of a NURS; or
- 1.7.5 be a scheme not falling within paragraphs 1.7.1 to 1.7.4 above and in respect of which no more than 20% in value of the scheme property (including any transferable securities which are not approved securities) is invested;

The second scheme must also operate on the basis of the prudent spread of risk, be prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes (unless COLL 5.6.10AR applies) and the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price related to the net value of the property to which the units relate and determined in accordance with the scheme.

The Company may invest in units or shares of collective investment schemes and pay any related charges or expenses for investing in such units or shares. Where the schemes invested in are managed, operated or administered by the ACD (or one of its associates) the rules on double charging contained in the FCA Regulations must be complied with.

### **Feeder Schemes**

A non-UCITS retail scheme that is not a feeder NURS may, if the following conditions are met, invest in units of:

- (a) a feeder UCITS; or

- (b) a feeder NURS; or
- (c) a scheme dedicated to units in a single property authorised investment fund; or
- (d) a scheme dedicated to units in a recognised scheme.

The relevant master UCITS must comply with COLL 5.2.13R(2), (3) and (4) as if it were the second scheme for the purpose of that rule.

The relevant qualifying master scheme, property authorised investment fund or recognised scheme must comply with COLL 5.6.10R(2) to (5) as if it were the second scheme for the purpose of that rule.

Not more than 35% in value of the scheme property of the non-UCITS retail scheme may consist of units of one or more schemes permitted under COLL 5.6.10AR (1a to d).

The non-UCITS retail scheme must not invest directly in units of the relevant master UCITS, qualifying master scheme, property authorised investment fund or recognised scheme.

The authorised corporate director of the non-UCITS retail scheme must be able to show on reasonable grounds that an investment in one or more schemes permitted under COLL 5.6.10AR (1a to d):

- (a) in the interests of investors; and
- (b) no less advantageous than if the non-UCITS retail scheme had held units directly in the relevant:
  - (i) master UCITS; or
  - (ii) qualifying master scheme; or
  - (iii) property authorised investment fund; or
  - (iv) recognised scheme.

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

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

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

A warrant may not be included in the scheme property unless it is listed on an eligible securities market.

## 1.9 Money Market Instruments

Up to 100% in value of the scheme property of the Company can consist of approved money market instruments, which are admitted to or dealt in on "eligible markets", as defined in the FCA Regulations. Additionally, up to 20% in value of the scheme property of the Company can be invested in money market instruments which are liquid and have a value which can be determined accurately at any time but which are not dealt on or admitted to an eligible market.

Notwithstanding the above, up to 10% of the scheme property of the Company may be invested in money market instruments (or transferable securities) issued by any single body.

## 1.10 Deposits

Up to 20% in value of the scheme property of the Company can consist of deposits with a single body. A Company may only invest in deposits with an Approved Bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.

## 1.11 Derivatives and Forward Transactions

Derivatives may be used by the Company for investment purposes and/or Efficient Portfolio Management purposes only after the giving of 60 days' notice to shareholders. If such notice is given, as a result, the NAV of the Company could potentially be more volatile and the risk profile of the Company may be increase, however, it is the Investment Manager's intention that the Company, owing to its portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of their underlying investments. Please also see "Risk Factors" and in particular "Derivatives Risk" above.

The Company's intention is to reduce investor risk, and meet their respective Investment Objectives, through the use of derivatives. In pursuing their investment objectives, the Company may make use of a variety of derivative instruments in accordance with the COLL Rules.

## 1.12 OTC transactions under this paragraph 1.12 must be:

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

- (a) an Eligible Institution or an Approved Bank; or
- (b) 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;
- (c) a CCP that is authorised in that capacity for the purposes of EMIR;
- (d) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
- (e) to the extent not already covered above, a CCP supervised in a jurisdiction that:
- (f) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom; and



- (g) 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.

1.12.2 on approved terms; the terms of the transaction in derivatives are approved only if the ACD:

- (a) carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
- (b) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;

1.12.3 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:

- (a) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
- (b) if the value referred to in paragraph (a) (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

1.12.4 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:

- (a) 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
- (b) 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.

1.12.5 The jurisdictions that fall within 1.12.1 are Australia, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Singapore, Spain, Switzerland, and the United States of America.

1.12.6 For the purposes of 1.12.2, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

### 1.13 Investment Risk

Derivative transactions are permitted under the COLL Rules provided that the underlying consists of any or all of the following to which the Company is dedicated:

- (a) transferable securities;
- (b) permitted money market instruments;
- (c) permitted deposits;
- (d) permitted derivatives;

- (e) permitted collective investment scheme units;
- (f) financial indices;
- (g) interest rates;
- (h) foreign exchange rates; and
- (i) currencies.

As set out above, a "look-through" approach exists which requires the COLL Rules spread

limits which apply to non-UCITS retail schemes as set out in this Prospectus to be complied with in relation to the underlying assets (unless the derivative relates to an index).

- 1.13.2 Derivative transactions must not cause the Company to diverge from its Investment Objective and must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes, or derivatives.
- 1.13.3 The use of derivatives must be supported by a risk management process maintained by the ACD which should take account of the investment objectives and policies of the Company. A copy of this risk management process is available on request.
- 1.13.4 A derivative transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the Company is or may be committed by another person is covered globally, i.e. if adequate cover from within the Scheme Property for the Company is available to meet the Company's total exposure, taking into account the value of the underlying assets, any reasonable foreseeable market movement, counterparty risk and the time available to liquidate any positions.
- 1.13.5 Cash not yet received into the Scheme Property, but due to be received within one month, is available as cover for the purposes of the preceding paragraph.
- 1.13.6 Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required;
- 1.13.7 The global exposure relating to derivatives held by the Company may not exceed the NAV of its Scheme Property.
- 1.13.8 No agreement by or on behalf of the Company to dispose of property or rights may be made unless:
  - (a) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Company by delivery of property or the assignment (or, in Scotland, assignation) of rights; and

- (b) the property and rights at (i) are owned by the Company at the time of the agreement.

1.13.9 (i) and (ii) do not apply to:

1.13.9.1 a deposit; or where 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

1.13.9.2 the ACD or the Depository has the right to settle the derivative in cash and cover exists within the scheme property which falls within one of the following asset classes:

- (a) cash;
- (b) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
- (c) other highly liquid assets which are recognised considering their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

In the asset classes referred to in (iv), assets may be considered as liquid where the instruments 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.

1.13.10 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property of the Company. The exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it provided the collateral meets each of the following conditions:

- (a) it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
- (b) it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
- (c) it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
- (d) can be fully enforced by the Company at any time.

1.13.11 In applying the limits above OTC derivative positions with the same counterparty may be netted provided that the netting procedures:

- (a) comply with the conditions set out in Part Three, Title II, Chapter 6, Section 7(Contractual netting (Contracts for novation and other netting agreements)) of the UK CRR; and
- (b) are based on legally binding agreements.

1.13.12 All derivative transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:

- (a) it is backed by an appropriate performance guarantee; and it is characterized by a daily mark-to-market valuation of the derivative positions and at least daily margining.

1.13.13 Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the spread limits set out above save that, subject to prudent spread of risk, where the Company invests in an index based derivative (provided the relevant index's composition is sufficiently diversified, the index is a representative benchmark for the market to which it refers and is published in an appropriate manner) the underlying constituents of the index do not have to be taken into account for the purposes of complying with the above spread limits.

## **2 Immovable and Movable Property**

The Company may not invest in immovable or movable property.

### **2.1 General**

2.1.1 Underwriting and sub-underwriting contracts and placings may also, subject to certain conditions set out in the FCA Regulations, be entered into for the account of the Company.

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

2.1.3 The Company will not be investing directly in gold.

### **2.2 Stock Lending**

The Company may not enter into stock lending transactions.

### **2.3 Borrowing Powers**

2.3.1 The Company may, subject to the FCA Regulations, 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.

2.3.2 The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of the scheme property of the Company.

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

### **2.4 Leverage**

Transactions introducing leverage are generally undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates or involve receiving a premium for the writing of a covered call option or cash covered put option on the property of the Company which the Company is willing to buy or sell at the exercise price. The Company may also borrow up to 10% of its net asset

value; as a result of actively invested borrowing the Company would display leveraged characteristics.

The types and sources of leverage and risks the Company may employ are as follows:

- (a) The Company may borrow up to 10% of its net asset value from an Approved Bank, and
- (b) Through the use of derivatives. Any exposure by the Company through the use of derivatives must be covered by cash or readily realisable assets held by the Company. Restrictions on the use of derivatives are outlined in the Investment Objective and Policy in Appendix 1 and detailed in the Investment and Borrowing Powers in Appendix 2.

Please refer to the Risk Factors for details of the risks associated with these types of leverage.

The following restrictions apply to the use of leverage:

- (i) Leverage through Borrowing: The Company may borrow from Eligible Institutions or Approved Banks only.
- (ii) Leverage through the Use of Derivatives: **Derivatives may be used for the purposes of Efficient Portfolio Management only.** No current collateral or asset reuse arrangements are currently in place. Should the Company enter into any contracts that require the use of collateral in future, collateral will be managed in accordance with FCA Regulations and Guidelines issued from time to time by the European Securities and Markets Authority. A Collateral Management Policy will be implemented by the ACD before the Company enters into any transactions which require it to hold collateral from a counterparty.

The maximum level of leverage the Company may employ at any time is 100%.

## APPENDIX 3

### Historical Performance Data

**NOTE: The below figures refer to the past and past performance is not a reliable indicator of future results**

The comparisons are representative of **accumulation shares** for the Company over a five year period. The performance table shows the total annual return up to 31 December in each year listed.

This performance information shows the post-tax position and is net of charges (subscription and redemption fees) but does not include the effect of any preliminary charge that may be paid on the purchase of an investment and assumes that the investor pays no taxes.

### Performance Target

The performance table displays historical performance compared against the **target benchmark** (referred to in Appendix 1 as a 'performance target'). Appendix 1 sets out details of the benchmark.

<b>Benchmark</b>	<b>2019 (%)</b>	<b>2020 (%)</b>	<b>2021 (%)</b>	<b>2022 (%)</b>	<b>2023 (%)</b>
SONIA Lending rate GBP +2%	2.73	2.20	2.06	3.46	6.88
	<b>2019 (%)</b>	<b>2020 (%)</b>	<b>2021 (%)</b>	<b>2022 (%)</b>	<b>2023 (%)</b>
<b>The Capital Link Growth Fund (GBP)</b>	0.76	7.56	4.15	-0.61	-1.63

*NOTE: the percentages refer to growth in the assets of the fund over a year, compared with the previous year*

*Source of performance data - MorningStar*

## APPENDIX 4

### Eligible Securities Markets

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

- (a) a regulated market (as defined in the FCA Glossary);
- (b) a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public; or
- (c) a market which the ACD, after consultation with, and notification to, the Depositary, determines is appropriate for the purpose of investment of, or dealing in, the property of the Company. In accordance with the relevant criteria in the COLL Sourcebook, such a market must be regulated; operate regularly; 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.

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

The Company may deal through securities markets established in the UK or EEA/EU Member States on which transferable securities admitted to official listing in these states are dealt in or traded. In addition, up to 20% in value of the Company may be invested in transferable securities which are not approved securities.

The Company may also deal in certain of the securities markets listed below and those derivatives markets indicated in Appendix 5.

Austria	Vienna Stock Exchange (Wiener Boerse AG)
Belgium	NYSE Euronext Brussels
Bulgaria	Bulgarian Stock Exchange - Sofia
Croatia	Zagreb Stock Exchange
Cyprus	Cyprus Stock Exchange
Czech Republic	Prague Stock Exchange
Denmark	NASDAQ OMX Copenhagen
Estonia	NASDAQ OMX Tallinn
Finland	NASDAQ OMX Helsinki
France	NYSE Euronext Paris
Germany	Deutsche Borse AG
Germany	Eurex Deutschland
Germany	Frankfurt Stock Exchange (Boerse Frankfurt)
Greece	Athens Stock Exchange
Hungary	Budapest Stock Exchange
Iceland	NASDAQ OMX Iceland
Ireland	Irish Stock Exchange
Italy	Borsa Italiana
Latvia	NASDAQ OMX Riga
Lithuania	NASDAQ OMX Vilnius
Luxembourg	Bourse de Luxembourg
Malta	Malta Stock Exchange
Norway	Oslo Stock Exchange (Oslo Bors)
Poland	Warsaw Stock Exchange
Portugal	NYSE Euronext Lisbon
Romania	Bucharest Stock Exchange
Slovakia	Bratislava Stock Exchange
Slovenia	Ljubljana Stock Exchange

Spain	BME Spanish Exchanges
Sweden	NASDAQ OMX Stockholm
United Kingdom	AIM
United Kingdom	Icap Securities & Derivatives Exchange
United Kingdom	London Stock Exchange
United Kingdom	NASDAQ OMX NLX
United Kingdom	NYSE LIFFE
United Kingdom	Turquoise London Stock Exchange Group
Australia	Australian Securities Exchange
Canada	Toronto Stock Exchange
Hong Kong	Hong Kong Exchanges and Clearing Company
Japan	Osaka Securities Exchange
Japan	Tokyo Stock Exchange
Singapore	Singapore Exchange
Switzerland	SIX Swiss Exchange
The Netherlands	NYSE Euronext Amsterdam
United States of America	NASDAQ
United States of America	New York Stock Exchange



## **APPENDIX 5**

### **Eligible Derivatives Markets**

#### **Eligible Derivative Market**

Australian Securities Exchange  
BM&FBOVESPA S.A.  
Hong Kong Exchanges and Clearing Company  
Tel Aviv Stock Exchange  
Borsa Italiana  
Tokyo Financial Exchange  
Osaka Securities Exchange  
Bursa Malaysia  
Mexican Derivatives Exchange (Mercado Mexicano de Derivados)  
New Zealand Exchange Ltd  
Singapore Exchange  
BME Spanish Exchanges  
JSE Limited  
Korea Exchange  
SIX Swiss Exchange  
Eurex Zurich  
NYSE LIFFE  
Turquoise London Stock Exchange Group  
CME Group  
NASDAQ OMX Futures Exchange  
NYSE Amex Options  
Chicago Board Options Exchange  
NASDAQ OMX Futures Exchange  
NYSE Arca  
NASDAQ OMX PHLX

## APPENDIX 6

### Typical Investor Profile(s)

Below is an indication of the target market of the Company . This is fully detailed in the EMT which should be made available to you before making an investment. **If you do not believe you fit the target market of this Company please seek advice from your professional adviser.**

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

Basic investors in particular should however be aware the Company uses derivatives for investment purposes and the risks associated, please refer to the Risk Factors section of this prospectus.

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

The Company seeks to increase capital with a neutral stance on income growth over the long term.

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

## **APPENDIX 7**

### **List of Directors of Thesis Unit Trust Management Limited**

#### **Name of Director**

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.

## APPENDIX 8

List of other Authorised Funds that Thesis Unit Trust Management Limited acts as authorised fund manager or authorised corporate director for

<u>Authorised Contractual Schemes</u>	<u>Authorised Investment Companies with Variable Capital</u>	<u>Authorised Unit Trusts</u>
TM Brunel Pension Partnership ACS	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 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 Torridon Growth Fund The Vinings Fund The Wharton Fund Thesis JDS Fund TM Acer Fund TM Balanced Growth Fund	BPM Trust Eden Investment Fund Elfyinn International Trust Glenhuntley Portfolio Trust Hawthorn Portfolio Trust KES Diversified Trust KES Growth Fund KES Income and Growth Fund KES Ivy Fund KES Strategic Investment Fund Latour Growth Fund Lavaud Fund Mossylea Fund Pippin Return Fund The Castor Fund The Darin Fund The Delta Growth Fund The Deribee Funds The Eldon Fund The Hall Fund The HoundStar Fund The Iceberg Trust The Maiden Fund The Millau Fund The Norfolk Trust The Notts Trust The Palfrey Fund The TM Stockwell Fund The White Hill Fund Thesis Headway Fund Thesis Lion Growth Fund Thesis PM A Fund Thesis PM B Fund Thesis Thameside Managed Fund The TUTMAN B&CE Contracted-out Pension Scheme TM Balanced Fund TM Chainpoint Fund TM Growth Fund TM Hearthstone UK Residential Feeder Fund TM Managed Fund

	<p> TM Brown Advisory Funds  TM Brunsdon OEIC  TM Cerno Investment Funds  TM Cresswell Fund  TM CRUX Funds ICVC  TM First Arrow Investment Funds  TM Hearthstone ICVC  TM Investment Exposures Fund  TM Investment Funds  TM Lime Fund  TM Natixis Investment Funds U.K. ICVC  TM Neuberger Berman Investment Funds  TM Oak Fund  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 </p>	<p> TM Masonic Charitable Foundation Investment Fund  TM Merlin Fund  TM New Court Fund  TM New Court Growth Fund  TM New Court Return Assets Fund  TM New Institutional World Fund  TM Preservation Fund  TM Private Portfolio Trust  TM Stonehage Fleming Global Equities Fund  TM Stonehage Fleming Global Equities Fund II  TM Stonehage Fleming Global Equities Umbrella Fund </p>
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## **APPENDIX 9**

### **Directory**

#### **THE COMPANY AND HEAD OFFICE**

##### **The Capital Link Growth Fund**

Exchange Building, St Johns Street, Chichester, West Sussex PO19 1UP

#### **AUTHORISED CORPORATE DIRECTOR** *(Registered Office)*

##### **Thesis Unit Trust Management Limited**

Exchange Building, St Johns Street, Chichester, PO19 1UP

#### **ADMINISTRATOR, REGISTRAR AND FUND ACCOUNTANT**

##### **Northern Trust Global Services SE, UK branch**

*(Principal Place of Business)*

50 Bank Street, London E14 1BT

##### **Dealing office**

Thesis Unit Trust Management Limited

Sunderland SR43 4AZ Telephone number 0333 300 0375

#### **INVESTMENT MANAGER**

##### **Saltus Partners LLP**

22-23 Old Burlington Street, London W1S 2JJ

[www.saltus.co.uk](http://www.saltus.co.uk)

#### **DEPOSITARY**

##### **NatWest Trustee & Depositary Services Limited**

House A, Floor 0, Gogarburn, 175 Glasgow Road, Edinburgh EH12 1HQ

#### **CUSTODIAN**

##### **The Northern Trust Company**

*(Principal Place of Business)*

50 South LaSalle Street, Chicago, Illinois, USA

*(Who may also act under this power through its London branch)*

50 Bank Street, Canary Wharf, London E14 5NT

#### **AUDITORS**

KPMG LLP, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EG

#### **THE FINANCIAL CONDUCT AUTHORITY**

12 Endeavour Square, London E20 1JN