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PROSPECTUS

of

**THE ELDON FUND**

A UK UCITS  
authorised unit trust

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Valid as at and dated 8 June 2026

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

Thesis Unit Trust Management Limited

Authorised and regulated by the Financial Conduct Authority.

FCA firm reference number: 186882

**PROSPECTUS**  
**OF**  
**THE ELDON FUND**

The Scheme is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Scheme 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 units in the Scheme may be restricted in other jurisdictions. Potential unitholders must inform themselves of the legal requirements and restrictions of their own jurisdiction and act accordingly. This Prospectus does not amount to a solicitation or offer by any person in any jurisdiction in which such solicitation or offer would be unauthorised or unlawful.

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

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

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

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

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

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

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

## **GENERAL WARNING FOR INVESTORS**

- **Collective investment schemes should be regarded as long term investments.**
- **The value of the units in the Scheme is based upon the value of the underlying investments.**
- **The value of those investments and the income from them and consequently the value of the units and the income from them, can go down as well as up and are not guaranteed.**
- **Past performance is not necessarily a guide to future performance.**
- **The Scheme may invest in currencies other than US Dollars. As a result, exchange rate changes may cause the value of overseas investments to rise or fall, and the value of the units in any currency other than US Dollars may go up or down.**
- **Investors may not get back the amount originally invested.**
- **Approved derivatives transactions are for the purpose of hedging. It is, therefore, anticipated that the outcome of the use of derivatives would be principally to hedge against currency risks and to reduce, rather than to increase, the risk profile of the Scheme. Movements in currencies may, however, render such hedging ineffective.**
- **The Scheme may invest in warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be highly volatile.**

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## 1. **INTRODUCTION**

This document is the Prospectus of The Eldon Fund (the "Scheme"). In this Prospectus the following words and expressions shall have the following meanings:

"ACS"	as defined in the FCA Glossary.
"Act"	the Financial Services and Markets Act 2000.
"Administrator"	Northern Trust Global Services SE, UK branch and its successor or successors as administrator.
"Approved Bank"	(in relation to a bank account opened for the Scheme):  (a) if the account is opened at a branch in the United Kingdom:  i. the Bank of England; or  ii. the central bank of a member state of the OECD; or  iii. a bank; or  iv. a building society; or  v. a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or  (b) if the account is opened elsewhere:  i. a bank in (a); or  ii. a bank which is regulated in the Isle of Man or the Channel Islands; or  (c) a bank supervised by the South African Reserve Bank;  (d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator;  as such definition may be updated in the FCA Glossary from time to time.
"Associate"	as defined in the FCA Glossary.
"AUT"	as defined in the FCA Glossary.

“Business Day”	a weekday being Monday to Friday (excluding any public or bank holiday in England).
“CASS”	the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook as amended or replaced from time to time.
“CCP”	as defined in the FCA Glossary.
“COLL”	the Collective Investment Schemes sourcebook published by the FCA as part of the FCA Handbook as it may be amended, or replaced, from time to time.
“Custodian”	the person who provides custodian services to the Scheme, being The Northern Trust Company, and its successor or successors as custodian.
“Data Protection Laws”	<p>all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances:</p> <ul style="list-style-type: none"> <li>a) the UK GDPR;</li> <li>b) the Data Protection Act 2018;</li> <li>c) any laws which implement any such laws; and</li> <li>d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus) and</li> <li>e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws.</li> </ul>
“Dealing Day”	the 1 <sup>st</sup> and 15 <sup>th</sup> day of each calendar month or, when such date falls on a day that is not a Business Day, on the previous Business Day, and any such other day as the Manager may decide from time to time and agree with the Trustee.
“Depositary Agreement”	the agreement between the Manager and the Trustee regarding the appointment of the Trustee as depositary.
“EEA”	the European Economic Area.
“EEA State”	a member state of the European Union and any other state which is within the EEA.

"Eligible Institution"	as defined in the FCA Glossary.
"EMIR"	as defined in the FCA Glossary.
"FATCA"	the Foreign Account Tax Compliance Act (US).
"FCA"	the Financial Conduct Authority or any successor body. The address, for the FCA, is set out in Appendix 5.
"FCA Glossary"	the glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time.
"FCA Handbook"	the FCA's Handbook of rules and guidance, as amended from time to time.
"FCA Rules"	the rules contained in COLL but, for the avoidance of doubt, not including guidance or evidential requirements contained in COLL.
"Financial Instrument"	as defined in the FCA Glossary.
"Fund Accountant"	the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch and its successor or successors as fund accountant.
"Home State"	as defined in the FCA Glossary.
"International Tax compliance Regulations"	The International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time.
"Investment Manager"	each of the investment managers retained by the Manager pursuant to the FCA Rules, being Thesis Asset Management Limited and DSM Capital Partners LLC and their respective successor or successors as investment manager to the Scheme;
"Manager"	Thesis Unit Trust Management Limited.
"Non-UCITS retail scheme"	an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund.
"OECD"	the Organisation for Economic Co-operation and Development.
"OEIC Regulations"	the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended or re-enacted from time to time.

“Register”	the register of unitholders of the Scheme.
“Registrar”	the person who maintains the Register being Northern Trust Global Services SE, UK branch and its successor or successors as registrar.
“Scheme”	The Eldon Fund.
“Scheme Property”	means the property of the Scheme to be given to the Trustee for safekeeping, as required by the FCA Rules.
“SYSC”	the Senior Management Arrangement Systems and Controls sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time.
“Trust Deed”	The Trust Deed constituting the Scheme, as amended from time to time.
“Trustee”	the person to whom is entrusted the safekeeping of all of the Scheme Property of the Scheme (other than certain Scheme Property designated by the Rules), being NatWest Trustee and Depositary Services Limited and its successor or successors as depositary;
“UCITS”	an undertaking for collective investment in transferable securities. This will include a UK UCITS or an EEA UCITS scheme, as defined in the FCA Glossary.
“UCITS Directive”	the European Parliament and Council Directive of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC) as amended.
“UK AIF”	as defined in the FCA Glossary.
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.
“UK GDPR”	Regulation (EU) 2016/679 as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as modified by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019.

"UK UCITS"	as defined in the FCA Glossary.
"UK UCITS Regulations"	the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK's withdrawal from the European Union.
"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"	<p>a person who is in either of the following two categories:</p> <p>(a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act; or</p> <p>(b) a person excluded from the definition of a "Non-United States person" as used in Commodity Futures Trading Commission ("CFTC") Rule 4.7.</p> <p>For the avoidance of doubt, a person is excluded from this definition of US Person only if they are outside both the definition of "U.S. person" in Rule 902 and the definition of "Non-United States person" under CFTC Rule 4.7.</p>
"VAT"	Value added tax.
"1933 Act"	the United States Securities Act of 1933 (as may be amended or re-enacted).

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

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

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

Unless otherwise defined in paragraph 1 above or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the Act or the FCA Handbook shall bear the same meanings in this Prospectus.

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. MANAGEMENT AND ADMINISTRATION OF THE SCHEME**

### **MANAGER**

The Manager of the Scheme is Thesis Unit Trust Management Limited. The Manager, for the purposes of COLL, is an authorised fund manager.

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

Registered Office and: Head Office	Exchange Building St John's Street Chichester West Sussex PO19 1UP
Telephone:	01243 531 234
Share Capital:	Issued and paid up £5,673,167
Directors:	D. W. Tyerman Chief Executive Officer S. R. Mugford Finance Director S. E. Noone Client Service Director D. K. Mytnik Non-Executive Director V. R. Smith Non-Executive Director C A E Lawson Independent Non-Executive Director S Macdonald Independent Non-Executive Director L R Robinson Independent Non-Executive Director C J Willson Independent Non-Executive Director N C Palios Non-Executive Chair

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

D W Tyerman is also a member of the governing body of TUTMAN LLP, an authorised fund manager within the same group as the Manager, performing senior management functions. He holds directorships of other companies within the Thesis group and performs senior management functions within Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Manager.

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

N C Palios is also a director of Tutman Fund Solutions Limited and a member of the governing body of TUTMAN LLP, both authorised fund managers within the same group as the Manager, performing a senior management function. She holds directorships of other companies within the Thesis group and performs a senior management function within Thesis Asset Management

Limited, which acts as an investment manager for some authorised funds operated by the Manager.

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

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

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

The Manager is authorised to carry on investment business in the United Kingdom and to market unit trust products by virtue of its authorisation and regulation by the FCA whose address is set out in Appendix 5.

The Manager has delegated the following functions to the parties listed below:

- a) Investment management to the Investment Managers named at the paragraph titled "Investment Managers"; and
- b) Registration, administration and fund accountancy of the Scheme to the Registrar, Administrator and Fund Accountant respectively.

As at the date of this Prospectus, Thesis Unit Trust Management Limited acts as authorised fund manager to other regulated collective investment schemes. Details of these schemes are set out in Appendix 4.

## **TRUSTEE**

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

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

The Trustee's registered and head office address is located at 250 Bishopsgate, London EC2M 4AA. The address of the Trustee's office (which handles matters relating to the Scheme) is set out in Appendix 5 in this Prospectus.

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

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

## **Duties of the Trustee**

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

## **Terms of Appointment**

The appointment of the Trustee as trustee has been made under the terms of the trust deed between the Manager and the Trustee (the **Trust Deed**). The Trustee has also been appointed as the depositary of the Scheme pursuant to the Depositary Agreement.

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

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

Under the Depositary Agreement the Trustee has the power to appoint a custodian and may include in such appointment powers to sub-delegate. The Trustee has delegated custody of the Scheme Property to The Northern Trust Company (the 'Custodian'). Contact details for the Custodian are set out in Appendix 5. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Scheme may invest to various sub-delegates ("sub-custodians").

A list of sub-custodians is set out in Appendix 3. Investors should note that the list of sub-custodians is updated only at each Prospectus review.

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

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

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

Details of the fees payable to the Trustee are set out in the paragraph titled "Trustee's Fees and Expenses".

## **Conflicts of interest**

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

It is possible that the Trustee and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Scheme, one or more unitholders, the Manager and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be

impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of unitholders collectively so far as practicable, having regard to its obligations to other clients

As the Trustee operates independently from the Scheme, unitholders, the Manager and its associated suppliers and the Custodian, the Trustee does not anticipate any conflicts of interest arising between any of the aforementioned parties.

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

### **Updated Information**

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

### **INVESTMENT MANAGERS**

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

#### **The provision of such investment management services and such co-ordination and monitoring services as the Manager from time to time requires:**

##### *Thesis Asset Management Limited*

A private limited company incorporated in England and Wales with number 1802101.

Thesis Asset Management Limited is authorised to carry on investment business by virtue of its authorisation and regulation by the Financial Conduct Authority.

Thesis Asset Management Limited is the only Investment Manager connected with the Manager, as it is in the same group as the Manager.

#### **The provision of investment management services and investment advice:**

##### *DSM Capital Partners LLC*

A limited liability company incorporated in the State of Delaware.

DSM Capital Partners LLC is regulated by the SEC (SEC CIK number 0001214639).

The registered office, and principal place of business for each of these companies, are set out in Appendix 5.

The appointments of the Investment Managers have been made under agreements between the Manager and the Investment Managers (the **Investment Manager Agreements**). DSM Capital Partners LLC has full discretionary powers over the investment of the property of the Scheme subject to the overall responsibility of the Manager.

The Investment Manager Agreements are terminable without notice by the Manager and on three months' notice by the Investment Manager. The Investment Manager Agreements may be terminated immediately if it is in the interests of investors. The Investment Managers will

be liable for certain losses suffered by the Manager or the Scheme. In the absence of fraud certain limitations may apply to an Investment Manager's liability.

The principal activities of the Investment Managers are the provision of fund management services and investment advice. The Investment Managers are authorised to deal on behalf of the Scheme. No commission is payable to the Investment Managers under their respective agreements with the Manager for any deal done or which could be done on behalf of the Scheme. Each of the Investment Managers is required to comply with its own execution policy. A copy of each Investment Manager's execution policy is available on request from the Manager, or may be available from each Investment Manager's website, listed in Appendix 5.

### **REGISTRAR, ADMINISTRATOR and FUND ACCOUNTANT**

The Manager has delegated the function of registrar, administrator and fund accountant to Northern Trust Global Services SE, UK branch (as the Registrar, Administrator and the Fund Accountant).

The address, for Northern Trust Global Services SE, UK branch, is set out in Appendix 5.

### **THE REGISTER**

The Register can be inspected at the Registrar's office which is located at 50 Bank Street, Canary Wharf, London E14 5NT.

### **AUDITORS**

The Auditors of the Scheme are Grant Thornton UK LLP whose principal place of business is at the address set out in Appendix 5.

## **3. CHARACTERISTICS AND INVESTMENT OBJECTIVES AND POLICY OF THE SCHEME**

### **CHARACTERISTICS OF THE SCHEME**

The name of the Scheme is The Eldon Fund and it is marketable to all retail investors. The Scheme is an authorised unit trust scheme and a UK UCITS. The Scheme is established in the UK and will be marketed to the public in the UK. It is not intended that the Scheme will be marketed outside the UK.

The Scheme was authorised and established on 16 February 1999 and launched on 1 March 1999. The FCA product reference number of the Scheme is 188627.

Historical performance figures for the Scheme are given at Appendix 1.

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

Unitholders are not liable for the debts of the Scheme.

The circumstances in which the Scheme may be wound up are set out under paragraph 14 below.

## **Base Currency**

The base currency of the Scheme is the US dollar.

## **Investment Objective**

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

There is no guarantee that this return will be achieved over any period and capital is at risk.

## **Investment Policy**

The Scheme will aim to achieve the objective through equity investment of at least 80%, in US based corporations (defined as companies incorporated, domiciled or with a significant proportion of their business in the US).

The Scheme may also invest in transferable securities (e.g. non US equities), money market instruments, treasury issues, bonds, deposits and cash or near cash investments.

Up to 100% of the above exposure may be gained directly or through the use of collective investment vehicles (including exchange traded vehicles and investment trusts), which may include collective investment vehicles managed by the Manager or its Associates or the Investment Managers or its Associates.

Normally, the Scheme will be fully invested and remain within the parameters set out above save in circumstances where cash needs to be held (which may be via liquidity/cash funds) to enable ready settlement of liabilities (including redemption of units), investment of new subscription monies and efficient management of the Scheme both generally and in relation to its strategic objectives. This amount will vary depending upon prevailing circumstances and there may also be times when the Investment Managers consider stock markets to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, as well as for the purpose of managing subscriptions and redemptions, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased.

**In addition, the Scheme may enter into derivative transactions for Efficient Portfolio Management (including hedging). This is not expected to increase the risk profile of the Scheme and its use is expected to be limited.**

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

### *Performance Comparator*

The Scheme uses the Investment Association North America peer group for performance comparison purposes only.

The peer group has been selected as a comparator for performance because the constituents are representative of the areas in which the Scheme itself is likely to invest, and it is therefore an appropriate comparator for the Scheme's performance.

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

notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

## **Investor Profile**

The Scheme is suitable for any type of investor who wishes to take a position in the US market, including those that are not interested in or informed about capital market topics, but who see investment funds as a convenient "savings" vehicle. It is also suitable for more experienced investors wishing to attain defined investment objectives.

## **RISK FACTORS**

### **Legal and Regulatory Risks**

Legal and regulatory (including taxation) changes could adversely affect the Scheme. Regulation (including taxation) of investment vehicles, such as the Scheme, are subject to change. The effect of any future legal or regulatory (including taxation) change on the Scheme is impossible to predict but could be substantial and have adverse consequences on the rights and returns of unitholders.

### **Conflicts Policy**

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

### **Exchange-Traded Funds**

Exchange Traded Funds (ETFs) are usually open-ended collective investment schemes, the units of which track an index, a commodity or a basket of assets like an index, but are traded like a stock on regulated markets and investment exchanges.

An investment by the Scheme in ETFs generally presents the same primary risks as an investment in a collective investment fund. The Scheme investing in ETFs is exposed not only to movements in the value of the underlying asset but also to the risk that the issuer or counterparty gets into financial problems. In addition, an ETF may be subject to the following risks:

- (a) a discount of the ETF's shares to its net asset value;
- (b) failure to develop an active or liquid trading market for the ETF's shares. The lack of a liquid secondary market, in particular, may make it very difficult for the Scheme to sell the ETFs it holds and there can be no guarantee that a secondary trading market will develop;
- (c) the listing/relevant exchange halting trading of the ETF's shares;
- (d) failure of the ETF's shares to track the quoted reference index;
- (e) the re-weighting of and

(f) the holding of troubled or illiquid securities in the quoted reference index.

Certain of the ETFs in which the Scheme may invest are leveraged and this can cause their prices to be more volatile and their value to fall below the value of the underlying asset. The more the Scheme invests in leveraged ETFs, the more this leverage will increase any losses on those investments.

ETFs may involve duplication of management fees and certain other expenses, as the Scheme indirectly bears their proportionate share of any expenses paid by the ETFs in which it invests and whilst most ETFs quote an on-going charge figure or a total expense ratio, swap-based ETFs and currency hedged ETFs may have additional costs which are not included in these figures.

### **Exchange Traded Notes**

Exchange Traded Notes (ETNs) are a type of unsecured, unsubordinated debt security, the returns of which are based on the performance of a market index minus applicable fees, combining both the aspects of bonds and exchange traded funds and traded on a major exchange(s).

ETNs are subject to credit risk, including the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark of strategy remaining unchanged. The general credit market environment can also affect the creditworthiness of the issuer, causing the value of the ETN to fluctuate significantly. Changes in interest rate conditions can also affect the value of the ETN. Generally, if interest rates fall, the value of these investments rises. Conversely, if interest rates rise, their value falls.

The value of an ETN may also be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in tracked assets, and economic, legal, political, or geographic events that affect the underlying asset that is tracked (or referenced) in the ETN.

Although most ETNs will quote an annual management charge ratio, this may not include all of the costs involved in running the investment and they do not always quote a total expense ratio figure.

### **Custody Risk**

The Trustee may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint custody agents. The Trustee or Custodian or custody agents may hold Financial Instruments in fungible accounts (meaning the assets are interchangeable) or omnibus accounts (resulting in accounts being combined). The use of omnibus accounts gives rise to a potential risk that there could be a shortfall in the Financial Instruments held in such an account should the total of the Financial Instruments be less than the aggregate entitlement of the Scheme. 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 Scheme may not recover all of its Financial Instruments.

### **Infectious diseases**

Infectious diseases that pose significant threats to human health may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious

diseases could significantly impact the value of the scheme property of the Scheme and the value of distributions paid to investors.

#### **4. INVESTMENT LIMITS**

##### **GENERAL**

The investment objective and policy set out in paragraph 3 above are subject to the limits on investment under COLL. These limits are summarised below.

Subject to these limits, the whole of the property of the Scheme may be invested in any of the permitted classes of assets described below.

Under normal circumstances, the Manager would expect substantially all of the Scheme Property to be invested in investments appropriate to the Scheme's investment objectives, with not more than 10% held in cash.

**However, from time to time and in particular during periods of uncertain or volatile markets, the Manager may choose to hold a substantial proportion of the property of the Scheme in approved money market instruments and/or cash deposits.** The Manager may also hold cash or near cash to the extent this is reasonably necessary to enable pursuit of the Scheme's investment objectives, the redemption of units, the efficient management of the Scheme or other purposes ancillary to the Scheme's investment objectives.

##### **APPROVED SECURITIES**

The Scheme property may be invested in approved securities with no maximum limit. In order to qualify as an approved security, the market upon which the security is traded must meet certain criteria as laid down in COLL.

Eligible markets include any market established in the UK, a member state of the European Union or the European Economic Area ("member state") on which transferable securities admitted to official listing in the UK or member state are dealt in or traded.

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

- a) is regulated;
- b) operates regularly;
- c) is recognised;
- d) is open to the public;
- e) is adequately liquid; and
- f) has adequate arrangements for unimpeded transmission of income and capital to, or to, the orders of investors.

The eligible securities markets for the Scheme are set out in Appendix 2 to this Prospectus.

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

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

## **TRANSFERABLE SECURITIES**

- 1) Transferable securities are, in general terms, shares, debentures, government and public securities, or certificates representing certain securities (as such terms as defined by the FCA Glossary). Not more than 10% in value of the scheme property can be invested transferable securities which are not approved securities.
- 2) The Scheme Property may be invested in transferable securities on which any sum is unpaid only if it is reasonable to believe that the amount of any existing and potential call for any sum unpaid could be paid by the Scheme, at the time when payment is required, without contravening the requirements of COLL.
- 3) The Scheme may invest in transferable securities only to the extent that the security fulfils the following criteria:
  - a) the potential loss which the Scheme may incur with respect to holding the security is limited to the amount paid for it;
  - b) its liquidity does not compromise the Manager's ability to comply with its obligation to redeem units at the request of any qualifying unitholder;
  - c) reliable valuation is available for it as specified in COLL;
  - d) appropriate information is available for it as set out in COLL;
  - e) it is negotiable; and
  - f) its risks are adequately captured by the Manager's risk management process (see paragraph 15.1).
- 4) Unless there is information available to the Manager that would lead to a different determination, a security which is admitted to or dealt in on an eligible market shall be presumed to satisfy criteria (b) and (e) in paragraph (3) above.
- 5) A unit in a closed ended fund shall be taken to be a transferable security for the purposes of investment by the Scheme provided it fulfils criteria (a) to (f) in paragraph (3) above, and either:
  - (a) where the closed ended fund is constituted as an investment company or a unit trust:
    - (i) it is subject to corporate governance mechanisms applied to companies; and
    - (ii) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
  - (b) where the closed ended fund is constituted under the law of contract:

- (i) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
  - (ii) it is managed by a person who is subject to national regulation for the purpose of investor protection.
- 6) The Scheme may invest in an investment which shall be taken to be a transferable security provided it:
- (a) fulfils the criteria for transferable securities set out in paragraphs (a) to (f) in paragraph 3 above; and
  - (b) is backed by or linked to the performance of other assets, which may differ from those in which the Scheme can invest.

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

### **MONEY MARKET INSTRUMENTS**

The Scheme may invest in approved money-market instruments.

- 1) An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.
- 2) A money-market instrument is regarded as normally dealt in on the money market if it:
  - a) has a maturity at issuance of up to and including 397 days;
  - b) has a residual maturity of up to and including 397 days;
  - c) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
  - d) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in (a) or (b) above or is subject to yield adjustments as set out in (c) above.
- 3) A money-market instrument is regarded as liquid if it can be sold at limited cost in an adequately short timeframe, taking into account the obligation of the Manager to redeem units at the request of any qualifying unitholder.
- 4) A money-market instrument is regarded as having a value which can be accurately determined at any time if accurate and reliable valuation systems, fulfilling criteria set out in COLL, are available.
- 5) A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market is presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager which would lead to a different determination.
- 6) Not more than 10% in value of the Scheme Property is to consist of approved money market instruments which do not fulfil the following criteria:

- a) the instrument is listed or normally dealt on an eligible market; or
  - b) the issue or the issuer is regulated for the purpose of protecting investors and savings, and the instrument is:
    - i) issued or guaranteed by a central authority of the United Kingdom or an EEA State or, if the EEA State is a federal state, one of the members making up the federation; a regional or local authority of the United Kingdom or an EEA State; the Bank of England, the European Central Bank or a central bank of an EEA State; the European Union or the European Investment Bank; a non-EEA State or, in the case of a federal state, one of the members making up the federation; a public international body to which the United Kingdom or one or more EEA States belong; or
    - ii) issued by a body, any securities of which are dealt on an eligible market; or
    - iii) issued or guaranteed by (a) an establishment which is subject to prudential supervision in accordance with criteria defined by UK or EU law or (b) an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or by EU law.
- 7) An establishment shall be considered to satisfy the requirement in paragraph (b) (iii)(b) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
- (a) it is located in the European Economic Area;
  - (b) it is located in an OECD country belonging to the Group of Ten;
  - (c) it has at least investment grade rating;
  - (d) on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

## **DERIVATIVES AND FORWARD TRANSACTIONS**

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

- a. the transaction is of a kind specified in COLL, as summarised below; or
- b. the transaction is covered, as required by COLL.

Where the Scheme invests in derivatives, the exposure to the underlying assets must not exceed the limits specified under the heading "Spread" below.

Where a transferable security or approved money market instrument embeds a derivative, this must be taken into account for the purposes of complying with these requirements.

A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market or comply with the requirements for transactions in OTC derivatives described below.

A transaction in a derivative must not cause the Scheme to diverge from its investment objectives as stated in this Prospectus.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money market instruments, units in collective investment schemes, or derivatives provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R(1), as read in accordance with the guidance at COLL 5.2.22AG, are satisfied..

Any forward transaction must be with an approved counterparty under COLL.

The Scheme may not undertake transactions in derivatives on commodities.

A derivative includes an instrument which fulfils the following criteria:

- a. it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
- b. it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR including cash;
- c. in the case of an OTC derivative, it complies with the requirements in COLL 5.2.23R;
- d. its risks are adequately captured by the risk management process of the Manager, and by its internal control mechanisms in the case of risks of asymmetry of information between the Manager and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

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

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

This requirement does not apply to a deposit.

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

A transaction in an OTC derivative must be:

- 1) with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is:
  - i) an Eligible Institution or an Approved Bank; or
  - ii) a person whose permission (including any requirements or limitations), as published in the Financial Services Register provided by the FCA, permits it to enter into the transaction as principal off-exchange;

- iii) a CCP that is authorised in that capacity for the purposes of EMIR;
  - iv) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
  - v) to the extent not already covered above, a CCP supervised in a jurisdiction that:
    - (1) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the UK; and
    - (2) 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;
- 2) on approved terms. The terms of the transaction in derivatives are approved only if the Manager:
- 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 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;
- 3) capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager 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 Manager and the Trustee have agreed is reliable; or
  - b) if the value referred to in 3)(a) above is not available on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- 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 Manager is able to check it; or
  - b) a department within the Manager which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

For the purposes of paragraph 2) above "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.

The Trustee must take reasonable care to ensure that the Manager has systems and controls that are adequate to ensure compliance with paragraphs 1) to 4) above.

The following additional provisions apply:

- 1) The Manager must:
  - a) establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Scheme to OTC derivatives; and
  - b) ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- 2) Where the arrangements and procedures referred to in paragraph a) above involve the performance of certain activities by third parties the Manager must comply with the requirements of SYSC 8.1.13R (Additional requirements for a management company) and COLL 6.6A4R (4) to (6) (Due diligence requirements for Managers of UK UCITS).
- 3) The arrangements and procedures referred to in paragraph a) above must be:
  - a) adequate and proportionate to the nature and complexity of the OTC derivative concerned; and
  - b) adequately documented.
- 4) The Scheme may invest in derivatives and forward transactions as part of its investment policy provided:
  - a) its global exposure relating to derivatives and forward transactions held in the Scheme do not exceed the net value of the scheme property; and
  - b) its global exposure to the underlying assets do not exceed in aggregate the investment limits laid down in the "Spread" section set out below.
- 5) The Manager must calculate the global exposure of the Scheme on, at least, a daily basis in accordance with the methods described in COLL 5.3.7R to COLL 5.3.10R.
- 6) For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and time available to liquidate the positions.
- 7) The Manager must calculate the global exposure of the Scheme either as:
  - a) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in COLL 5.2.19(R)(3A)), which may not exceed 100% of the net value of the scheme property of the Scheme by way of the commitment approach; or
  - b) the market risk of the scheme property of the Scheme by way of the value at risk approach.
- 8) The Manager must ensure that the method selected above is appropriate, taking into account:
  - a) the investment strategy pursued by the Scheme;
  - b) the types and complexities of the derivatives and forward transactions used; and

- c) the proportion of the scheme property comprising derivatives and forward transactions.
- 9) Where the Scheme employs techniques and instruments including repo contracts or stock lending transactions in order to generate additional leverage or exposure to market risk, the Manager must take those transactions into consideration when calculating global exposure.
- 10) For the purposes of this section, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.
- 11) Where the Manager uses the commitment approach for the calculation of global exposure, it must:
  - a) ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in COLL5.2.19(R)(3A), whether used as part of the Scheme's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management; and
  - b) convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).

The Manager may apply other calculation methods which are equivalent to the standard commitment approach.

For the commitment approach the Manager may take account of netting and hedging arrangements when calculating global exposure of the Scheme, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.

Where the use of derivatives or forward transactions does not generate incremental exposure for the Scheme, the underlying exposure need not be included in the commitment calculation.

Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Scheme need not form part of the global exposure calculation.

The eligible derivatives markets are set out in Appendix 2.

**Approved derivatives transactions are for the purpose of hedging only: it is, therefore, anticipated that the outcome of the use of derivatives would be principally to hedge against currency risks and to reduce, rather than to increase, the risk profile of the Scheme. Movements in currencies may, however, render such hedging ineffective.**

## **DEPOSITS**

**The Scheme may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn and maturing in no more than 12 months.**

## **COLLECTIVE INVESTMENT SCHEMES**

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

provided that not more than 30% of the value of the Scheme will be invested in second schemes within paragraphs 2-5 below:

- (1)
  1. it is a UK UCITS or a scheme that satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
  2. it is a recognised scheme recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR, as set out in paragraph (1)(C), are met); or
  3. it is authorised as a Non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1)(a), (3) and (4) are met); or
  4. it is authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or
  5. it is authorised by the competent authority of an OECD member country (other than another EEA State) which has:
    - i) signed the IOSCO Multilateral Memorandum of Understanding; and
    - ii) approved the scheme's management company, rules and depositary/custody arrangements;(provided the requirements of COLL 5.2.13AR are met).
- (2) it complies, where relevant, with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes);
- (3) it has terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes; and
- (4) where the second scheme is an umbrella, the provisions in paragraphs (2) and (3) above and COLL 5.2.11R (Spread: general) apply to each sub-fund as if it were a separate scheme.

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

B. Where a substantial proportion of the Scheme's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged to the Scheme, and to the other collective investment schemes in which it invests, should not exceed 2% per annum plus VAT (if applicable).

C. The requirements of COLL 5.2.13AR are that:

- a) the second scheme is an undertaking:
  - a. with the sole objective of collective investment in transferable securities or in other liquid financial assets, as referred to in Section 5 of COLL, of capital raised from the public and which operate on the principle of risk spreading; and

b. with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption).

- b) the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the UK, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured:
- c) the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UK UCITS, and in particular that the rules asset segregation, borrowing, lending and uncovered sales of transferable securities and approved money market instruments are equivalent to the requirements of Section 5 of COLL; and
- d) the business of the second scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.

D. Where the Scheme makes an investment in, or disposal of, units or shares of a second scheme detailed in paragraph (1)(A), and there is a charge in respect of such investment or disposal, the Manager must pay the Scheme the amount referred to in either paragraph (1)(E) or paragraph (1)(F) within four Business Days following the date of the agreement to invest or dispose.

E. When an investment is made, the amount referred to in paragraph (1)(D) is either:

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

F. When a disposal is made, the amount referred to in paragraph (1)(D) is any charge made for the account of the authorised fund manager or operator of the second scheme or an associate of any of them in respect of the disposal.

G. In paragraphs (1)(E) and (1)(F) above:

- a) any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy or dilution adjustment, is to be treated as part of the price of the units and not as part of any charge; and
- b) any switching charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

## **SPREAD: GENERAL**

- (A) This paragraph does not apply in respect of a transferable security or an approved money-market instrument to which paragraph "Spread: government and public securities" applies.
- (B) For the purposes of this paragraph "Spread: general", companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards, are regarded as a single body.
- (C) The specific limits are set out as follows:
  - (1) not more than 5% of the value of the Scheme Property is to consist of transferable securities or money market instruments issued by a single body (in application of which certificates representing certain securities are treated as equivalent to the underlying security) but the figure of 5% may be increased to 10% in respect of up to 40% of the value of the scheme property;
  - (2) The limit of 5% in paragraph (1) above is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when the Scheme invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% of the Scheme.
  - (3) not more than 20% in value of the Scheme Property is to consist of deposits with a single body;
  - (4) the exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property (or 10% where the counterparty is an Approved Bank);
  - (5) not more than 20% in value of the Scheme Property is to consist of transferable securities or money market instruments issued by the same group;
  - (6) not more than 20% in value of the Scheme Property is to consist of the units of any one collective instrument scheme;
  - (7) in applying the limits in (1), (3) and (4), in relation to a single body, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
    - 1. transferable securities or money market instruments issued by that body; or
    - 2. deposits made with that body;
    - 3. exposure from OTC derivatives transactions made with that body.
  - (8) the Manager must ensure that counterparty risk arising from an OTC derivative transaction is subject to the limits set out in paragraphs (4) and (7) above;
  - (9) where calculating the exposure of the Scheme to a counterparty in accordance with the limits set out in paragraph (4), the Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty;

- (10) the Manager may net the OTC derivative positions for the Scheme with the same counterparty; provided:
  1. it is able, legally, to enforce netting arrangements with the counterparty on behalf of the Scheme; and
  2. the netting agreements referred to above do not apply to any other exposures the Scheme may have with that same counterparty;
- (11) the Manager may reduce the exposure of the Scheme Property to a counterparty to an OTC derivative transaction through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation;
- (12) the Manager must take collateral into account in calculating exposure to counterparty risk in accordance with the limits set out in paragraph (4) when it passes collateral to the counterparty to an OTC derivative transaction on behalf of the Scheme;
- (13) collateral passed in accordance with paragraph (12) above may be taken into account on a net basis only if the Manager is able, legally, to enforce netting arrangements with this counterparty on behalf of the Scheme;
- (14) the Manager must calculate the issuer concentration limits referred to in the paragraphs above on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach; and
- (15) in relation to exposures arising from OTC derivative transactions, as referred to in paragraph (12), the Manager must include in the calculation any counterparty risk relating to the OTC derivatives transactions.

### **SPREAD: GOVERNMENT AND PUBLIC SECURITIES**

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

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

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

### **3 The Scheme may invest more than 35% in value of the Scheme Property in such securities issued by any one body, provided that:**

- (1) the Manager has before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Scheme;**

- (2) no more than 30% in value of the Scheme Property consists of such securities of any one issue; and**
- (3) the Scheme Property includes such securities issued by that or another issuer, of at least six different issues.**

In relation to such securities:

- (1) issue, issued and issuer include guarantee, guaranteed and guarantor; and
- (2) an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

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

**More than 35% in value of the Scheme Property may be invested in such securities issued by:**

- 1. the Government of the United Kingdom; or**
- 2. the Government of the United States of America.**

#### **SIGNIFICANT INFLUENCE**

In addition to any constraint contained above, the Scheme may not acquire or hold:

- (1) transferable securities issued by a body corporate carrying in aggregate 20% or more of the votes which may be cast at a general meeting of that body corporate;
- (2) non-voting shares representing more than 10% of the issued share capital of the issuing body corporate;
- (3) more than 25% of the units in a collective investment scheme;
- (4) more than 10% of the debt securities issued by any single issuing body; or
- (5) more than 10% of the money market instruments issued by a single body.

The Manager must not acquire, or cause to be acquired for the Scheme, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

- (i) immediately before the acquisition, the aggregate of any such securities held for the Scheme, taken together with any such securities already held for other AUTs or ACSs of which the Manager is also the authorised fund manager, gives the Manager power significantly to influence the conduct of business of that body corporate; or
- (ii) the acquisition gives the Manager that power.

For the purposes of the above, the Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable

securities held for all the AUTs or ACSs of which it is the authorised fund manager, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## **GENERAL**

The Scheme may not acquire any investment which has an actual contingent liability attached unless the maximum amount of such liability is ascertainable at the time of acquisition.

### **5. BORROWING POWERS**

The Trustee of the Scheme may, in accordance with COLL and with the instructions of the Manager, borrow sums of money for the use of the Scheme on terms that the borrowing is repayable out of the property of the Scheme. The power to borrow is subject to the obligation that the Scheme complies with any restriction in the Trust Deed.

Such borrowings must be made from Eligible Institutions or an Approved Bank and the period of borrowings must not exceed three months without the prior consent of the Trustee. Borrowings must not exceed 10% of the value of the property of the Scheme.

The Manager must ensure that borrowing is on a temporary basis and that borrowing is not persistent. For this purpose the Manager must have regard to:

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

These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes, i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates.

### **6. EFFICIENT PORTFOLIO MANAGEMENT**

The Manager may utilise the property of the Scheme to enter into transactions for the purposes of hedging and efficient portfolio management. There is no limit on the amount of the property of the Scheme which may be used for these purposes, but there are three broadly based requirements which the Manager has adopted:

- a) The transactions must be **economically appropriate** for the purposes of efficient portfolio management.
- b) The exposure must be **fully covered** by cash or other property sufficient to meet any obligation to pay or deliver that could arise.
- c) The transactions must be entered into for one or more of three specific aims, namely:-
  - (i) the reduction of risk;
  - (ii) the reduction of cost; or
  - (iii) the generation of additional capital or income for the Scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in COLL.

The first two aims, together or separately, allow for tactical asset allocation; that is a switch in exposure through the use of derivatives rather than through the sale and purchase of underlying property.

Similarly, the aim of reduction of risk allows for the use of derivatives with a view to switching the currency exposure of all or part of the underlying Scheme property away from a currency which the Manager considers to be unduly prone to risk.

**Efficient portfolio management techniques may be utilised by the Scheme when considered appropriate.**

**STOCK LENDING**

As an element of efficient portfolio management the Manager may request the Trustee to enter into stock lending transactions in respect of the Scheme. However, the purpose of the stock lending transaction must be for the generation of capital or income for the Scheme with no, or an acceptably low, degree of risk.

The Scheme may only enter into a stock lending arrangement in accordance with the rules in COLL 5.4 if the arrangement or contract is:

- a) for the account of and for the benefit of the Scheme; and
- b) in the interests of the Scheme's unitholders.

Such an arrangement will not be in the interests of unitholders unless it reasonably appears to the Manager to be appropriate with a view to generating additional income for the Scheme with no, or an acceptably low, degree of risk.

Briefly, such transactions are those where the Trustee delivers the securities which are the subject of the transaction, in return for which it is agreed that securities of the same kind and amount should be re-delivered at a later date. The Trustee at the time of delivery of the securities, receives assets as collateral to cover the risk that the securities are not returned. Such transactions must always comply with the relevant requirements of the Taxation of Chargeable Gains Act 1992 and the specific rules in COLL. There is no limit on the value of the property of the Scheme which may be the subject of stock lending transactions.

**7. THE CHARACTERISTICS OF UNITS IN THE SCHEME**

**TYPE OF UNITS**

The Trust Deed permits the issue of both income and accumulation units. Both types of units are available. Net income receivable in respect of income units is distributed to unitholders. A unit represents one undivided share in the capital property of the Scheme. Each undivided unit ranks *pari passu* with the other undivided units in the Scheme.

The nature of the right represented by units is that of a beneficial interest under a trust.

Units in the Scheme are not listed, or dealt in, on any investment exchange.

**ACCOUNTING AND INCOME DISTRIBUTION DATES**

The Scheme's annual accounting reference and half yearly accounting dates are

Annual Accounting Reference Date:	31 January
Annual Income Allocation Date:	31 May
Half Yearly Accounting Date:	31 July
Half Yearly Income Allocation Date:	30 November

Distributions of income for the Scheme are made on or before the annual income allocation date and on or before the half yearly income allocation date each year.

Each holder of income units is entitled, on the half yearly and annual income allocation dates, to the net income attributable to their holding.

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

Distributions shall be paid in US dollars unless the unitholder has requested in writing to the Manager that distributions shall be paid in pounds sterling.

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

Any distribution that remains unclaimed for a period of 6 years after the distribution became due for payment will be forfeited and shall revert to the Scheme.

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

The annual long reports will be published within four months from the end of each annual accounting period and are available to unitholders on request. The half-yearly reports will be published within two months of each interim accounting period.

## **CURRENCY RISK**

**The value of units and of distributions in any currency other than US dollars will be affected by exchange rate fluctuations which may be upwards or downwards.**

## **CERTIFICATES AND TITLE**

No certificates are issued to unitholders.

Title to units is evidenced by the entry on the Register.

## **8. MEETINGS AND VOTING RIGHTS**

8.1 For the purposes of this paragraph 8:

- 8.1.1 a "physical meeting" is a general meeting convened at a physical location where unitholders, or their proxy, must be physically present;
- 8.1.2 a "hybrid meeting" is a general meeting which allows unitholders, or their proxy, to be physically present at the location where the meeting is convened, or to attend and vote remotely; and
- 8.1.3 a "virtual meeting" is a general meeting where all unitholders, or their proxy, attend and vote remotely.
- 8.2 The provisions below, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of unitholders.
- 8.3 The Manager and the Trustee may convene a general meeting of unitholders at any time in accordance with the FCA Rules. The Manager may hold a virtual meeting or a hybrid meeting as this is not inconsistent with any provisions in the Trust Deed.
- 8.4 Unitholders may request the convening of a general meeting by a requisition which must:
  - 8.4.1 state the objective of the meeting;
  - 8.4.2 be dated;
  - 8.4.3 be signed by unitholders who, at that date, are registered as the unitholders of Units representing not less than one-tenth in value of all of the Units then in issue; and
  - 8.4.4 be deposited with the Trustee.
- 8.5 Any unitholder who participates remotely in a hybrid meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights as a unitholder who is physically present at the meeting.
- 8.6 Any unitholder who participates in a virtual meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights that the unitholder would have at a physical meeting.
- 8.7 Any unitholder who participates remotely may do so without having to appoint a proxy and is not required to submit their vote on a resolution in advance of the meeting.
- 8.8 A meeting of unitholders, duly convened and held shall be competent by extraordinary resolution to require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the relevant regulations.
- 8.9 An extraordinary resolution is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for the resolution at a general meeting, or, as the case may be, a Class meeting of unitholders.
- 8.10 Except where an extraordinary resolution is specifically required or permitted, any resolution of unitholders is passed by a simple majority of the votes validly cast.
- 8.11 A meeting of unitholders has no powers other than those contemplated by the FCA Rules.
- 8.12 Where a meeting of unitholders is convened by the Manager or the Trustee, unitholders must receive at least 14 days' written notice (inclusive of the date on

which the notice is first served and the day of the meeting) and the notice shall specify:

- 8.12.1 whether the meeting is to be a physical meeting, a hybrid meeting or a virtual meeting;
  - 8.12.2 if the meeting is a physical meeting or a hybrid meeting, the place of the meeting;
  - 8.12.3 if the meeting is a hybrid meeting or a virtual meeting, the means by which a unitholder may participate, including any requirements for unitholders to register before the meeting begins or to provide proof of their right to attend, and an explanation of how participating unitholders may vote in a show of hands or in a poll, if they do not appoint a proxy;
  - 8.12.4 the day and hour of the meeting;
  - 8.12.5 the terms of the resolutions to be proposed; and
  - 8.12.6 the address of the website where the minutes of the meeting will subsequently be published.
- 8.13 Where the notice is served by the Manager a copy shall be sent to the Trustee.
- 8.14 The accidental omission to give notice to, or the non-receipt of notice by any unitholder will not invalidate the proceedings at any meeting.
- 8.15 Notice of an adjourned meeting of unitholders must be given to each unitholder, stating that while two unitholders are required to be present, in person, by proxy or remotely, to constitute a quorum at the adjourned meeting, this may be reduced to one in accordance with COLL 4.4.6R(3), should two such unitholders not be present after a reasonable time of convening of the meeting.
- 8.16 Where the meeting is a hybrid meeting or a virtual meeting, the Manager shall take reasonable care to ensure that the necessary supporting technology to enable unitholders to attend and vote is in place at the start of the meeting and operates adequately throughout its proceedings, so that unitholders who attend or vote remotely are not unfairly disadvantaged.
- 8.17 The quorum at a meeting of unitholders shall be two unitholders present in person, by proxy or (where applicable) remotely using the means specified in the notice. If, after a reasonable time after the start of the meeting, a quorum is not present, the meeting:
- 8.17.1 if convened on the requisition of unitholders, must be dissolved;
  - 8.17.2 in any other case, must stand adjourned to:
    - 8.17.2.1 a day and time which is seven or more days after the day and time of the meeting;
    - 8.17.2.2 in the case of a physical meeting or a hybrid meeting, a place to be appointed by the chair; and
  - 8.17.3 if, at an adjourned meeting under paragraph 8.17.2 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.

- 8.18 The chair of a meeting which permits unitholders to attend and vote remotely shall take reasonable care to give such unitholders:
- 8.18.1 an adequate opportunity to be counted as present in the quorum; and
  - 8.18.2 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.
- 8.19 In the case of an equality of votes cast, the chair is entitled to a casting vote.
- 8.20 At any meeting of unitholders, on a show of hands every unitholder who is present in person or who attends the meeting remotely using the means specified in the notice, shall have one vote.
- 8.21 On a poll, votes may be given either personally or by proxy or in another manner permitted by the Trust Deed. The voting rights for each unit must be the proportion of the voting rights attached to all of the Units in issue that the price of the Units bears to the aggregate price or prices of all of the Units in issue at a cut-off date selected by the Manager which is a reasonable time before notice of the meeting is sent out.
- 8.22 A unitholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way. For joint unitholders, the vote of the first unitholder, or the proxy of the first unitholder, stated in the Register will be accepted to the exclusion of the votes of other joint Unitholders.
- 8.23 In the context of despatch of notice, "unitholders" means the persons who were entered in the Register seven days before the notice of meeting was given but excluding persons who are known not to be entered on the Register at the date of despatch of the notice.
- 8.24 To be included in the quorum and entitled to vote at the meeting, "unitholders" means the persons entered on the Register at a time determined by the Manager and stated in the notice of the meeting, which must not be more than 48 hours before the time fixed for the meeting.
- 8.25 The Manager is not entitled to vote at or be counted in a quorum at a meeting of unitholders in respect of Units held or deemed to be held by the Manager, except where the Manager holds Units on behalf of, or jointly with, a person who, if themselves the sole registered unitholder would be entitled to vote, and from whom the Manager has received voting instructions. Associates of the Manager are entitled to be counted in a quorum and, if they hold Units on behalf of a person who would have been entitled to vote if they had been a registered unitholder and they have received voting instructions from that person, may vote in respect of such Units pursuant to such instructions.
- 8.26 The Manager will publish the minutes on a website accessible to the general public without charge, no later than five Business Days after the meeting has taken place (but in the case of an original meeting which is adjourned, the minutes will be published no later than five Business Days after the adjourned meeting has taken place).
- 8.27 Any notice or document to be served upon a unitholder will be duly served if it is:
- 8.27.1 delivered to the unitholder's address as appearing in the Register; or
  - 8.27.2 sent using an electronic medium in accordance with paragraph 8.31 and 8.32 below.

- 8.28 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.
- 8.29 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.
- 8.30 Any notice or document served by post on one joint unitholder is deemed to also have been served on each other joint unitholder whose address, as appearing on the Register, is the same address to which the notice or document was sent.
- 8.31 Any document or notice to be served on, or information to be given to a unitholder, must be in legible form. For this purpose, any form is a legible form if it:
- 8.31.1 is consistent with the Manager's knowledge of how the recipient of the document wishes or expects to receive the document;
  - 8.31.2 is capable of being provided in hard copy by the Manager;
  - 8.31.3 enables the recipient to know or record the time of receipt; and
  - 8.31.4 is reasonable in the context.
- 8.32 Any requirement that a document be signed may be satisfied by an electronic signature or electronic evidence of assent. Where transfer of title to Units is to be effected on the authority of an electronic communication, the Manager must take reasonable steps to ensure that any electronic communication purporting to be made by the unitholder or their agent is in fact made by that person.
- 8.33 Changes to the Scheme are classified as fundamental, significant or notifiable.
- 8.34 The Manager must obtain the prior approval of unitholders by extraordinary resolution for any proposed change to the Scheme which constitutes a "fundamental change". This is a change or event which:
- 8.34.1 changes the purpose or nature of the Scheme;
  - 8.34.2 may materially prejudice a unitholder;
  - 8.34.3 alters the risk profile of the Scheme; or
  - 8.34.4 introduces a new type of payment out of the Scheme Property.
- 8.35 The Manager must give prior written notice to unitholders of any proposed change which constitutes a "significant change". This is a change or event which is not fundamental, but which:
- 8.35.1 affects a unitholder's ability to exercise their rights in relation to their investment;
  - 8.35.2 would reasonably be expected to cause the unitholder to reconsider their participation in the Scheme;
  - 8.35.3 results in any increased payments out of the Scheme Property to the Manager, or an associate of the Manager; or
  - 8.35.4 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.

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

## 9 **PRICING OF UNITS**

### **VALUATION OF PROPERTY**

The valuation of the Scheme will normally take place at 12.00 noon (the valuation point) on each Dealing Day. The valuation determines the net asset value of the Scheme. The Scheme will be valued, and units priced, in US dollars.

The Scheme Property will be valued using the dual pricing method.

The Manager calculates prices at which you buy and sell units, in accordance with the provisions for dual pricing set out below. The basis of the calculation is the value of the underlying assets of the Scheme. The Scheme is valued either on a bid basis or on an offer basis, as appropriate. The maximum permitted spread is wider than the spread the Manager normally quotes for dealing, but the Manager may deal at any prices calculated in accordance with the provisions set out below and notified to the Trustee. The maximum offer price may not exceed the total of the issue price plus the preliminary charge. The minimum bid price may not be less than the cancellation price less any redemption charge.

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

The issue price is calculated as follows:

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

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

The cancellation price is calculated as follows:

- (a) take the proportion, attributable to the units of the class in question, of the value on the cancellation basis of the scheme property by reference to the most recent valuation of the scheme property;
- (b) compute the number of units of the relevant class in issue immediately before the valuation in (a);

- (c) divide the total at (a) by the number of units at (b); and
- (d) express the price in a form that is accurate to at least four significant figures.

With the Trustee's prior agreement or if the Trustee requires it, the Manager may temporarily suspend the sale and redemption of units but only in exceptional circumstances. The paragraph titled "Suspension, Mandatory Cancellation and Redemption" below sets out details.

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

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

The Scheme will be valued on a net asset value basis to determine the price of the units ("NAV price"). Units will be redeemed at the NAV price and purchased at a price that includes a preliminary charge at the rate applying to the Scheme (see "Charges and expenses of the Scheme"). Out of the preliminary charge, the Manager may pay commission to qualifying intermediaries.

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

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

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

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

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

- (i) if the Trustee has been instructed to issue or cancel units, assume (unless the contrary is shown) that:
  - (a) it has done so;
  - (b) it has paid or been paid for them; and
  - (c) all consequential action required by these provisions or by the trust deed has been taken;
- (ii) if the Trustee has issued or cancelled units but consequential action as at (i)(c) is outstanding, assume that it has been taken;
- (iii) if agreements for the conditional sale or purchase of property are in existence but uncompleted, assume:

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

- (b) in the case of a margined contract, any amount reasonably anticipated to be received by way of variation margin (that is the difference in price between the last settlement price, whether or not variation margin was then receivable, and the price of the contract at the valuation point);
- (c) any SDRT provision anticipated to be received.

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

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

#### Notes

1. The issue price is taken, instead of the maximum sale price, if the Manager of the fund whose scheme property is being valued is also the Manager, or an associate of the Manager, of the fund whose units form part of that property.

- 2 "Dealing costs" means any fiscal charges, commission or other charges payable in the event of the fund carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the fund are the least that could reasonably be expected to be paid in order to carry out the transaction. On the issue basis, dealing costs exclude any preliminary charge on sale of units in a fund.
3. Dealing costs under note 2 include any dilution levy or SDRT provision which would be added in the event of a purchase by the fund of the units in question but, if the Manager of the fund being valued, or an associate of the Manager, is also the Manager of the fund whose units are held by the fund, must not include a preliminary charge which would be payable in the event of a purchase by the fund of those units.
4. The buyer's price is the consideration which would be paid by a buyer for an immediate transfer or assignment (or, in Scotland, assignation) to them at arm's length.
5. Estimate the premium on writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded; but deduct dealing costs.
6. Estimate the amount of profit or loss receivable or incurable by the fund on closing out the contract. Deduct minimum dealing costs in the case of profit and add them in the case of loss.
7. Estimate the amount of margin (whether receivable or payable by the fund on closing out the contract) on the best terms then available on the most appropriate market on which such contacts are traded. If that amount is receivable (for example, the contract is "in the money") deduct minimum dealing costs. If, however, that amount is payable (for example, the contract is "out of money") then add minimum dealing costs to the margin and the value is that figure as a negative sum.
- 8, If the property is an OTC transaction in derivatives, use the valuation based on the pricing model agreed between the Manager and the Trustee, or some other reliable basis reflecting an up-to-date market value which has been so agreed.

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

Property		To be valued at
(a)	Cash	nominal value
(b)	Amounts held in current deposit and loan accounts	nominal value
(c)	Property which is not within (a), (b) or (d):	
	(i) a dual-priced authorised fund	except where Further Note 1 applies, the most recent minimum redemption price (less dealing costs as set out in Further Note 2)

	(ii)	if units in a single-priced authorised fund	the most recent price (less dealing costs as set out in Further Notes 2 and 3)
	(iii)	if any other investment	best available market dealing bid price on the most appropriate market in a standard size (less dealing costs as set out in Further Notes 2 and 4)
(d)	Property which is a derivative under the terms of which there may be liability to make, for the account of the Scheme, further payments (other than charges, and whether or not secured by margin) when the transaction in the derivative falls to be completed or upon its closing out.		
	(i)	if a written option	to be deducted at a net valuation of premium (see Further Notes 5 and 8)
	(ii)	if an off-exchange future	net value of closing out (see Further Note 8)
	(iii)	if any other such property	net value of margin on closing out (whether as a positive or negative figure) (see Further Notes 6 and 8)

### Further Notes

1. The cancellation price is taken instead of the minimum redemption price if the property, if sold in one transaction, would amount to a large deal. A "large deal" for these purposes is a transaction where the value of the property being sold or redeemed is £100,000 or more.
2. "Dealing costs" has the meaning set out in Note 2 above in respect of the issue price. Dealing costs include any charge payable on redemption of units in a fund (taking account of any expected discount), except where the Manager of the fund whose property is being valued is also the Manager, or an associate of the Manager, of the fund whose units form part of that property.
3. Dealing costs under Further Note 2, include any dilution levy or SDRT provision which would be deducted in the event of a sale by the fund of the units in question and, except when the Manager of the fund being valued, or an associate of the Manager, is also the Manager of the fund whose units are held by the fund, include any charge payable on the redemption of those units (taking account of any expected discount).
4. The Seller's price is the consideration which would be received by a seller for an immediate transfer or assignment (or, in Scotland, assignation) from them at arm's length, less dealing costs.
5. Estimate the premium on writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded, and add dealing costs.
6. For off-exchange futures, see Note 6 above in respect of the issue price.

7. For net value of margin see Note 7 above in respect of the issue price.
8. For over the counter transactions in derivatives, see Note 8 above in respect of the issue price.

## **PRICING BASIS**

The Manager currently elects to deal on a forward basis, being the price calculated by reference to the valuation point next following the Manager's agreement to sell, or as the case may be, to redeem the units in question.

The Manager may, subject to certain conditions and with the agreement of the Trustee, change the basis of dealing. In general the rules are as follows:

- a) If the Manager's choice is forward, all deals must be at a forward price and the election lasts until the end of the dealing period.
- b) The Manager may at any time elect for forward only for the rest of the then current period.
- c) Redemptions must be on the same basis as issues.
- d) Where at any time during a Dealing Day the Manager knows or has reason to believe that the property of the Scheme has increased or decreased by 2% or more since the last valuation, they must perform a special valuation or else elect for forward dealing only.
- e) An applicant may always request to deal on a forward basis.
- f) Postal deals are dealt on a forward basis.

## **PUBLICATION OF PRICES**

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

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

The cancellation price last notified to the Trustee is available from the Manager upon request.

## **EQUALISATION**

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

## **Grouping**

Grouping periods are consecutive periods within each annual accounting period, being the interim accounting periods (including the period from the end of the last interim accounting

period in an annual accounting period to the end of that annual accounting period) as specified in paragraph 7 above. If there are no interim accounting periods the periods for grouping of units will be annual accounting periods. Grouping is permitted by the Trust Deed for the purposes of equalisation.

## **10 BUYING AND SELLING UNITS**

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

### **BUYING**

Units may be purchased by sending a completed application form, through the means of electronic communications (as set out in paragraph 12) or by clear written instructions to Thesis Unit Trust Management Limited at the dealing office of the Administrator. Application forms can be obtained by telephoning the Manager's Customer Enquiry Line on 0333 300 0375.

In giving instructions for the purchase of units, a unitholder or prospective unitholder shall elect whether to pay for units in US dollars or pounds sterling.

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

### **Minimum initial subscription and subsequent minimum unit holding**

The Manager will not accept a lump sum application for units to the value of less than US\$200,000, unless it represents an addition to an existing holding in which case the minimum amount is US\$2,000. The only restriction on holdings is the value of the holding; there is no minimum number of units which any unitholder need hold. The Manager reserves the right to reduce or waive minimum investment levels.

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

### **SELLING**

At any time during a Dealing Day when the Manager is willing to issue units it must also be prepared to redeem units. The Manager may refuse to redeem a certain number of units if the redemption will mean the unitholder is left holding units with a value of less than the minimum initial subscription of US\$200,000.

Requests to redeem units in the Scheme may be made to the Manager by telephone (on the number stated above), through the means of electronic communications (as set out in paragraph 12), or by sending clear written instructions. In giving such a request or instructions, a unitholder shall elect whether to receive the redemption proceeds of units in US dollars or pounds sterling.

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

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

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

### **MARKET TIMING**

The Manager may refuse to accept a new subscription in the Scheme if, in the opinion of the Manager, it has reasonable grounds for refusing to accept a subscription. In particular, the Manager may exercise this discretion if it believes that the unitholder has been, or intends to, engage in market timing.

For these purposes, market timing activities include investment techniques which involve short term trading in and out of units generally to take advantage of variation in the price of units between the daily calculation points in the Scheme. Short term trading of this nature may often be detrimental to long term unitholders, in particular, the frequency of dealing may lead to additional dealing costs which can affect long term performance.

### **ISSUE OF UNITS IN EXCHANGE FOR IN SPECIE ASSETS**

The Manager may arrange for the Scheme to issue units in exchange for assets other than cash, but will only do so where the Trustee has taken reasonable care to determine that the Scheme's acquiring of those assets in exchange for the units concerned is not likely to result in any material prejudice to the interests of unitholders, or potential unitholders.

The Manager will ensure that the beneficial interest in the assets is transferred to the Scheme with effect from the issue of the units.

The Manager will not issue units in the Scheme in exchange for assets the holding of which would be inconsistent with the Scheme's investment objective.

### **IN SPECIE REDEMPTIONS AND CANCELLATIONS OF UNITS**

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

out of the property to be transferred (or the proceeds of sale) property or cash of a value or amount equivalent to any stamp duty or stamp duty reserve tax to be paid in relation to the redemption or cancellation of the units.

## **SUSPENSION, MANDATORY CANCELLATION AND REDEMPTION**

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

On suspension, the Manager, or the Trustee if the Trustee has required the Manager to suspend dealing, must immediately inform the FCA, giving written confirmation of the suspension and state the reasons for its actions.

The Manager and the Trustee must formally review any such suspension at least every 28 days and inform the FCA of the results of their review. Any such suspension may only continue for so long as it is justified having regard to the interest of unitholders and must cease as soon as practicable after the exceptional circumstances that have caused the suspension have ceased.

The Manager must ensure that a notification of the suspension is made to unitholders as soon as practicable after the suspension commences. On notification to unitholders the Manager must ensure that unitholders' attention is drawn to the exceptional circumstances resulting in the suspension and ensure that the notification is clear, fair and not misleading. Unitholders will be kept informed about the suspension and, if possible, advised of its duration (if known) by written updates by the Manager.

Re-calculation of issue and cancellation prices will commence on the Business Day immediately following the end of the suspension, at the relevant valuation point.

If it comes to the notice of the Manager that any units ("affected units") are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or by virtue of which the holder or holders in question is/are not qualified and entitled to hold such units or if it reasonably believes this to be the case, the Manager may give notice to the holder(s) of the affected units requiring either transfer of such units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or cancellation of such units in accordance with COLL. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer their affected units to a person qualified to hold them or establish to the satisfaction of the Manager (whose judgement is final and binding) that they or the beneficial owner is qualified and entitled to own the affected units, they shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption of all the affected units pursuant to COLL.

A person who becomes aware that they have acquired or is holding affected units in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory, or by virtue of which they are not qualified to hold such affected units, shall forthwith, unless they have already received a notice as aforesaid, either transfer or procure the transfer of all their affected units to a person qualified to own them or give a request in writing to procure that such a request for the redemption or cancellation of all their affected units pursuant to COLL.

## **MANDATORY CONVERSION**

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

## **STATEMENTS**

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

## **CLIENT MONEY RULES**

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

- a) The Manager receives the money from a client in relation to the Manager's obligation to issue units in the fund in accordance with COLL; or
- b) The money is held in the course of redeeming units, 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 (a) or (b) above, the Manager must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Trustee or the client as applicable.

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

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

## **11 CHARGES AND EXPENSES OF THE SCHEME**

### **MANAGEMENT CHARGES**

#### **Manager's preliminary charge**

The Manager's preliminary charge, which is included in the sale price of the units, is currently 7% of the issue price of the units, but the charge can be waived at the Manager's discretion.

#### **Manager's periodic charge**

The Manager is also entitled under the Trust Deed to make a periodic charge, which is payable monthly, calculated on the value of the property of the Scheme determined in accordance with the Trust Deed and COLL, and payable out of the property of the Scheme in accordance with COLL. For this purpose the value of the Scheme is inclusive of the creations and cancellations which take effect as at the relevant valuation point. The periodic charge shall accrue daily, commencing at the first valuation point on the first Dealing Day and shall end immediately before the valuation point on the following Dealing Day. The periodic charge is payable on, or as soon as practicable after, the end of the month in which it accrued.

The current rate of the periodic (per annum) charge is 1.5%. Research costs will be paid for by the Investment Managers out of this fee and shall not be borne by the Scheme.

Any increase of the preliminary or the periodic charge may be made by the Manager only after giving 60 days' written notice to the unitholders and making available, for 60 days, the Prospectus amended to reflect the proposed increase.

#### **Redemption Charge**

The Trust Deed of the Scheme contains a provision for the Manager to make a redemption charge but at present, there are no plans to impose such a charge. The Manager must not introduce a redemption charge, or change the rate or method of calculation of a current redemption charge, unless at least 60 days before the introduction or change, the Manager:

- a) gave notice in writing of that introduction or change and of the date of its commencement, to the Trustee and to all the persons who ought reasonably to be known to the Manager to have made an arrangement for the purchase of units at regular intervals; and
- b) has revised the Prospectus to reflect the introduction or change and the date of its commencement and has made the revised Prospectus available.

### **TRUSTEE'S FEES and EXPENSES**

#### **Periodic fee**

The Trustee is paid a monthly periodic fee (plus VAT) in remuneration for its services from the property of the Scheme. The Trustee's fee is calculated, on the value of the property of the Scheme determined in accordance with the Trust Deed and COLL, and payable out of the property of the Scheme in accordance with COLL. For this purpose the value of the Scheme is inclusive of the issues and cancellations which take effect as at the relevant valuation point. The Trustee's fee shall accrue daily, commencing at the first valuation point on the first Dealing Day and shall end immediately before the next valuation point on the following Dealing

Day. The Trustee's fee is payable on, or as soon as is practicable after, the end of the month in which it accrued.

The current fees payable are:

0.0275% per annum	on the first £50 million value of the property of the Scheme;
0.025% per annum	on the next £50 million value of the property of the Scheme;
0.020% per annum	on the next £100 million value of the property of the Scheme;
0.015% per annum	on the remaining value of the property of the Scheme

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

### **Transaction charges, derivative and custody charges**

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

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

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 Trustee and the Manager. Custody charges and accrue and are payable as agreed from time to time by the Manager and the Trustee.

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

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

On a winding up of the Scheme or the redemption of a class of units (if applicable), the Trustee will be entitled to its pro rata fees, charges and expenses to the date of winding up,

the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

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

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

### **ADMINISTRATOR'S and REGISTRAR'S CHARGES**

The administration of the Scheme will be carried out by Northern Trust Global Services SE, UK branch, who also acts as Registrar and Fund Accountant. Its fees for valuation services and administration and registration fees may be paid by the Scheme, as will the disbursements listed in the Other Expenses section below, but the fees for valuation services, administration and fund accountancy are currently paid by the Manager. The Administrator's registration fee will be paid out of the Scheme Property.

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

### **OTHER EXPENSES**

No payments may be made out of the Scheme Property other than payments to the Manager and the Trustee as set out above (and other sums due by virtue of COLL (such as, for example, cancellation proceeds and reasonable stock lending expenses)) and the following (to the extent of the actual amount incurred):-

- a) expenses properly incurred by the Manager in the performance of its duties as Manager of the Scheme; and
- (b) broker's commission (excluding costs for research), fiscal charges and other disbursements which are:
  - (i) necessary to be incurred in effecting transactions for the Scheme; and
  - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate; and
- c) taxation and duties payable in respect of the property of the Scheme, the Trust Deed or the issue of units; and
- d) any costs incurred in modifying the Trust Deed constituting the Trust, including costs incurred in respect of meetings of unitholders convened for the purpose where the modification is:
  - (i) necessary to implement any change in the law (including changes in COLL); or
  - (ii) necessary as a direct consequence of any change in the law (including changes in COLL); or expedient having regard to any fiscal enactment and which the Manager and the Trustee agree is in the interest of unitholders; or
  - (iii) to remove from the Trust Deed constituting the Scheme obsolete provisions; and

- e) any costs incurred in respect of meetings of unitholders convened on a requisition by unitholders not including the Manager or an associate of the Manager; and
- f) liabilities on unitization, amalgamation or reconstruction arising in certain circumstances specified by COLL; and
- g) the expenses of the Trustee in convening a meeting of unitholders convened by the Trustee alone; and
- h) the audit fee properly payable to the Auditors and value added tax thereon and any proper expenses of the Auditors; and
- i) the fees of the FCA under the Financial Services and Markets Act 2000 or the corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which units in the schemes are, or may, be marketed; and
- j) any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Scheme, which are currently carried on by the Registrar; and
- k) any fees or costs associated with any CASS related support activity incurred by the Registrar.

## **ALLOCATION OF PAYMENTS**

The Manager and the Trustee have agreed that normally the fees payable to the Manager and the Trustee will be treated as a charge against income of the Scheme (except those charges and expenses relating directly to the purchase and sale of investments).

If there is insufficient income to meet the fees then all, or part, of those fees may be treated (at the request of the Manager), as a charge against the capital of the Scheme.

**It should be noted that where fees are charged to capital this may result in capital erosion or constrain capital growth.**

## **12 ELECTRONIC COMMUNICATIONS**

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

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

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

### **Taxation of the Scheme**

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

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

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

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

Where the Scheme 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 Scheme 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 Scheme may normally be deducted from the UK tax due on that income or treated as an expense in calculating the amount of that income subject to corporation tax.

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

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

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

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

No SDRT charge arises on the issue or surrender of units in AUTs. However, investors may be subject to an SDRT charge where units in the Scheme are surrendered and the

investors receive assets from the Scheme (rather than cash) which are not in proportion to each investor's share of the total assets held by the Scheme.

## **Taxation of unitholders**

### **(A) Income**

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

The distribution accounts of the Scheme 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 Scheme.

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

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

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

#### UK resident individuals

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

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

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

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

#### UK corporate unitholders

If, at any point in an accounting period of a UK corporate unitholder, the Scheme fails to satisfy the "qualifying investment" test, units held by the UK corporate unitholders in respect of the Scheme are treated as if the units in respect of such a corporate's accounting period (including gains, profits and losses) are rights under a creditor loan relationship and will be taxed or relieved as an income receipt or expense on a "fair

value accounting" basis. Accordingly, such a corporate unitholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of units (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of units).

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

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

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

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

#### UK resident individuals

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

#### UK corporate unitholders

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

### **(D) Chargeable gains**

#### UK resident individuals

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

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

### UK corporate unitholders

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

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

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

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

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

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

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

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

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

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

**Unitholders should note that:**

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

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

## **14 WINDING-UP OF THE SCHEME**

### **CIRCUMSTANCES WHERE WINDING-UP MAY OCCUR**

The Trustee shall proceed to wind-up the Scheme, or terminate a sub-fund (if the Scheme has sub-funds):-

- a) if the authorisation order of the Scheme is revoked;
- b) (in the case of the Scheme having sub-funds) where a sub-fund is being terminated requiring alternations to the Trust Deed and Prospectus to take effect in accordance with section 251 of the Act; or
- c) if an extraordinary resolution is passed to wind up the Scheme (or terminate a sub-fund if the Scheme has sub-funds) provided the FCA's prior consent to the resolution has been obtained by the Manager or the Trustee;
- d) if the Manager or the Trustee requests the FCA to revoke the authorisation order for the Scheme and the FCA has agreed (provided no material change in any relevant factor occurs) that on conclusion of the winding-up of the Scheme, the FCA will agree to that request;
- e) on the effective date of a duly approved scheme of arrangement of the Scheme (or a sub-fund of the Scheme if the Scheme has sub-funds) which is to result in the Scheme (or a sub-fund if the Scheme has sub-funds) that is subject to the scheme of arrangement being left with no property; or
- f) on the expiry of any period specified in the Scheme's Trust Deed as the period at the end of which the Scheme is to be wound up or (if the Scheme has sub-funds), a sub-fund to terminate.

If any of the events set out in (a) to (e) above occurs, the sections of the COLL, concerning pricing and dealing and investment and borrowing powers will cease to apply. The Trustee shall cease the issue and cancellation of units and the Manager will cease issuing, redeeming, buying and selling units in respect of the Scheme.

## **MANNER OF WINDING-UP**

In the case of a scheme of arrangement referred to in paragraph 14e) above the Trustee must cancel all units in issue and wind-up the Scheme in accordance with the approved scheme of arrangement.

The Trustee must, as soon as practicable after the Scheme falls to be wound-up, realise the property of the Scheme and, after paying all liabilities properly payable and retaining adequate provision for the costs of the winding-up, distribute the proceeds of that realisation to the unitholders and the Manager proportionately to the size of their holdings.

Any unclaimed net proceeds or other cash held by the Trustee after twelve months from the date the proceeds became payable, must be paid by the Trustee into court, although the Trustee will have the right to retain any expenses incurred in making that payment. On completion of the winding-up, the Trustee shall notify FCA in writing of that fact and the Trustee or the Manager must request FCA to revoke the authorisation order.

## **15 GENERAL INFORMATION**

### **14.1 Telephone calls**

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

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

### **14.2 Notices**

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

- (i) delivered to the unitholder's address as appearing in the Register; or
- (ii) delivered by using an electronic medium in accordance with paragraph 12.

Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted. Any document left at a registered address or delivered other than by post is deemed to have been served on that day. Any document or notice to be served on or information to be given to a unitholder, must be in legible form. For this purpose, any form is legible form which:

- (i) is consistent with the Manager'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 Manager;
- (iii) enables the recipient to know or record the time of receipt; and
- (iv) is reasonable in the context.

### **14.3 Complaints**

Complaints concerning the operation or marketing of the Scheme should be referred in the first instance to the Manager . If a complaint cannot be resolved satisfactorily with the Manager, it may be referred to the Financial Ombudsman Service, Exchange Tower, London E14 9SR, or online at <https://www.financial-ombudsman.org.uk/>.

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

### **14.4 Annual and interim reports**

Annual reports will normally be published on the annual income allocation date listed in the paragraph headed "Accounting and Income Distribution Dates" above. Half-yearly reports will be published on the half-yearly income allocation date.

Copies of the most recent annual and half-yearly reports may be inspected at the Manager's registered office and may also be obtained from the Manager. The address for the Manager is set out in Appendix 5.

### **14.5 Prospectus and Trust Deed**

Copies of the most recent Prospectus and the Scheme's Trust Deed (including any Supplemental Deeds of the Scheme) may be inspected at and copies requested from the Manager's registered office.

### **14.6 Supplementary Information**

Each unitholder may obtain on request from the Manager information supplementary to this Prospectus relating to:

- (a) the quantitative limits applying in the risk management of the Scheme;
- (b) the methods used in relation to (a); and
- (c) any recent development of the risk and yield of the main categories of investment.

### **14.7 Money laundering**

As a result of legislation in force in the UK to prevent money laundering, firms conducting investment business are required to maintain procedures to combat money laundering. In order to implement these procedures, in certain circumstances unitholders may be asked to provide some proof of identity when buying or selling units.

Further details of the procedures the Manager may follow are set out in paragraph titled "Electronic Verification" below.

### **14.8 Profit and Loss of Manager**

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

## **14.9 Data Protection**

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

Unitholders have the right to access their personal data processed by the Manager together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons. A copy of the Manager's Privacy Notice relating to investors is available at [www.tutman.co.uk](http://www.tutman.co.uk) or on request from [compliance@tutman.co.uk](mailto:compliance@tutman.co.uk).

## **14.10 Electronic Verification**

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, the FCA 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 Manager must check your identity and the source of the money invested. The Manager may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies.

The credit reference agency may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your (or your associated party's) credit rating. They may also use your (or your associated party's) details in the future to assist other companies for verification purposes.

If you apply for units you are giving the Manager permission to ask for this information in line with Data Protection Laws. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the Manager with your application.

## **14.11 Summary of the Manager's Haircut Policy**

The Manager may have to provide or receive collateral in entering into certain derivative transactions for the Scheme. In doing so, the Manager may apply a haircut to that collateral. A "haircut" is a percentage that is subtracted from the market value of an asset that is being used as collateral.

The Manager will judge, on a case-by-case basis, the extent and type of collateral to use when negotiating with counterparties and clearing houses and the haircut policy which it will apply.

Where cash is received as collateral it will not be invested in anything other than cash or short-term deposit accounts.

Cash and specific types of collateral will be deemed to be permitted, at the Manager's discretion, for the purposes of the Scheme's collateral policy.

#### **14.12 Remuneration**

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

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

#### **15.1 Risk Management**

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

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

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

The Manager must assess, monitor and periodically review:

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

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

#### **15.2 Non-Accountability for profits**

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

- (a) dealings in the units of the Scheme; or
- (b) any transaction in the Scheme Property; or

(c) the supply of services to the Scheme.

## APPENDIX 1

### Historical Performance Figures

The below performance table provides a comparison representative of **units** over a five year period. The performance table shows the total annual return up to 31 December in each year listed.

The performance information 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.

	2021 (%)	2022 (%)	2023 (%)	2024 (%)	2025 (%)
<b>The Eldon Fund (USD)</b>	19.22	-46.26	32.58	17.43	11.22

Source of performance data – MorningStar<sup>1</sup>

These performance figures are presented as a matter of record and should be regarded as such.

Performance is determined by many factors including the general direction and volatility of markets and may not be repeatable. **Returns may increase, or decrease, as a result of currency fluctuations.**

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

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## **APPENDIX 2**

### **List of Eligible Securities Markets**

The Scheme may deal on the securities and derivatives markets listed below.

A market is an "Eligible Market" if it is:

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

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

#### **Eligible securities markets**

Australia:	ASX Group
Austria:	Wiener Borse - Vienna Stock Exchange
Belgium:	Eurolist Brussels
Canada:	Toronto Stock Exchange TSX Venture Exchange Montreal Exchange
China:	Shanghai Stock Exchange Shenzen Stock Exchange
Denmark:	NASDAQ OMX Copenhagen A/S
Europe:	Eurex and those markets established in a member state on which transferable securities admitted to official listing in a member state are dealt in or traded
Finland:	NASDAQ OMX Helsinki Limited
France:	Eurolist Paris
Germany:	Eurex
Hong Kong:	Hong Kong Stock Exchange
Indonesia:	Indonesia Stock Exchange IDX
Ireland:	Irish Stock Exchange

Italy:	Italy Equities Derivatives Market (IDEM) Futures Market for Government Securities (MIF)
Japan:	Nagoya Stock Exchange Osaka Securities Exchange Tokyo Stock Exchange JASDAQ Securities Exchange
Korea:	Korea Composite Stock Price Index
Malaysia:	Bursa Malaysia Securities
Mexico:	Mexican Stock Exchange
Netherlands:	Eurolist Amsterdam
New Zealand:	New Zealand Stock Exchange (NZX)
Norway:	Oslo Stock Exchange
Philippines:	Philippines Stock Exchange
Singapore:	Singapore Exchange (SGX)
South Africa:	JSE Limited
Spain:	Spanish Exchanges BME
Sweden:	NASDAQ OMX Stockholm AB
Switzerland:	SIX Swiss Exchange AG
Taiwan:	Taiwan Stock Exchange
Thailand:	Stock Exchange of Thailand (SET)
United Kingdom:	NYSE Euronext London International Financial Futures and Options Exchange (LIFFE) London Securities & Derivatives Exchange Ltd (OMLX)
USA:	(1) NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc)  (2) any exchange registered with the Securities and Exchange Commission as a national stock exchange including NYSE Euronext, Chicago Stock Exchange (CHX) and NASDAQ OMX PHIL  (3) the market in transferable securities issued by or on behalf of the Government of the United States of America conducted through persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealer  (4) the Over-the-Counter Market regulated by the National Association of Securities Dealers Inc.

## **APPENDIX 3**

### **List of Eligible Derivative Markets**

A market is an "Eligible Market" if it is:

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

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

### **Eligible derivatives markets**

Italy:	Italy Equities Derivatives Market (IDEM) Futures Market for Government Securities (MIF)
Japan:	Tokyo Financial Exchange Inc.
New Zealand:	New Zealand Futures and Options Exchange
Spain:	Spanish Exchanges BME
South Africa:	South African Futures Exchange (SAFEX part of JSE Limited)
United Kingdom:	NYSE Euronext London International Financial Futures and Options Exchange LIFFE London Securities & Derivatives Exchange Ltd (OMLX)
USA:	Chicago Board Options Exchange CME Group Inc. NASDAQ OMX Futures

## APPENDIX 4

### LIST OF SUB-CUSTODIANS

As appropriate in line with the Eligible Markets

<b>Jurisdiction</b>	<b>Subcustodian</b>	<b>Sub-custodian Delegate</b>
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bahrain</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	The Northern Trust Company	
<b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	
<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Títulos e Valores Mobiliários S.A ("DTVM")
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	
<b>Canada</b>	The Northern Trust Company, Canada Branch	

<b>Jurisdiction</b>	<b>Subcustodian</b>	<b>Sub-custodian Delegate</b>
<b>Canada</b>	Royal Bank of Canada	
<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China A Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>China A Share</b>	Industrial and Commercial Bank of China Limited	
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>Clearstream</b>	Clearstream Banking S.A	
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Egypt</b>	Citibank N.A., Cairo Branch	
<b>Estonia</b>	Swedbank AS	

<b>Jurisdiction</b>	<b>Subcustodian</b>	<b>Sub-custodian Delegate</b>
<b>Euroclear</b>	Euroclear Bank S.A/N.V	
<b>Finland</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>France</b>	The Northern Trust Company	
<b>Germany</b>	The Northern Trust Company	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	Citibank Europe plc	
<b>Iceland</b>	Landsbankinn hf	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	The Northern Trust Company, London	
<b>Israel</b>	Citibank, N.A., Israel Branch	

<b>Jurisdiction</b>	<b>Subcustodian</b>	<b>Sub-custodian Delegate</b>
<b>Italy</b>	Citibank Europe plc	
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Bank of Jordan Plc	
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Citi Mexico S.A.	
<b>Morocco</b>	Citibank Maghreb S.A.	
<b>Namibia</b>	Standard Bank Namibia Ltd	

<b>Jurisdiction</b>	<b>Subcustodian</b>	<b>Sub-custodian Delegate</b>
<b>Netherlands</b>	The Northern Trust Company	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Oman</b>	First Abu Dhabi PJSC, Oman Branch	
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Handlowy w Warszawie S.A.	
<b>Portugal</b>	BNP Paribas SA	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	
<b>Russia</b>	AO Citibank	

<b>Jurisdiction</b>	<b>Subcustodian</b>	<b>Sub-custodian Delegate</b>
<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	
<b>South Africa</b>	The Standard Bank of South Africa Limited	
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Citibank Europe plc	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Switzerland</b>	UBS AG Switzerland	
<b>Taiwan</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	

<b>Jurisdiction</b>	<b>Subcustodian</b>	<b>Sub-custodian Delegate</b>
<b>Tunisia</b>	Union Internationale de Banques	
<b>Turkey</b>	Citibank A.S.	
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>Ukraine (Market Suspended)</b>	JSC "Citibank"	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Kingdom</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>West Africa (UEMOA)</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	
<b>Zimbabwe</b>	The Standard Bank of South Africa Limited	Stanbic Bank Zimbabwe Limited

## APPENDIX 5

### Other Regulated Collective Investments Schemes under management

<b>Authorised Contractual Schemes</b>	<b>Authorised Open-Ended Investment Companies</b>	<b>Authorised Unit Trusts</b>
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 Mellifera OEIC Moulsoe Fund Scarp Fund Seymour Fund Skiwi Fund The Ambrose Fund The Astral Fund The Capital Link Growth Fund The Contact Fund The Diversification Fund ICVC The Dunnottar Fund The Global Multi Asset Fund The Hector Fund The Juniper Fund The Lockerley Fund The Mazener Fund The MCMLXIII Fund The Motim Fund The Northern Funds The Oenoke Fund The Ord Fund ICVC The Overstone Fund The Penare Fund The Redhill Fund The Saint Martins Fund The Staderas Fund The Stratford Fund The Sun Portfolio Fund The TBL Fund The TM Lancewood Fund The TM Mitcham Fund The Torridon Growth Fund The Vinings Fund The Wharton Fund Thesis JDS Fund TM Acer Fund TM Admiral Fund TM Balanced Growth Fund	BPM Trust Eden Investment Fund Elfyenn International Trust Glenhuntingley Portfolio Trust Hawthorn Portfolio Trust KES Diversified Trust KES Ivy Fund KES Growth Fund KES Income and Growth Fund KES Strategic Investment Fund Latour Growth Fund Lavaud Fund Malachite Return Fund Mossylea Fund Pippin Return Fund The Argo Fund The Blandfield Fund The Castor Fund The Delta Growth Fund The Deribee Funds The Endeavour II Fund The Hall Fund The HoundStar Fund The Iceberg Trust The Maiden Fund The Millau Fund The Norfolk Trust The Notts Trust The Palfrey Fund The TM Stockwell Fund The White Hill Fund Thesis Headway Fund Thesis Lion Growth Fund Thesis PM A Fund Thesis PM B Fund Thesis Thameside Managed Fund TM Chainpoint Fund TM Gravis UK Listed Property (Feeder) Fund TM Growth Fund TM Hearthstone UK Residential Feeder Fund TM Managed Fund TM Masonic Charitable Foundation Investment Fund TM Merlin Fund TM New Court Fund TM New Court Growth Fund

<b>Authorised Contractual Schemes</b>	<b>Authorised Open-Ended Investment Companies</b>	<b>Authorised Unit Trusts</b>
	TM Brickwood Funds TM Brown Advisory Funds TM Brunsdon OEIC TM Castlefield Funds TM Castlefield Portfolio Funds TM Cerno Investment Funds TM Cresswell Fund TM First Arrow Investment Funds TM Gravis Funds ICVC TM Gravis Real Assets ICVC TM Hearthstone ICVC TM Investment Exposures Fund TM James Hambro Umbrella Fund TM Lime Fund TM Natixis Investment Funds U.K. ICVC TM Oak Fund TM Oberon Funds ICVC TM OEIC TM Optimal Funds TM P1 Investment Funds TM Redwheel Funds TM Ruffer Portfolio TM Sanford DeLand Funds TM Stonehage Fleming Global Multi-Asset Umbrella Fund TM Stonehage Fleming Investments Funds TM Timeline NURS Funds TM Total Return Fund TM UBS (UK) Fund TM Veritas Investment ICVC Trowbridge Investment Funds Vastata Fund	TM New Court Return Assets Fund TM New Institutional World Fund TM Preservation Fund TM Private Portfolio Trust TM Stonehage Fleming Global Equities Fund TM Stonehage Fleming Global Equities Umbrella Fund

## APPENDIX 6

### Directory of Contact Details

<b>Manager</b>	<b>Thesis Unit Trust Management Limited</b> Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP
<b>Administrator, Registrar and Fund Accountant</b>	<b>Northern Trust Global Services SE, UK branch,</b> 50 Bank Street, Canary Wharf, London E14 5NT
<i>Dealing Office</i>	<b>Thesis Unit Trust Management Limited</b> Sunderland SR43 4AZ  Telephone number: 0333 300 0375
<b>Auditors</b>	<b>Grant Thornton UK LLP</b> 30 Finsbury Square, London EC2P 2YU
<b>Custodian</b> <i>Principal place of business:</i>  <i>Who may also act under this power through its London branch:</i>	<b>The Northern Trust Company</b> 50 South LaSalle Street, Chicago, Illinois, USA  50 Bank Street, Canary Wharf, London E14 5NT
<b>Trustee</b>	<b>NatWest Trustee and Depositary Services Limited</b> House A, Floor 0, Gogarburn, 175 Glasgow Road, Edinburgh EH12 1HQ
<b>Investment Manager(s)</b>	<b>Thesis Asset Management Limited</b> Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP <a href="http://www.thesisam.com">www.thesisam.com</a>  <b>DSM Capital Partners LLC</b> 7111 Fairway Drive, Suite 350, Palm Beach Gardens, FL 33418, USA <a href="http://www.dsmcapital.com">www.dsmcapital.com</a>
<b>Financial Conduct Authority (FCA)</b>	12 Endeavour Square, London E20 1JN