



# **PROSPECTUS**

## **relating to**

# **The Hall Fund**

This prospectus (the Prospectus) is dated and valid as at 2 May 2023. It is prepared in accordance with the rules contained in the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) which forms part of the FCA Handbook of Rules and Guidance (the Regulations) and complies with the requirements of COLL 4.2.

A copy of the Prospectus has been sent to the FCA and to the Trustee pursuant to such Regulations

## 1. Summary

This Prospectus relates to the following Fund:

Fund	Date of Trust Deed (as amended and supplemented)	Date of FCA Authorisation	FCA Product Reference Number
The Hall Fund	26/01/15	09/12/14	658908

This Prospectus is prepared by Thesis Unit Trust Management Limited (the Manager) and the Fund has been authorised by the Financial Conduct Authority (the "FCA").

Further details about the Fund are set out in paragraph 9.

### Risk Factors

Potential investors should consider the risk factors (Appendix I) and elsewhere in the Prospectus, before investing in the Fund.

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## 2. Definitions

<b>Accumulation Unit</b>	a Unit which accumulates the income arising in respect of that Unit so that it is reflected in the value of that Unit
<b>Act</b>	the Financial Services and Markets Act 2000
<b>Administrator and Registrar</b>	Northern Trust Global Services SE (UK branch) or such other administrator and/or registrar as is appointed by the Manager from time to time
<b>AIF</b>	an alternative investment fund and has the same meaning as set out in the FCA Glossary
<b>AIFM</b>	the Alternative Investment Fund Manager and has the same meaning as set out in the FCA Glossary
<b>AIFMD</b>	the Alternative Investment Fund Managers Directive (2011/61/EU)
<b>AIFMD Level 2 Regulation</b>	has the same meaning as set out in the FCA Glossary.
<b>Approved Bank</b>	<p>(in relation to a bank account opened for the Fund):</p> <p>(a) if the account is opened at a branch in the United Kingdom:</p> <ul style="list-style-type: none"><li>(i) the Bank of England; or</li><li>(ii) the central bank of a member state of the OECD; or</li><li>(iii) a bank; or</li><li>(iv) a building society; or</li><li>(v) a bank which is supervised by the Bank of England or the central bank or other banking regulator of a member state of the OECD; or</li></ul> <p>(b) if the account is opened elsewhere:</p> <ul style="list-style-type: none"><li>(i) a bank in (a); or</li><li>(ii) a bank which is regulated in the Isle of Man or the Channel Islands;</li></ul> <p>(c) a bank supervised by the South African Reserve Bank;</p> <p>(d) a credit institution established in an EEA state and duly authorised by the relevant Home State regulator;</p> <p>as such definition as may be updated in the FCA Glossary from time to time</p>
<b>Base Currency</b>	the currency in which the Units, the accounts and the Unitholder's statement will be expressed (GBP (£))

<b>Business Day</b>	a week day on which banks and the London stock exchanges are normally open for business in the UK. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday somewhere else or other reason which impedes the calculation of the fair market value of the Fund or a significant position thereof, the Manager may decide that any business day shall not be construed as such.
<b>CASS</b>	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
<b>CCP</b>	as defined in the FCA Glossary
<b>COLL</b>	the Collective Investment Schemes Sourcebook, issued by the FCA, which provides a regime of product regulation for authorised funds and sets appropriate standards of protection for investors by specifying a number of product features of authorised funds and how they are to be operated
<b>Custodian</b>	The Northern Trust Company or such other custodian as is appointed from time to time
<b>Data Protection Laws</b>	<p>means all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances:</p> <ul style="list-style-type: none"> <li>(a) the UK GDPR;</li> <li>(b) the Data Protection Act 2018;</li> <li>(c) any laws which implement any such laws;</li> <li>(d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); and</li> <li>(e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding)</li> </ul>
<b>Dealing Day</b>	Every Thursday and the last day of the month except where this does not fall on a business day (being a day on which the London Stock Exchange is open for business) in which case the Dealing Day will be the immediate preceding Business Day. This is with the exception of Christmas Eve and New Year's Eve or the last Business Day prior to that day, when the valuation may be carried out at a time agreed in advance between the Manager and the Trustee
<b>Depository Agreement</b>	The agreement between the Manager and the Trustee regarding the appointment of the Trustee
<b>EEA</b>	the European Economic Area
<b>EEA State</b>	A member state of the European Union and any other state which is within the European Economic Area
<b>Eligible Institution</b>	as defined in the FCA Glossary
<b>EMIR</b>	as defined in the FCA Glossary

<b>ESMA</b>	European Securities and Markets Authority
<b>EUWA</b>	the European Union (Withdrawal) Act 2018
<b>FATCA</b>	the Foreign Account Tax Compliance Act (US).
<b>FCA</b>	Financial Conduct Authority, 12 Endeavour Square, London E20 1JN
<b>FCA Glossary</b>	the glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time
<b>FCA Handbook</b>	the FCA handbook of rules and guidance, made under the Act
<b>FCA Rules</b>	the rules contained in COLL and in FUND but, for the avoidance of doubt, not including guidance or evidential requirements contained in either sourcebook
<b>Financial Instruments</b>	as defined in the FCA Glossary
<b>FUND</b>	means the Investment Funds Sourcebook, published by the FCA as part of their Handbook made under the Act as may be amended, or replaced, from time to time
<b>Fund</b>	The unit trust featured in this Prospectus
<b>Fund Accountant</b>	Northern Trust Global Services SE (UK branch) or such other fund accountant as is appointed by the Manager from time to time
<b>GBP (£)</b>	pounds sterling, or any currency which may be the lawful currency of the UK from time to time. Any change from Sterling to any other currency will take place by operation of law and in such circumstances will not require Unitholder consent
<b>Home State</b>	has the meaning set out in the FCA Glossary
<b>Income Unit</b>	a Unit which distributes its income
<b>International Tax Compliance Regulations</b>	The International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time
<b>Investment Managers</b>	the investment managers retained by the Manager pursuant to the FCA Rules, being Schroder & Co. Limited (trading as Cazenove Capital) and Baillie Gifford & Co and their respective successor or successors as investment manager to the Fund
<b>Manager</b>	the manager holding office as such from time to time pursuant to the FCA Rules, being Thesis Unit Trust Management Limited and its successor or successors as manager of the Fund
<b>Net Asset Value</b>	the value of the Scheme Property attributable to the Fund less the liabilities of the Fund as calculated with the Trust Deed and the Regulations
<b>Non-UCITS retail scheme</b>	an authorised fund which is not a UK UCITS a qualified investor scheme or a long-term asset fund
<b>OECD</b>	the Organisation for Economic Co-operation and Development
<b>Register</b>	the register of Unitholders of the Company

<b>Regulations</b>	the rules as set forth by the FCA in its Handbook of Rules and Guidance
<b>Scheme Property</b>	has the meaning set out in the FCA Glossary
<b>Trust Deed</b>	the document constituting the Fund as may be amended, varied or supplemented from time to time
<b>Trustee</b>	the person to whom is entrusted the safekeeping of all of the Scheme Property of the Fund (other than certain Scheme Property designated by the FCA Rules), being NatWest Trustee and Depository Limited and its successor or successors as trustee
<b>UCITS</b>	an undertaking for collective investment in transferrable securities. This will include a UCITS Scheme or an EEA UCITS Scheme, each as defined in the FCA Glossary
<b>UK</b>	United Kingdom of Great Britain and northern Ireland
<b>UK AIF</b>	has the meaning set out in the FCA Glossary
<b>UK AIFM</b>	an AIFM established in the UK and with a Part 4A permission to carry on the regulated activity of managing an AIF
<b>UK AIFMD regime</b>	means: <ul style="list-style-type: none"> <li>(a) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773);</li> <li>(b) the AIFMD Level 2 Regulation; and</li> <li>(c) all other UK law and regulation (including the FUND Sourcebook) which, when made, implemented AIFMD in the UK</li> </ul>
<b>UK GDPR</b>	means Regulation 2016/679 of the European Parliament and of the Council of 27 <sup>th</sup> April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK's withdrawal from the European Union
<b>UK UCITS</b>	as defined in the FCA Glossary
<b>Unit</b>	a unit in the Fund (or a fraction)
<b>Unitholder</b>	a holder of a Unit in the Fund
<b>United States or US</b>	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia



**US Person**

means a person who is in either of the following two categories:

1. a person included in the definition of “U.S. person” under Rule 902 of Regulation S under the 1933 Act; or
2. a person excluded from the definition of “Non-United States person” as used in the Commodity Futures Trading Commission (“CFTC”) Rule 4.7.

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

**1933 Act**

the United States Securities Act of 1933 (as may be amended or re-enacted)

**1940 Act**

the United States Investment Company Act of 1940 (as may be amended or re-enacted)

**VAT**

value added tax

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 2 or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the Act of 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 provisions 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.

### 3. The Manager

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

The Manager is the UK AIFM of the Fund for the purposes of the UK AIFMD regime and is authorised as an UK AIFM by the FCA.

Registered and Head Office:

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

Share Capital:

Issued and paid up £5,673,167

The directors of the Manager are:

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

D W Tyerman and S R Mugford also hold directorships of other companies within the Thesis group and perform senior management roles within these companies, particularly Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Manager.

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

#### *Principal Duties and Activities of the Manager*

The Manager is responsible for the portfolio management and risk management of the Fund in accordance with the UK AIFMD regime.

The duties and powers of the Manager include the following:

- (a) giving instructions to the Trustee with respect to the creation and cancellation of Units;
- (b) the management of the investments of the Fund in conformity with their investment objective and policy as set out in this Prospectus;
- (c) the duty to ensure that regular valuations of the Scheme Property are carried out and to ensure that the Units are correctly priced;
- (d) the making and revision of the investment objective and policy of the Fund;

- (e) keeping a daily record of Units, including the type of such Units, which the Manager has purchased or sold on behalf of the Trustee;
- (f) preparing a report and accounts of the Fund in respect of every accounting period and preparing an annual report in respect of the Fund;
- (g) the provision of certain information to the Trustee;
- (h) the supervision and oversight of any delegate which it has appointed; and
- (i) taking all other action as necessary for the administration and management of the Fund other than those duties or powers which have been imposed or conferred on the Trustee by the Trust Deed.

The Manager is the authorised fund manager of other authorised funds. Details of these funds, as at the date of this Prospectus, are set out in Appendix IV.

#### **4. Investment Managers**

The Manager has delegated investment management of the Fund to the following Investment Managers:

**Schroder & Co. Limited (trading as Cazenove Capital)**, a company incorporated in England and Wales, under number 02280926 and authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority under number 144206. Schroder & Co. Limited (trading as Cazenove Capital) is a subsidiary company of Schroders plc.

**Baillie Gifford & Co**, a Scottish partnership authorised and regulated by the FCA under number 142597.

Addresses for the registered office and principal place of business, of the Investment Managers are set out in Appendix VI.

##### *Terms of Agreement with the Investment Managers*

The appointment of each Investment Manager has been made under an agreement between the Manager and the respective Investment Manager. Each Investment Manager has full discretionary powers over the investment of the part of the property of the Fund entrusted to it subject to the overall responsibility and right of veto of the Manager. The agreement between the Manager and each Investment Manager is terminable on three months' notice by either party thereto or without notice in the event of a material breach for 30 days or more by the other party and in certain insolvency or similar events. The agreement between the Manager and each Investment Manager may also be terminated by the Manager with immediate effect when this is in the interests of Unitholders.

##### *Principal Duties and Activities of the Investment Managers*

The principal duties and activities of each Investment Manager are fund management and investment advice. Each Investment Manager is authorised to deal on behalf of the Fund. Each Investment Manager shall be entitled to receive for its own account by way of remuneration for its services a fee of such amount and payable on such basis as shall be agreed in writing from time to time between the parties.

Each Investment Manager 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 VI

Subject to the UK AIFMD regime, each Investment Manager has power under its investment management agreement to sub-delegate all or any part of its functions as investment

manager. Where the Manager has agreed that the relevant Investment Manager may appoint persons as delegated sub-investment managers those persons will be specified in the Prospectus as amended from time to time and the FCA will be informed of this sub-delegation in accordance with the UK AIFMD regime.

## **5. Trustee**

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

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

The Trustee's registered office and head office address is 250 Bishopsgate, London EC2M 4AA. The Trustee's head office address is 440 Strand, London WC2R 0QS. The address of the Trustee's office (which handles matters relating to the Fund) is set out in Appendix VI.

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

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

### *Duties of the Trustee*

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

### *Terms of Appointment*

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

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

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

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

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

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

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

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

Details of the fees payable to the Trustee are set out in the "Trustee's fees" section of this Prospectus at paragraph 37.

#### *Conflicts of Interest*

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

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

As the Trustee operates independently from the Fund, Unitholders, the Manager and the Custodian, the Trustee does not anticipate any conflicts of interest arising between it and any of the aforementioned parties.

The Trustee is under no obligation to account to the Manager, the Fund 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 and has confirmed that it is not aware of any conflict of interest arising from its delegation of custody of the Scheme Property to the Custodian. Should any such conflict arise, the Trustee shall notify the Manager and take necessary steps to address the conflict.

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

#### **6. 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, whose contact details are set out in Appendix VI.

The Register can be inspected at the Registrar's office located at 50 Bank Street, Canary

Wharf, London E14 5NT.

The duties of the Registrar and Administrator include:

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

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

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

## **7. Custodian**

The Trustee has appointed The Northern Trust Company as the Custodian of the property of the Fund. The Trustee has delegated the function of safekeeping of the Fund's assets for the purposes of the UK AIFMD regime to the Custodian. The Custodian is authorised by the FCA. Contact details are set out in Appendix VI.

## **8. Auditor**

PricewaterhouseCoopers LLP are appointed as auditors to the Fund (the Auditors). Contact details are set out in Appendix VI.

The Manager has entered into an engagement letter with the Auditor, whereby the Auditor agrees to provide annual audit services to the Fund and to audit the Fund's financial statements in accordance with the Statement of Recommended Practice for financial statements of authorised funds issued by the Investment Management Association in October 2010. (The Investment Management Association is now known as the Investment Association.)

## **9. The Fund**

The Fund was established by a Trust Deed (the Trust Deed), the date of which is set out on page one between the Manager and the Trustee. The Fund is an authorised unit trust scheme for the purposes of the Financial Services and Markets Act 2000 (the Act). The date of the order for the FCA declaring the Fund as an authorised unit trust is set out in the 'Summary' on page 1.

The Fund is a Non-UCITS retail scheme for the purposes of the Regulations and an alternative investment fund for the purposes of the UK AIFMD regime.

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

The base currency of the Fund is GBP.

The circumstances in which the Fund may be wound up, and the procedure, are set out at paragraph 16.

Historical performance data for the Fund is set out in Appendix V.

## **10. Investment Objective and Policy**

**The investment objective and policy of the Fund and information about the types of Units that are available for investment, charges, minimum investment amounts and the accounting and distribution dates are set out in Appendix II. The assets of the Fund will be invested with the aim of achieving the investment objective and in accordance with the policy of that Fund.**

The terms of the Fund, including the terms of their investment objectives and policies, may, subject to the provisions of and in accordance with COLL, be amended from time to time. In all cases, amendments will be notified to unitholders. For all amendments that are not significant or fundamental, unitholders will be informed at or after the date the amendment will take place.

Where amendments are deemed by the Manager to be significant to the Fund, unitholders will be provided with at least 60 days' prior notice before the amendment.

Where the amendments are deemed by the Manager to be fundamental to the Fund, unitholders will be asked to approve the change by way of an extraordinary resolution at a meeting of unitholders.

Changes to the investment objective and policy of the Fund will normally require approval by Unitholders at an extraordinary general meeting if the change alters the nature or risk profile of the Fund, or on giving 60 days' notice to Unitholders where the changes do not alter the nature or risk profile of the Fund. In exceptional circumstances, changes may be made to the investment objective and policy of the Fund with no minimum period of notice where these are for clarification purposes only. Usually, changes may only be made to the investment objective and policy following notification to the FCA pursuant to the Act and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Fund.

## **11. Profile of a Typical Investor**

For the Fund, the profile of a typical investor is set out in Appendix II.

## **12. Risk Factors**

The Fund's risks are set out in Appendix I.

## **13. Investment Powers and Restrictions**

The investment objective and policy of the Fund, as set out in Appendix II, is subject to the limits on investment for a Non-UCITS scheme under chapter 5 of the FCA's COLL, relevant parts of which are set out below.

### *Investment Limits*

The Fund will only invest in:

- (i) transferable securities;
- (ii) money market instruments;
- (iii) derivatives and forward transactions as described under "*Derivatives and Forward Transactions*" below;

- (iv) deposits as described under “*Deposits*” below; and
- (v) units or shares in collective investment schemes as described under “*Collective Investment Schemes*” below.

The Fund will only hold transferable securities and money market instruments that are:

- (i) admitted to or dealt in on an eligible market as described In Appendix III; or
- (ii) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue; or
- (iii) approved money market instruments not admitted to or dealt in on an eligible market described under “*Approved Money Market Instruments*” below.

However, not more than 20% in value of the Fund may consist of transferable securities which are not "approved securities" as defined in the Regulations or not more than 20% in value of the Fund may consist of money market instruments which are liquid and have a value which can be determined accurately at any time.

At times it is appropriate not to be fully invested. The Fund may hold cash or near cash (as defined for the purposes of COLL and as set out under “*Cash and Near Cash*” below).

#### *Transferable Securities*

The property of the Fund may be invested in a transferable security only to the extent that the transferable security fulfils the following criteria:

- (i) the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
- (ii) its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying unitholder;
- (iii) reliable valuation is available for it as follows:
  - (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
  - (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- (iv) appropriate information is available for it as follows:
  - (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
  - (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the authorised fund manager on the transferable security or, where relevant, on the portfolio of the transferable security;
- (v) it is negotiable; and



- (vi) its risks are adequately captured by the risk management process of the Manager.

Unless there is information available to the Manager that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed not to compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying unitholder and to be negotiable.

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

- (i) where the closed end fund is constituted as an investment company or a unit trust, it is subject to corporate governance mechanisms applied to companies, and 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
- (ii) where the closed end fund is constituted under the law of contract, it is subject to corporate governance mechanisms equivalent to those applied to companies, and it is managed by a person who is subject to national regulation for the purpose of investor protection.

#### *Collective Investment Schemes*

The property of the Fund may be invested in the units of collective investment schemes (the “second scheme”) provided that the second scheme satisfies all of the following conditions:

- (i) no more than 35% in value of the Fund may consist of the units of any single collective investment scheme;
- (ii) the collective investment scheme into which the Fund is investing:
  - (a) is a UK UCITS or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
  - (b) is a Non-UCITS retail scheme; or
  - (c) is recognised scheme (as defined in the FCA Glossary); or
  - (d) is constituted outside the UK and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS retail scheme; or
  - (e) is a scheme not falling within (a) to (d) above and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested;
- (iii) the second scheme operates on the principle of the prudent spread of risk;
- (iv) the second scheme is prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes;
- (v) the participants in the second scheme into which the Fund is investing must be entitled to have their units redeemed in accordance with the scheme at a price:
  - (i) related to the net value of the property to which the units relate; and
  - (ii) determined in accordance with the scheme.

**Subject to the restrictions above, the Fund may invest in units or shares of a collective investment scheme or closed-ended investment company managed or operated by the**

**Manager or an associate of the Manager (Associate Schemes).** The Fund may not invest in or dispose of units in an Associate Scheme unless certain charges in respect of the investment in, or the disposal of units in, the Associate Scheme are reimbursed within four business days and certain other conditions in COLL are satisfied.

#### *Exchange Traded Funds*

Investment may be made by the Fund in exchange traded funds. The Manager will consider each investment in exchange traded funds on an individual basis to determine how the investment should be categorised. Generally, an investment in open-ended exchange traded funds will be categorised as an investment in collective investment schemes and any investment in closed-ended exchange traded funds will be categorised as an investment in transferable securities.

#### *Spread: Government and Public Securities*

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

Where no more than 35% in value of the Fund's property is invested in such securities issued by any one body, the Fund is not limited on the amount which may be invested in such securities or in any one issue.

**The Fund may invest more than 35% in value of its property in government and public securities issued by any one body, provided that such securities have been issued by the following bodies:**

- (a) **the government of the United Kingdom; or**
- (b) **the Scottish Administration; or**
- (c) **the Executive Committee of the Northern Ireland Assembly; or**
- (d) **the National Assembly for Wales; or**
- (e) **the government of any of the following countries or territories outside the UK:**
  - (i) **each EEA State other than the UK, including Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain and Sweden; or**
  - (ii) **Australia, Canada, Japan, New Zealand, Switzerland and the United States of America.**

The Fund may invest more than 35% of the Scheme Property in such securities issued by any one issuer, provided that:

- (a) the Manager before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in

accordance with the investment objectives of the Fund;

- (b) no more than 30% in value of the Fund's property consists of such securities of any one issue;
- (c) The Fund's property must include at least six different issues whether of that issuer or another issuer; and
- (d) the disclosures in COLL 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made in the most recently published version of this Prospectus.

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

#### *Approved Money Market Instruments*

The Fund may invest without limitation in (1) money market instruments that are admitted to or dealt in on an eligible market and (2) approved money market instruments that are not admitted to or dealt in on an eligible market, provided the issue or the issuer is regulated for the purpose of protecting investors and savings and the instrument is:

- (a) issued or guaranteed by:
  - (i) a central, regional or local authority of the UK or an EEA State, or central bank of an EEA State, the Bank of England, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which the UK or one or more EEA States belong; or
  - (ii) an establishment subject to prudential supervision in accordance with criteria defined by the UK or EU law or 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 the UK or EU law;

and

- (b) issued by a body, any securities of which are dealt in on an eligible market.

The Fund may invest up to 20% of its Net Asset Value in aggregate in money market instruments not falling within (i) or (ii) above, provided they are liquid and have a value which can be determined accurately at any time.

Eligible markets for the Fund is explained and set out in Appendix III.

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

The property of the Fund may include nil and partly paid transferable securities and money market instruments only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the investment restrictions and rules described in this section of this Prospectus and COLL. Furthermore, certain types of warrant may only be acquired if the warrant is listed on an eligible securities market. The Fund will not invest more than 5% in value of its property in warrants.

#### *Underwriting and Placing*

Underwriting and placing contracts in respect of transferable securities may be entered into if covered by cash and/or other property in accordance with COLL. The Fund shall ensure that it shall be able to meet in full any obligations arising under such underwriting and placing contracts immediately as they fall due.

### *Cash and Near Cash*

The property of the Fund may consist of cash and near cash where this may reasonably be regarded as necessary in order to enable the pursuit of the Fund's investment objective, redemption of units, efficient management in accordance with that Fund's investment objective or other purposes which may reasonably be regarded as ancillary to the investment objective of that Fund. Where the Manager considers that a defensive investment strategy is appropriate, cash and near cash may comprise up to 30% of the value of the property of the Fund. This range may be exceeded in exceptional circumstances.

### *Deposits*

No more than 20% in value of the Fund may consist of deposits with a single body as defined in rule 5.6.7R(2) of COLL.

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

### *Derivatives and Forward Transactions*

The Manager has the power to buy and sell derivatives and forwards, both on exchange and off exchange, in the Fund to the extent permitted by COLL and as set out below.

Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in "*Spread limits*" and "*Government and Public Securities*".

The limits do not apply to index based derivatives where, provided the relevant indices composition is sufficiently diversified, the index represents an adequate benchmark for the market to which it refers and the index is published in an appropriate manner. The underlying constituents of the index do not have to be taken into account for the purposes of the spread limits. The Manager must continue to ensure a prudent spread of risk.

A derivative or forward transaction must have an underlying consisting of any one or more of the investments permitted in this Prospectus but may also include financial indices, interest rates, foreign exchange rates and currencies.

A derivative or forward transaction which will or may lead to the delivery of the underlying asset for the account of the Fund may be entered into only if that property can be held for the account of the Fund, and the Manager having taken reasonable care determines that delivery of the asset under the transaction will not occur or will not lead to a breach of the Regulations.

Where a transferable security or approved money market instrument embeds a derivative, this must be taken into account for the purposes of complying with COLL and calculating any limit on derivatives and forward transactions.

When using derivatives the Manager will employ its risk management process set out under "Risk Management" below.

### ***Derivatives and Forward Use: Efficient Portfolio Management***

**The use of derivatives will be for efficient portfolio management purposes only and should not affect the risk profile of the Fund. The aim of any derivative or forward used for efficient portfolio management is not to materially alter the risk profile of the Fund, but rather to assist the Manager in meeting the investment objectives of that Fund as set out in Appendix II.**

Efficient portfolio management involves techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost effective way;
- (b) they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (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 the Regulations.

The aim of reducing risks or costs will allow the Manager to enter into exposures on permissible assets or currencies using derivatives or forwards as an alternative to selling or purchasing underlying assets or currencies. These exposures may continue for as long as the Manager considers that the use of derivatives continues to meet the original aim.

The aim of generating additional capital or income allows the Manager to write options on existing assets where it considers the transaction will result in the Fund deriving a benefit, even if the benefit obtained results in surrendering the chance of greater benefit in the future.

The aim of generating additional capital allows the Manager to take advantage of any pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights relating to assets the same as, or equivalent to which the Fund holds or may hold.

**Transactions in derivatives may be used for the purposes of hedging (for example in relation to price or currency fluctuations). The use of derivatives for the purposes of hedging may reduce the risk profile of the scheme by diminishing the risk of the fluctuation that is being hedged against (e.g. price or currency).**

In using derivatives and forward transactions the following must be adhered to:

- (i) a transaction in derivatives or a forward transaction must not be effected for the Fund unless:
  - (a) the transaction is of a kind specified in paragraph (ii) and COLL 5.6.13R and (iii) below; and
  - (b) the transaction is covered, as required by COLL 5.3.3AR under the heading “*Derivative cover and exposure*” below.
- (ii) any transaction by the Fund in a derivative must:
  - (a) be in a derivative which is traded or dealt in on an eligible derivatives market; or
  - (b) comply with the requirements relating to OTC transactions in derivatives set out below.
- (iii) any transaction in a derivative by the Fund:
  - (a) must have the underlying assets consisting of one or more of the following to which the Fund is dedicated:
    - (i) transferable securities;
    - (ii) money market instruments;
    - (iii) deposits permitted under the heading “*Deposits*” below;

- (iv) derivatives permitted under this paragraph;
  - (v) collective investment scheme units permitted under the heading “*Collective Investment Schemes*” above;
  - (vi) financial indices;
  - (vii) interest rates;
  - (viii) foreign exchange rates; and
  - (ix) currencies
- (b) (unless it falls within the heading “*OTC Transactions*” below) must be effected on or under the rules of an eligible derivatives market;
  - (c) must not cause the Fund to diverge from the investment objectives as stated in the Trust Deed and in the most recently published version of this Prospectus;
  - (d) must not be effected by the Fund if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes, or derivatives.

Any forward transaction by the Fund may only be with an approved counterparty.

***Derivatives and Forward Use: For specific investment purposes***

The Manager may also use transactions in derivatives and forward transactions, on giving 60 days’ notice to unitholders, for the purposes of meeting the investment objectives of the Fund. **The use of derivatives for the purposes of meeting the investment objectives of the Fund may increase the risk profile of the Fund and lead to a higher volatility in the unit price.**

In using derivatives and forward transactions the following must be adhered to:

- (i) a transaction in derivatives or a forward transaction must not be effected for the Fund unless:
  - (a) the transaction is of a kind specified in paragraph (ii) and (iii) below; and
  - (b) the transaction is covered, as required under the heading “Derivative Cover and exposure” below.
- (ii) any transaction by the Fund in a derivative must:
  - (a) be in a derivative which is traded or dealt in on an eligible derivatives market; or
  - (b) comply with the requirements relating to OTC transactions in derivatives set out below.
- (iii) any transaction in a derivative by the Fund:
  - (a) must have the underlying assets consisting of one or more of the following to which the Fund is dedicated:
    - (i) transferable securities;

- (ii) money market instruments;
  - (iii) deposits permitted under the heading “*Deposits*” below;
  - (iv) derivatives permitted under this paragraph;
  - (v) collective investment scheme units permitted under the heading “*Collective Investment Schemes*” above;
  - (vi) financial indices;
  - (vii) interest rates;
  - (viii) foreign exchange rates; and
  - (ix) currencies.
- (b) (unless it falls within the heading “*ITC Transactions*” below) must be effected on or under the rules of an eligible derivatives market.
  - (c) must not cause the Fund to diverge from the investment objectives as stated in the Trust Deed or this Prospectus.
  - (d) must not be entered into by the Fund if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes, or derivatives.

Any forward transaction by the Fund may only be with an approved counterparty.

#### *OTC Transactions*

Any transaction in an OTC derivative (being a future, option or contract for differences) under (ii)(b) above must be:

- (i) entered into with a counterparty which is:
  - (1) an Eligible institution or an Approved Bank; or
  - (2) a person whose permission (including any requirement or limitations) as published by the Financial Services Register permits it to enter into a transaction as principal off exchange;
  - (3) a CCP that is authorised in that capacity for the purposes of EMIR;
  - (4) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
  - (5) to the extent not already covered above, a CCP supervised in a jurisdiction that:
    - i. has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the UK; and
    - ii. 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.

- (ii) on approved terms under which the Manager:
  - (a) carries out at least daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and
  - (b) can enter into one or more further transactions to sell, liquidate or close out the transaction at any time, at a fair value;
- (iii) capable of reliable valuation, in that 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 (a) is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- (iv) 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.

The jurisdictions that fall within (5) above are Australia, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Singapore, Spain, Switzerland, and the United State of America.

#### *Risk Management*

The Manager will use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of the Fund's positions including its derivatives and forwards position and their contribution to the overall risk profile of that Fund.

The following details of any risk management process must be regularly notified by the Manager to the FCA, and at least on an annual basis: the methods for estimating risks in derivative and forward transactions; and the types of derivatives and forwards to be used together with their underlying risks and any relevant quantitative limits.

#### *Derivative Exposure*

The Manager must ensure that the global exposure relating to derivatives and forward transactions held in the Fund does not exceed the net value of its Scheme Property. The Manager must calculate the Fund's global exposure on at least a daily basis. For these purposes, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the derivative positions.



The Fund will use the commitment approach to calculate its global exposure relating to the use of financial derivative instruments. This is calculated by taking into account the current value of the underlying assets, the counterparty risk, foreseeable market movements and the time available to liquidate the Fund's holding. The total exposure relating to derivatives held for the Fund (the market value of the Fund's exposure to derivatives, after netting and hedging) may not exceed the net value of that Fund.

#### 14. Borrowing

Cash obtained from borrowing, and borrowing which the Manager reasonably regards an eligible institution or an Approved Bank to be committed to provide, is available for cover pursuant to "*Derivative cover and exposure*", but only where the Trustee for the account of the Fund on the instructions of the Manager borrows an amount of currency from an eligible institution or an Approved Bank; and keeps an amount in another currency, at least equal to the borrowing on deposit with that lender (or his agent or nominee). In these circumstances the heading "*Derivative cover and exposure*" above and the preceding paragraph apply as if the borrowed currency, and not the deposited currency, were part of the property of the Fund.

##### *Borrowing Powers*

The Trustee may, on the instructions of the Manager and subject to COLL, borrow money from an Eligible Institution or Approved Bank for the use of the Fund on terms that the borrowing is to be repayable out of the assets of the Fund. The power to borrow is subject to the obligation of the Fund to comply with any restriction in the Trust Deed.

The Manager must ensure that borrowing does not, on any week day on which the London Stock Exchange is open for business (a Business Day), exceed 10% of the value of the Fund. 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).

##### *Leverage*

The Fund's investment objective and investment policy permits the limited use of leverage (in the form of derivatives for efficient portfolio management purposes only).

As at the date of this Prospectus the Fund is not currently utilising any form of leverage, whether by borrowing cash or securities, leverage embedded in derivative positions or any other means.

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

- a) set a maximum level of leveraging which it may employ on behalf of the Fund; and
- b) where the leverage arrangement allows the right to reuse collateral or the granting of a guarantee, set out the extent of that right or guarantee.

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

<b>Derivative Type</b>	<b>Limits</b>
<b>Allowable on a 'substantial' basis</b>	No
<b>Unsecured cash borrowings</b>	Not permitted
<b>Secured cash borrowings</b>	Up to 10% for liquidity purposes only. ONLY for short-term use.
<b>Convertible borrowings</b>	Not permitted

Derivative Type	Limits
Interest rate swaps	Not permitted
Contracts for differences	Not permitted
Futures contracts	Not permitted
Total return swaps	Not permitted
Forward agreements	Only as required; No greater than 40% of the Net Asset Value of the portfolio.
Options	Only as required; No greater than 30% of the Net Asset Value of the portfolio.
Repurchase arrangements	Not permitted
Reverse repurchase arrangements	Not permitted
Securities lending arrangements	Not permitted
Securities borrowing arrangements	Not permitted
Credit default swaps	Not permitted
<b>MAXIMUM LEVEL OF LEVERAGE USING THE COMMITMENT METHOD*</b>	200%
<b>MAXIMUM LEVEL OF LEVERAGE USING THE GROSS METHOD*</b>	300%

\*NOTES

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

1. the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the Fund that are readily convertible to an amount of cash, subject to an insignificant risk of change in value and which provide a return no greater than the rate of a three month high quality government bond is excluded;
2. derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;
3. cash borrowings that remain in cash or cash equivalents and where the amounts payable are known are excluded;
4. exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed are included; and
5. positions within repurchase or reverse repurchase transactions and securities lending or borrowing or other similar arrangements are included.

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

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

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

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

## **15. Spread limits**

### *Spread of Investments*

Other than in relation to holdings in government and public securities or collective investment schemes:

- (i) no more than 20% in value of the Fund's property may consist of deposits with a single body as defined in Rule 5.6.7R(2) of COLL.
- (ii) no more than 10% in value of the Fund's property may consist of transferable securities or money market instruments issued by any single body subject to Rule 5.6.23R of COLL.
- (iii) the exposure of the Fund to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Fund.

In applying the limit under paragraph (ii) above, certificates representing certain securities are treated as equivalent to the underlying security.

For the purposes of this paragraph, companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards, are regarded as a single body.

The Fund will not invest directly in immovable property or directly in gold.

## **16. Winding up of the Fund**

The Trustee shall proceed to wind-up the Fund:

- (i) if the order declaring the Fund to be an authorised unit trust (the Order) is revoked by the FCA;
- (ii) if the Manager or the Trustee requests the FCA to revoke the Order and the FCA has agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Fund, the FCA will accede to a request by the Manager or the Trustee that the order of authorisation be revoked; or
- (iii) on the effective date of a duly approved scheme of arrangement which is to result in the Fund being left with no property.

If any of the events set out above or any other event stated to trigger a winding up under COLL occurs, the Manager will cease to issue and redeem units.

In the case of a scheme of arrangement referred to above, the Trustee shall wind-up the Fund in accordance with the approved scheme of arrangement.

In any other case, the Trustee will as soon as practicable after the Fund falls to be wound up realise the property of that Fund and, after paying out of the proceeds all liabilities properly so payable and retaining provision for the cost of the winding up, distribute the net proceeds to the unitholders and the Manager (upon production by them of evidence as to their entitlement) proportionately to their respective interests in the Fund.

Any unclaimed net proceeds or other cash held by the Trustee after the expiration of twelve months from the date on which such proceeds became payable will be paid by the Trustee into court subject to the Trustee having the right to retain from the proceeds any expenses incurred by it in making the payment into court.

## **17. Units in the Fund**

Different classes of Units may be issued in respect of the Fund as set out in Appendix II. At present the Fund issues Income Units only. Each Income Unit represents one undivided share in the property of the Fund. Holders of Income Units are entitled to be paid the income attributable to such Units in respect of the annual or interim accounting period.

The price of Units is expressed in GBP.

Units of the Fund are in registered form. Certificates will not be issued to Unitholders. The Register shall (save where a Unitholder has defaulted for the purposes of COLL 6.4.4R and the Trustee makes a necessary alteration to the register) be conclusive evidence as to the persons respectively entitled to the Units entered in the Register. No notice of any trust, express, implied or constructive, shall be entered on the Register in respect of any Unit and the Manager and the Trustee shall not be bound by any such notice.

The nature of the right represented by Units in the Fund is that of a beneficial interest under a trust.

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

## **18. Income Allocation Dates**

The annual and interim income allocation dates for the Fund are set out in Appendix II.

## **19. Income Allocation**

Allocations of income in the Fund are made to holders of Income Units in respect of the income available for allocation in the annual accounting period and are paid on or before the annual income allocation date. The amount available for allocation in an annual accounting period is calculated by:

- (a) taking the aggregate of the income received or receivable for the accounting period;
- (b) deducting the aggregate of the Manager's and the Trustee's remuneration and any other payments paid or payable out of income for that accounting period; and
- (c) making such other adjustments as the Manager considers appropriate in relation to tax (after consulting the auditors) and certain other matters.

Distributable income payable on Income Units will be paid by BACS (Bankers Automated Clearing System) transfer.

In order to conduct a controlled dividend flow to unitholders from the Fund, the Manager and the Trustee may agree a de minimis amount in respect of which a distribution of income is not required. Interim distributions will be made at the Manager's discretion, up to the maximum of the distributable income available for the period. All remaining income is distributed in accordance with the Regulations.

Any distribution payment that remains unclaimed after six years will be transferred to and become part of the capital property of the Fund respectively.

## **20. Equalisation**

The purchase price of a Unit reflects the entitlement to share in the accrued income of such a Unit of the Fund since the previous allocation of income (whether annual or interim). This capital sum, known as "income equalisation", is returned to Unitholders with the first allocation of income in respect of a Unit issued during an accounting period. Income equalisation is not earned income and income tax will not be payable on it, however, it should be deducted from the acquisition cost of the holding for capital gains tax purposes.

The amount of income equalisation is calculated by dividing the aggregate of the amount of income included in the price of Units of the relevant type issued in an annual or interim accounting period by the number of those Units and applying the resultant average to each of the units in question.

Income earned in respect of units purchased prior to the latest annual or interim accounting period is dealt with as income in the normal way.

## **21. Voting**

The convening and conduct of general meetings of Unitholders of the Fund and the voting rights of Unitholders at such meetings is governed by the Regulations and COLL.

The quorum for such meetings shall be two Unitholders either present in person or by proxy. Notice convening a general meeting of Unitholders will be given in accordance with the Regulations.

Except where an extraordinary resolution is required or permitted, a resolution of Unitholders is required to be passed by a simple majority of votes cast at a general meeting of Unitholders.

At any meeting of the Unitholders of the Fund, a resolution put to the vote should be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the Regulations by the chairman of the meeting, by the Trustee or by two or more Unitholders. On a show of hands every holder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard shall have one vote. On a poll votes may be given either personally or by proxy or in another manner permitted by the Trust Deed. The voting rights attaching to each Unit on a poll are the proportion of the voting rights attached to all Units in issue in the Fund that the price of the Units bears to the aggregate price or prices of all of the Units in issue calculated on a date specified pursuant to the Regulations. A Unitholder need not use all his votes or cast all of his votes in the same way.

A Unitholder which is a corporation may authorise such person as it thinks fit to act as its representative at any meeting of Unitholders and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Unitholder.

For joint Unitholders of a Unit, only the vote of the first mentioned in the Register can be taken.

A Unitholder may appoint another person to attend a general meeting and vote in his place. An instrument of proxy may be in the usual common form or in any other form which the Trustee shall approve executed under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney so authorised. A person appointed to act as a proxy need not be a unitholder. For the appointment of a proxy to be effective, the instrument of

proxy must be received as provided pursuant to the Regulations not less than 48 hours before the relevant meeting or adjourned meeting.

The Manager may not be counted in the quorum for a general meeting, and neither the Manager nor any associate of the Manager is entitled to vote at any general meeting except in respect of Units which the Manager or associate holds on behalf of or jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the Manager or associate has received voting instructions.

“Unitholders” in this context means unitholders as at a certain day chosen by the Manager before the notice of meeting is issued, but excluding persons who are known to the Manager not to be Unitholders at the time of the meeting.

## **22. Fair Treatment of Unitholders**

Under the Trust Deed, the Trustee and the Manager owe certain duties to Unitholders, which require them to, among other things, act in good faith, in what they consider to be in the best interests of the Fund. Both the Trustee and the Manager, in exercising their discretion under the Trust Deed, will act in accordance with such duties and shall ensure that they at all times act fairly between investors.

Under the UK AIFMD regime the Manager must treat all Unitholders fairly. The Manager maintains a Conflicts of Interest Policy which requires it to treat its clients fairly. The Manager’s Conflicts of Interest Policy establishes requirements for the Manager to have effective systems, controls and procedures to identify, prevent, manage, monitor and review conflicts of interest, including potential conflicts of interest that could arise between investors, in line with regulatory requirements.

As at the date of this Prospectus the Manager has not granted preferential treatment or the right to obtain preferential treatment to any investor or potential investor in any of the Fund. As such, all investors in the Fund will invest in the same manner and on the same terms.

## **23. Minimum Value of Holdings**

The minimum value of holdings for the Fund is set out in Appendix II. These limits may be waived at the Manager's discretion.

## **24. Buying Units**

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

Units may be purchased by sending a completed application form or clear written instructions to the Administrator at the address set out in Appendix VI. Alternatively units may be purchased by obtaining an application form by telephoning the Manager’s Customer Enquiry Line on 0333 300 0375 or through the means of electronic communications (as set out under the paragraph headed ‘Electronic Communications’).

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

A business day for this purpose means every day or part of a day, other than Saturdays, Sundays, public holidays in England or any day or part of a day on which the London Stock Exchange is not open for trading.

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.

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.

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

#### *Default by a Purchaser*

Default by a purchaser in payment of any moneys under the purchaser's application will entitle the Trustee to cancel any rights of the purchaser in the Units. In the case of default, the Manager will hold the purchaser liable, or jointly and severally liable with any agent of the purchaser, for any loss sustained by the Manager as a consequence of a fall in the price of units.

#### *Restrictions on the Purchase of Units*

The Manager may institute any restriction on the buying, selling or switching of Units to ensure that the law or government regulation of any country or territory is not breached and as such the Manager may reject in its discretion any application for the purchase, redemption or switching of Units in the Fund.

Unitholders or potential Unitholders who are nationals or citizens of jurisdictions outside the UK, or who are nominees of, custodians or trustees for, citizens or nationals of jurisdictions outside the UK should inform themselves about any laws or regulations that may impact upon their holding of Units in the Fund and in doing so should observe any applicable legal requirements. In particular it is the responsibility of Unitholders or potential Unitholders to satisfy themselves as to the full observances of the laws and regulatory requirements of the relevant jurisdiction including but not limited to the observance and payment of any taxes or duties as a result of owning Units in the Fund.

#### *Mandatory redemption*

If the Manager becomes aware that Units in the Fund are owned directly or beneficially by a Unitholder in breach of any law or government regulation of any country or territory which would result in (or would if other units were acquired in the Fund result in) the Fund incurring any liability to taxation which the Fund would not be able to recover itself or suffering any other adverse consequences (including a requirement to register under any securities or investment law or government regulations of any jurisdiction or territory) or by virtue of which the Unitholder is not, or may not be, qualified to hold such units the Manager may give notice in writing to the Unitholder requiring the redemption of such Units. If a Unitholder upon whom such a notice is served does not within thirty days after the date of such notice redeem the Units or establish to the satisfaction of the Manager that the Unitholder is qualified and entitled to own Units in the Fund, the Units shall be compulsorily redeemed upon which normal settlement terms will then apply.



### *Market Timing Policy, Late Trading Policy and Fair Value Pricing*

Where the Manager has reasonable grounds to believe that the price obtained is unreliable or the most recent price available does not reflect the Manager's best estimate of the value of the relevant investment at the relevant Valuation Point or no price or no recent price exists, the Manager may use a price which, in the opinion of the Manager, reflects a fair and reasonable price for that investment (the fair value price). In calculating any value, the Manager shall be entitled to rely on any valuations provided or attributed to any asset or liability by the Investment Managers.

The circumstances which may give rise to a fair value price being used include:

- a) no recent trade in the security concerned; or
- b) the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In b), a significant event is one that means the most recent price of a security or a basket of securities is materially different to the price that it is reasonably believed would exist at the Valuation Point had the relevant market been open.

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

- a) the type of authorised fund concerned;
- b) the securities involved;
- c) the basis and reliability of the alternative price used; and
- d) the Manager's policy on the valuation of Scheme Property as disclosed in the Prospectus.

Where an adjustment is made as described above, it will be applied consistently to all classes of Units within the same Fund.

## **25. Selling Units**

Unitholders may request to sell their Units in the Fund by writing to the Manager or by telephone between 9.00 a.m. and 5.00 p.m. on each Business Day.

On acceptance of telephone instructions, Units will be repurchased at the relevant price and a Contract Note will be despatched. Investors should then complete and sign the redemption notice and return it to the Manager. Proceeds of redemption (less, if the proceeds are to be remitted abroad, the cost of such remittance) will be paid by the close of business on the fourth Business Day following the later of (i) receipt of the redemption notice duly signed by the Unitholder, and (ii) the Dealing Day on which the transaction was effected.

### *Dealing instructions*

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

Units may be purchased by sending a completed application form or clear written instructions to the Administrator at the address set out in Appendix 5. Alternatively units may be purchased by obtaining an application form by telephoning the Manager's Customer Enquiry Line on 0333 300 0375 or through the means of electronic communications (as set out under the paragraph headed 'Electronic Communications').

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

A business day for this purpose means every day or part of a day, other than Saturdays, Sundays, public holidays in England or any day or part of a day on which the London Stock Exchange is not open for trading.

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.

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.

#### *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:

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

## **26. Pricing Basis and Valuation**

The Manager is responsible for the proper valuation of the assets of the Fund and for the calculation and publication of the Net Asset Value of the Fund and the Net Asset Value per Unit of each class of Units.

#### *Pricing*

Unit prices are determined on a single mid-market basis in accordance with the Regulations. Units in the Fund are single priced. The single mid-market price applies whether you are investing in Units or selling Units. Unit prices for the Fund are calculated in the UK on the basis of valuations taken on the Scheme Property as at 22.30 p.m. on each Dealing Day (the "Valuation Point". The Unit price will be calculated at the next Valuation Point of the property of the Fund after the purchase or sale of Units is agreed. This is known as forward pricing.

## *Valuation*

The Manager reserves the right to (i) value the property of the Fund at an alternative time on any day on which the London Stock Exchange reduces the length of its mandatory quote period and (ii) suspend valuation of the property of the Fund at any time when the buying and selling of Units is suspended

The Manager may carry out an additional valuation of the property of the Fund at any time during a Business Day if he considers it desirable to do so and may carry out special valuations in the following circumstances:

- (a) where necessary for the purposes of effecting a scheme of reconstruction or amalgamation; or
- (b) on the day on which the annual or interim accounting period ends.

Investors should bear in mind that, on investing, the Manager's preliminary charge is added to the price of Units. In addition, for both purchases and sales of Units by investors, a dilution adjustment may be payable or deducted in certain circumstances.

The price of a Unit is calculated by reference to the Net Asset Value of the property of the Fund. The Net Asset Value of the property of the Fund is the value of the Fund's assets less the value of the Fund's liabilities determined in accordance with the provisions of the relevant Trust Deed. A summary of such provisions applying to the Fund follows:

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

- (d) any other investment:
    - (i) if a single price for buying and selling the security is quoted, at that price; or
    - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
    - (iii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which in the opinion of the Manager is fair and reasonable; and
  - (e) property other than that described in (a), (b), (c) and (d) above at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.
- 3 Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values.
  - 4 In determining the value of the Fund's property, all instructions given to issue or cancel units shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary has been shown) to have been taken.
  - 5 Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted, shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission will not materially affect the final net asset amount.
  - 6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 5.
  - 7 All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
  - 8 Deduct an estimated amount for the anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Fund; on realised capital gains in respect of the previously completed and current accounting periods; and on income where liabilities have accrued), including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty and stamp duty reserve tax.
  - 9 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day.
  - 10 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
  - 11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
  - 12 Add any other credits or amounts due to be paid into the property of the Fund.

- 13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
- 14 Currencies or values in currencies other than the base currency shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.

When an investment is fair valued, there is no guarantee that the investment will be sold at the price at which the Fund is carrying the investment. The Manager monitors domestic and foreign markets and news information for any developing events that may have an impact on the valuation of the Fund's investments.

Where the Manager believes that a reliable unit price cannot be established as at the Valuation Point, dealing in the relevant Fund may be suspended.

## **27. Liquidity Risk Management**

The Manager has, in accordance with the UK AIFMD regime, established a comprehensive liquidity risk monitoring framework to ensure that all the dimensions of liquidity risk are identified, assessed and monitored on an on-going basis. This includes liquidity stress test scenarios that are designed to assess the resilience of the liquidity profile of the Fund to a combination of:

- very unfavourable market liquidity conditions; and
- large-scale, short-notice capital outflows.

The objective is to ensure that the Fund is able to comply as far as possible at all times, and under stressed market conditions, with the relevant regulatory repurchase obligations and that the liquidity of the Fund remains in line with the respective investment policy and overall risk profile.

## **28. Dilution Adjustment**

The actual cost of purchasing or selling Units in the Fund may be higher or lower than the mid-market value used in calculating the unit price. These costs may include dealing charges, commissions and the effects of dealing at prices other than the mid-market price. The effects of transaction charges and the dealing spread may have a materially disadvantageous effect on the Unitholders' interests in the Fund.

To prevent this effect, known as "dilution", the Manager may make a dilution adjustment when there are net inflows into the Fund or net outflows from the Fund, so that the price of a Unit is above or below that which would have resulted from a mid-market valuation. It is not, however, possible to predict accurately whether dilution will occur at any point in time. Consequently it is not possible to accurately predict how frequently the Manager will need to make such a dilution adjustment. The imposition of a dilution adjustment may reduce the redemption price or increase the purchase price of Units.

The imposition of a dilution adjustment will depend on the volume of sales or redemptions of Units. The Manager may make a dilution adjustment:

- (i) if net sales or redemptions are over 1.0% of the Fund's net asset value; or
- (ii) on the Fund experiencing large levels of net sales relative to its size; or
- (iii) where the Fund is in continual decline (i.e. is suffering a net outflow of investments);  
or

- (iv) in any other case where the Manager believes that it is in the interest of Unitholders to impose a dilution adjustment.

The dilution adjustment for the Fund will be calculated by reference to the costs of dealing in the underlying investments of the Fund, including any dealing spreads, commission and transfer taxes. The cost of dealing in underlying investments can vary over time and as a result the amount of dilution adjustment will also vary over time. When the dilution adjustment is not made and Units are bought or sold at a mid-market price there may be an adverse impact on the total assets of the Fund.

**At present the Manager does not intend charging a dilution adjustment.** The Manager believes that this policy will not affect the future growth of the Fund. If at a future date the Manager decides that the introduction of a dilution adjustment would be in Unitholders' interest, it will give Unitholders 60 days' notice of the introduction of the policy.

## **29. In Specie Cancellation**

If a Unitholder requests the redemption or cancellation of Units, the Manager may, if it considers the deal substantial in relation to the total size of the Fund, arrange for the Trustee to cancel Units and transfer an appropriate amount of the Scheme Property to the Unitholder instead of paying the price of the Units in cash. A deal involving Units representing 5% or more in value of the Scheme Property will normally be considered substantial, although the Manager may in its discretion agree an in specie cancellation with a Unitholder whose Units represent less than 5% in value of the property of the Fund.

Before the proceeds of cancellation of the Units become payable, the Manager will give written notice to the Unitholder that the Scheme Property will be transferred to that Unitholder.

The Manager will select the property to be transferred in consultation with the Trustee. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the Unitholder requesting cancellation than to continuing Unitholders. The Trustee will retain from that property the value of any redemption charge.

## **30. Suspension of Redemption and Issue of Units**

The buying, selling and switching of Units of the Fund may at any time be temporarily suspended by the Manager, with the prior agreement of the Trustee or if the Trustee so requires, if the Manager or the Trustee, as appropriate, is of the opinion that there an exceptional reason to do so having regard to the interests of the Unitholders in the Fund. The FCA will be immediately notified of any decision to suspend the buying, selling and switching of Units. Reasons for which such dealings may be suspended include:

- (i) the closure or suspension of dealing on a relevant stock exchange; or
- (ii) the inability of the Manager to ascertain properly the value of any or all of the assets or realise any material part of the assets of the Fund; or
- (iii) the value of redemption requests received in respect of any Business Day is deemed, in the Manager's absolute discretion, to be exceptional in relation to the value of the relevant Fund.

Unitholders will be notified of any suspension as soon as practicable after suspension commences, including details of the exceptional circumstances which have led to the suspension and giving Unitholders details of how to find further information about the suspension. The FCA shall be immediately notified and as soon as practicable given written confirmation of the reasons for the suspension.

The Manager and the Trustee will ensure that any suspension is only allowed to continue as long as it is justified having regard to the interests of the Unitholders and that the suspension is reviewed at least every 28 days.

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

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

### **31. 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 in the Trust. 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.

### **32. 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 prices may not necessarily be the current prices.

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

### **33. Preliminary Charge**

The Manager may make a preliminary charge on a sale of Units which is calculated on the basis of such percentage of the Unitholder's investment (plus VAT if any). The actual amount applicable to the Fund is set out in Appendix II. The preliminary charge will be applied in accordance with COBS 6.1 of the Regulations.

If and to the extent that the Fund purchases shares or units in another authorised unit trust or OEIC which is managed or operated by (or whose authorised corporate director is) the Manager or an associate of the Manager, there will be no preliminary charge included in the price at which those shares or units are purchased. In addition, when the Fund sells shares or units in such a fund, no redemption charge will be deducted from the price at which those shares or units are sold.

### **34. Selling Charge**

The Manager currently makes no charge on the sale of Units of the Fund. However, the Manager reserves the right to charge up to 5% on the sale of Units that have been held by the selling Unitholder for less than 1 year. The charge will be subsequently reduced by 1% for each complete year that the Units have been held. Unitholders will be given not less than 60 days' notice of the introduction of any such charge. Where a Unitholder has acquired Units at different times and seeks to redeem Units, he will be treated, for the purposes of any selling charge applied, as selling Units in the order in which they were acquired.

If selling charges are introduced, and then such charges are changed, historical rates will be available from the Manager on request.

### **35. Client Money Rules**

(a) The FCA Handbook contains provisions (known as the "Client Money Rules")

designed to safeguard client money in the hands of authorised persons. However, the CASS rules also provide that money need not be treated as client money in respect of a delivery versus payment transaction, for the purpose of settling a transaction in relation to units in a regulated collective investment scheme such as the Fund, provided that:

1. The Manager receives the money from a client in relation to the Manager's obligation to issue shares in the fund in accordance with COLL; or
  2. The money is held in the course of redeeming shares, where the proceeds are paid to the client within the timeframe specified in COLL.
- (b) Where money is received in either of the circumstances set out in 1. or 2. above, the Manager must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Depositary or the client or, if direct issues and cancellations of Units by the Fund are permitted, to the Fund, as applicable.
- (c) In order to facilitate management of the Fund, the Manager makes use of the delivery versus payment exemption on the issue of units in respect of money received other than in the form of cheques. Money received in other payment forms for the issue of units is, therefore, not protected under the Client Money Rules until the delivery versus payment exemption period has expired. Money received by the Manager in the form of redemptions, cheques or other remittances is paid directly into a client money account maintained by the Manager with an Approved Bank, as defined in the FCA Rules, and protected in line with the Client Money Rules. No interest is payable by the Manager on monies credited to this account.

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 Fund's capital property.

### **36. Annual Management Charge**

For the Fund the Manager currently makes a annual management charge (the Annual Management Charge). The rate of the Annual Management Charge in respect of Units of the Fund is set out in Appendix II.

The Annual Management Charge is a percentage of the value of the property attributable to that class of Units of the Fund. The Annual Management Charge shall accrue daily and will be determined by reference to the Net Asset Value of the Fund on each Dealing Day and shall be paid in arrears at the end of each calendar month. The Annual Management Charge will be taken from either the income or the capital of the Fund as set out in Appendix II.

Any increase in the Manager's Preliminary Charge, Annual Management Charge or the basis upon which its expenses are reimbursed may be made by the Manager, if it is determined by the Manager to be a significant rather than a fundamental change, as set out in the Regulations only after:

- (i) giving 60 days' written notice in writing to the Unitholders (in the case of an increase of the Annual Management Charge (in the case of the Preliminary Charge)); and
- (ii) the Manager revising this Prospectus to reflect the increase.



If any such charge is deemed to be fundamental, it will require the approval of Unitholders.

Where the Fund invests in collective investment schemes, such underlying investments will incur management fees and expenses including a annual management charge. Certain underlying funds may also charge an preliminary charge and/or performance fees. Where the Fund invests in collective investment schemes managed by other management groups a partial rebate of the annual management charge charged by those collective investment schemes may be negotiated.

Where the Fund invests in regulated collective investment schemes managed by the Manager, or its associate companies, the Manager will not apply the annual management charge on the proportion of the net asset value of the Fund invested in those collective investment schemes.

### **37. Trustee's Fees**

#### *Periodic fee*

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

The current fees payable are:

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

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

#### *Trustee's Expenses*

In addition to the remuneration referred to above, the Trustee will be entitled to receive reimbursement for expenses properly incurred by it in the discharge of its duties or exercising any of the powers conferred upon it in relation to the Fund, subject to approval by the Manager.

The Trustee is also entitled to be reimbursed out of the property of the Fund in respect of remuneration charged by the Custodian for such services as the Manager, Trustee and the Custodian may from time to time agree, being services delegated to the Custodian by the Trustee in performing or arranging for the performance of the functions conferred on the Trustee by the relevant Trust Deed or the Regulations. Remuneration charged under this paragraph shall accrue when the relevant transaction or other dealing is effected and shall be paid in arrears. Currently the Custodian does not receive any remuneration under this paragraph.

#### *Custodian's Fees and Expenses*

The Trustee has appointed The Northern Trust Company (the "Custodian") as the Custodian of the Scheme Property and is entitled to receive reimbursement of the Custodian's fees as an expense of the Fund. The Custodian's remuneration for acting as Custodian is calculated at an ad valorem rate determined by the territory or country in which the assets of the Fund are held. Currently, the lowest rate is 0.0005% and the highest rate is 0.40%. In addition, the Custodian makes a transaction charge determined by the territory or country in which the transaction is affected. Currently, these transaction charges range from £2 to £100 per transaction.

The Custodian is permitted to increase its remuneration subject to the agreement of the Manager. If the charge materially increases the payment out of the Fund, written notice will be given in the same manner as for an increase in the Manager's annual charge.

#### *Registrar and Transfer Agent Fee*

The administration of the Fund will be carried out by Northern Trust Global Services SE (UK branch), who also act as Registrar. The fees for valuation services and administration are paid by the Manager.

The registration fee will be paid out of the Fund's property, as will the disbursements listed in the 'Other Expenses' paragraph below. The current registration fee is £10 per unitholder per annum.

### **38. Other Expenses of the Fund**

No other payments may be made out of the property of the Fund other than payments permitted by COLL and the following (to the extent of the actual amount incurred):

- (b) brokers' commission;
- (c) fiscal charges;
- (d) other disbursements which are:
  - (i) necessarily incurred in effecting transactions for the Fund; and
  - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- (b) interest on borrowings permitted in respect of the Fund and charges incurred in effecting or terminating or in negotiating or varying the terms of such borrowings;
- (c) any applicable taxes and duties payable in respect of the property of the Fund, the Trust Deed or the issue of Units;
- (d) any costs incurred in modifying the relevant Trust Deed, including costs incurred in respect of meetings of Unitholders convened for purposes which include the purpose of modifying the relevant Trust Deed, where the modification is:
  - (i) necessary to implement any change in the law, or
  - (ii) necessary as a direct consequence of any change in the law, or
  - (iii) expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interest of Unitholders of the Fund, or
  - (iv) to remove obsolete provisions from the relevant Trust Deed;
- (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;
- (f) the expenses for the production of financial statements, tax returns and any expenses incurred in connection with the maintenance of accounting and other books and records;
- (g) liabilities on Unitisation, amalgamation or reconstruction, in accordance with COLL 6.7.15;

- (h) any fees or costs associated with any CASS related support activity incurred by the Registrar;
- (i) the audit fees and any proper expenses of the auditors;
- (j) the legal fees and any proper expenses of the legal advisers;
- (k) the fees of the FCA and any corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Units in the Fund are or may be marketed;
- (l) any sum due or payable by virtue of any provision of the Regulations;
- (m) the fees and expenses payable to the Administrator in respect of:
  - (i) preparation of financial statements for the Fund;
  - (ii) preparation of tax returns; and
  - (iii) any expenses incurred by the Fund in connection with the maintenance of its accounting and other books and records;

Save as disclosed there are no maximum amounts of fees, charges and expenses borne (directly or indirectly) by Unitholders and such amounts will depend on a number of factors including, but not limited to, portfolio turnover and level of borrowing.

Subject to current HM Revenue & Custom (“HMRC”) regulations, VAT at the prevailing rate may be payable in connection with the Trustee’s remuneration, the Custodian’s remuneration and, where appropriate the expenses in (a) to (k) above.

### **39. Allocation of Expenses between Capital and Income**

Expenses (including charges payable to the Manager) may be allocated between capital and income in accordance with the Regulations. The approach for the Fund is set out in Appendix II. Where expenses are deducted in the first instance from income, if and only if this is insufficient, deductions will be made from capital. **If deductions are made from capital, this will result in capital erosion and constrain growth.**

### **40. Taxation**

**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 definitive nor as removing the desirability of taking separate professional advice. Investors are advised to consult their professional tax adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.**

#### *Taxation of the Fund*

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

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

**(a) Income**

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

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

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

**(b) Chargeable gains**

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

**(c) Stamp Duty Reserve Tax**

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

*Taxation of Unitholders*

**(a) Income**

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

The distribution accounts of the Fund for any of its distribution periods may show income available for distribution as either (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 Trust.

Where more than 60% of the Fund is invested in "qualifying investments" (broadly speaking interest paying investments, see further below) the Fund will make an

interest distribution. Where this is not the case, distributions made by the Fund will be dividend distributions.

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

**(b) Interest distributions**

UK resident individuals

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

No income tax has been 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, a fund fails to satisfy the "qualifying investment" test, Units in the Fund held by UK corporate unitholders in respect of fund are treated as if the Units in respect of such a corporate's accounting period (including gains, profits and losses) are rights under a creditor loan relationship and will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a corporate unitholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Units (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Units).

A Fund will fail to satisfy the "qualifying investments" test at any time when more than 60% of its assets by market value comprise government and corporate debt securities or cash on deposit or 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 Fund are treated as if they are dividends.

UK resident individuals

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

UK corporate Unitholders

UK resident corporate unitholders must split their dividend distributions into franked and unfranked income portions according to the percentage split given on the voucher. The unfranked portion is 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 any 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 Fund. A switch of funds is treated as a disposal for capital gains tax purposes. Gains will be tax-free if after deduction of allowable losses they fall within an individual's annual capital gains exemption.

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

UK corporate 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 indexation figure that UK corporate Unitholders can deduct will cover only the movement in the Retail Price Index from the date of acquisition of the asset up to 31 December 2017.

**Stamp Duty Reserve Tax**

Generally, there will be no charge to SDRT when unitholders surrender or redeem their Units. However, where the redemption is satisfied by a non-pro rata in specie redemption, then a charge to SDRT may apply.

**The Manager reserves the right to redeem the Units of any Unitholder who jeopardises the tax status of the Fund.**

*Income equalisation – tax implications*

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

*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 the with "International tax compliance" below.

### *Tax Elected Fund (“TEF”) regime*

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

### **International Tax Compliance**

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

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

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

#### **Unitholders should note that:**

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

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

### **41. Periodic and Regular Disclosure**

The following information will be disclosed to Unitholders annually by way of the annual report sent to Unitholders by the Administrator:

- (a) the percentage of any of the Fund’s assets that are subject to special arrangements arising from their illiquid nature (including, but not limited to, suspension of the issue, cancellation, sale and redemption of Units and deferrals on redemptions); any new arrangements for managing the liquidity of the Fund including, but not limited to, any material changes to the liquidity management systems and procedures employed by the Manager;**
- (b) provided that Unitholders will be notified immediately where the issue, cancellation, sale and redemption of Units is suspended, when redemptions are suspended or where other similar special arrangements are activated;**
- (c) the current risk profile of the Fund and the risk management systems employed by the Manager to manage those risks; and**



- (d) the total amount of any leverage employed by the Fund.

The most recent report is available on request from the Manager.

Any changes to the following information will be provided by the Administrator to Unitholders by letter without undue delay and in accordance with the rules in FUND:

- (a) any changes to the maximum level of leverage which the Manager may employ on behalf of the Fund;
- (b) any changes to the right of re-use of collateral or any changes to any guarantee granted under any leveraging arrangement.

#### **42. Report and Accounts**

The Manager will, within four months after the end of each annual accounting period and two months after the end of each interim accounting period respectively, make available full report and accounts, free of charge, on request as detailed below (see Appendix II for the Fund's annual and interim accounting dates).

The annual report in respect of the Fund will be prepared and made available to investors in accordance with the UK AIFMD regime.

#### **43. General Information**

##### *Legal implications of investment in the Fund*

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

- (i) By submitting an application for Units to the Administrator, the investor makes an offer for Units which, once it is accepted has the effect of a binding contract to subscribe for Units.
- (ii) Upon the issue of Units, a Unitholder becomes a deemed party to the Trust Deed. The Trust Deed is binding upon each Unitholder as if he had been a party to it and Unitholders are bound by its provisions. The Trust Deed authorises and requires the Trustee and the Manager to do the things required of them or permitted by its terms.
- (iii) As a matter of contract law, the Trust Deed represents a binding contract between the Manager, the Trustee and the Unitholders.
- (iv) As a matter of trust law, the Trust Deed constitutes a trust arrangement between the Unitholders, the Manager and the Trustee, pursuant to which the Scheme Property of the Fund is held on trust by the Trustee for the benefit of Unitholders and managed by the Manager.
- (v) The rights of Unitholders against the Manager and the Trustee under the Trust Deed are in addition to their rights under the rules in COLL and the general law.
- (vi) The Trust Deed can be amended by agreement between the Manager and the Trustee.
- (vii) An investor's liability to the Fund in relation to its investment will, subject to the terms of the application form and any other terms agreed separately, generally be limited to the value of that investment.
- (viii) The scheme documents and the application form are each made under and governed by and shall be construed in accordance with the laws of England and Wales. The Fund, the Manager and Unitholders of the Fund will be subject to the exclusive

jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with a Unitholder's investment in the Fund or any related matter.

Absent a direct contractual relationship between the Unitholder and the relevant service provider, Unitholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Unitholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Fund, by the relevant service provider is, prima facie, the Fund itself or the Manager acting on behalf of the Fund, as the case may be.

The laws of England and Wales provide a number of legal mechanisms for the recognition and enforcement of judgments.

#### *Literature and subscriptions*

Copies of the Fund's Trust Deed and of any supplemental deeds, the latest Prospectus, and the most recent annual and half-yearly report and accounts of the Fund may be inspected and copies may be obtained between 9.00 a.m. and 5.00 p.m. on every business day at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP.

Persons interested in subscribing for Units should inform themselves as to:-

- (i) the legal requirements within their own countries for subscription of Units;
- (ii) any foreign exchange restrictions which may be encountered; and
- (iii) the income, estate and other tax consequences of becoming a Unitholder.

#### *Complaints*

Unitholders who have a complaint about the operation of the Fund should in the first instance contact the Manager. If a complaint cannot be resolved satisfactorily with the Manager, it may be referred to the Financial Ombudsman Service, Exchange Tower, London, E14 9SR. Information about the Financial Ombudsman Service can be found at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

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

#### *Non-UK Unitholders*

The distribution of this Prospectus and the offering or purchase of Units in the Fund may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus in any such jurisdiction may treat this Prospectus as constituting an invitation to them to subscribe for Units unless, in the relevant jurisdiction, such an invitation could lawfully be made to them. Accordingly this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Units in the Fund to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Units in the Fund should inform themselves as to legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The Units in the Fund which are described in this Prospectus have not been and will not be registered under the 1933 Act, the 1940 Act as amended or under the securities laws of any state of the US of America and may be offered, sold or otherwise transferred only in compliance with the 1933 Act and such state or other securities laws. The Units in the Fund

which are described in this Prospectus may not be offered or sold to or for the account of any US Person.

**If you are in any doubt as to your status, you should consult your financial or other professional adviser.**

#### *Strategy for the Exercise of Voting Rights*

The Investment Manager and the Manager have a strategy for determining how voting rights attached to the ownership of this Scheme Property are to be exercised for the benefit of the Fund. A summary of this strategy is available from the Manager on request. Details of action taken in respect of the exercise of voting rights are available from the Manager upon request.

#### *Best Execution*

The Manager's order execution policy sets out the basis upon which the Manager will effect transactions and place orders in relation to the Fund whilst complying with its obligation under the FCA Handbook to obtain the best possible result for the Manager on behalf of the Fund. Further details of the Manager's best execution policy is available on request from the Manager.

#### *Conflicts of interest*

The Manager, the Investment Manager, the Trustee, the Custodian, the Administrator, the Registrar or other service provider and any of their connected parties may, from time to time, act as investment manager, adviser, trustee, custodian, administrator, registrar or service provider in relation to, or be otherwise involved in other collective investment schemes or other funds which follow similar investment objectives to the Fund. It is therefore possible that any of them may, in the course of their business, have potential conflicts of interests with the Fund. Each will, however, have regard in such event to its obligation to act in the best interests of the Fund so far as is practicable, having regard to its obligations to other clients, and will endeavour to ensure that such conflicts are resolved fairly.

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

#### *Risk*

Unitholders can obtain information between 9.00 a.m. and 5.00 p.m. on every Business Day at the head office of the Manager relating to:

- (i) the quantitative limits applying in the risk management of the Fund;
- (ii) the methods used in relation to (i); and
- (iii) any recent development of the risk and yields of the main categories of investment.

### *Delegated services*

Fund accounting, administration functions, registration and transfer agency functions have been delegated by the Manager to Northern Trust Global Services SE (UK branch). Investment advisory services have been delegated to Schroder & Co Limited (trading as Cazenove Capital) and Baillie Gifford & Co.

### *Notices*

A notice is duly served if it is delivered to the Unitholder's address as appearing in the Register or is delivered by electronic means (if permitted) in accordance with the Regulations. 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 served, or information to be given to a Unitholder, must be in legible form which (a) is consistent with the Manager's knowledge of how the recipient of the document wishes or expects to receive the document, (b) is capable of being provided in hard copy by the Manager, (c) enables the recipient to know, or record, the time of receipt and it is reasonable in context.

### *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 Fund. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances the Manager will take steps to ensure that your privacy rights are respected. Unitholders have the right to access their personal data processed by the Manager together with the right (in certain circumstances) 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).

### *Electronic Verification*

The Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, the Senior Management Arrangements, Systems & Controls Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the 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 the Data Protection Laws. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the Manager with your application.

## **Money Laundering**

As a result of legislation in force in the UK to prevent money laundering, the Manager is responsible for compliance with anti-money laundering regulations. In order to implement these procedures, in certain circumstances, Unitholders may be asked to provide some proof of identity when buying and selling Units. Please refer to the 'Electronic Verification' paragraph for details of the resources the Manager may use to verify information on you.

Until satisfactory proof of identity is provided, the Manager reserves the right to refuse to issue Units, pay proceeds of a redemption of Units or pay income on Units to the investor.

### *Acceptable Minor Non-Monetary Benefits*

Schroder & Co. Limited (trading as Cazenove Capital) may pay to or accept from third parties minor non-monetary benefits as permitted by the FCA's Conduct of Business Sourcebook, provided that they are capable of enhancing services provided to clients and do not impair Schroders' duty to act honestly, fairly and in the best interests of clients. Such minor non-monetary benefits may include:

- information or documentation relating to financial instruments or investment services;
- written material from third parties;
- participation in conferences, seminars and other training events;
- reasonable de minimis hospitality; and
- research.

### *Benchmark Regulation*

Unless otherwise disclosed in this Prospectus, the indices or benchmarks used within the meaning of the Regulation (EU) 2016/1011 (Benchmark Regulation), as implemented in the UK, by the Fund are, as at the date of this Prospectus, provided by benchmark administrators who benefit from the transitional arrangements afforded under the Benchmark Regulation and accordingly may not appear yet on the register of administrators and benchmarks maintained by the FCA. These benchmark administrators should apply for authorisation or registration as an administrator under Benchmark Regulation before 1 January 2020. Updated information on this register should be available no later than 1 January 2020. The Manager maintains written plans setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided. Copies of a description of these plans are available upon request and free of charge from the registered office of the Manager.

### *Professional Liability Risk*

The Manager complies with the requirements of the UK AIFMD regime relating to cover of potential professional risks resulting from the activities it may carry out pursuant to the UK AIFMD regime by holding sufficient professional indemnity insurance against liability arising from professional negligence, which is appropriate to the risks covered.

### *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.

*Non-accountability for profits*

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

- dealings in the Units of the Fund; or
- any transaction in the Scheme Property; or
- the supply of services to the Fund.

## APPENDIX I: RISK FACTORS

### ***General Risks***

Past performance is not a guide to future performance and Units should be regarded as a medium to long-term investment. The value of investments and the income generated by them may go down as well as up and investors may not get back the amount originally invested. Where the currency of the Fund varies from the investor's home currency, or where the currency of the Fund varies from the currencies of the markets in which the Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to investors greater than the usual risks of investment.

### ***Investment Objective Risk***

Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for the Fund.

### ***Risk of Suspension of Unit dealings***

Investors are reminded that in certain circumstances their right to redeem or transfer Units may be suspended (see paragraph headed, "Suspension of Redemption and Issue of Units" above).

### ***Interest Rate Risk***

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, the Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.

### ***Credit Risk***

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when the Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the Fund's Investment Manager may consider the highest rating for the purposes of determining whether the security is investment grade. The Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Fund's Investment Manager will consider whether the security continues to be an appropriate investment for the Fund. The Fund's Investment Manager considers whether a security is investment grade only at the time of purchase. The Fund may invest in securities which will not be rated by a nationally recognised statistical rating organisation, but the credit quality will be determined by the Investment Manager.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. The Fund may invest in below investment grade securities. Although investment grade securities generally have lower credit risk than securities rated below investment grade, they may share some of the risks of lower-rated securities, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

### ***Liquidity Risk***

Liquidity risk exists when particular investments are difficult to purchase or sell. The Fund's investment in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

### ***Inflation / Deflation Risk***

Inflation is the risk that the Fund's assets or income from the Fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Fund's portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of the Fund's portfolio.

### ***Financial Derivative Instrument Risk***

The Fund may use financial derivative instruments to meet its investment objective. There is no guarantee that the performance of the financial derivative instruments will result in a positive effect for the Fund and its Unitholders. The use of financial derivative instruments may increase the Unit price volatility, which may result in higher losses for the Unitholder.

### ***Warrants Risk***

When the Fund invests in warrants, the price, performance and liquidity of such warrants are typically linked to the underlying stock. However, the price, performance and liquidity of such warrants will generally fluctuate more than the underlying securities because of the greater volatility of the warrants market. In addition to the market risk related to the volatility of warrants, if the Fund invests in synthetic warrants, where the issuer of the synthetic warrant is different to that of the underlying stock, it is subject to the risk that the issuer of the synthetic warrant will not perform its obligations under the transactions which may result in the Fund, and ultimately its Unitholders, suffering a loss.

### ***Futures, Options and Forward Transactions Risk***

The Fund may use options, futures and forward contracts on currencies, securities, indices, currency, volatility, inflation and interest rates for hedging and investment purposes.

Transactions in futures may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.



Transactions in options may also carry a high degree of risk. Selling (“writing” or “granting”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the Fund is fixed, the Fund may sustain a loss well in excess of that amount. The Fund will also be exposed to the risk of the purchaser exercising the option and the Fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is “covered” by the Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Forward transactions and purchasing options, in particular those traded over-the-counter and not cleared through a central counterparty, have an increased counterparty risk. If a counterparty defaults, the Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

### ***General Risks of Over-the-counter (“OTC”) Derivative Transactions***

Instruments traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than instruments principally traded on exchanges. Such instruments may be less liquid than more widely traded instruments. In addition, the prices of such instruments may include an undisclosed dealer mark-up which the Fund may pay as part of the purchase price.

EU Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or EMIR), which came into force on 16 August 2012, introduces uniform requirements in respect of OTC derivative transactions by requiring certain “eligible” OTC derivatives transactions to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of derivatives transactions to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These requirements include the exchange of margin and, where initial margin is exchanged, its segregation by the parties, including by the Fund.

While many of the obligations under EMIR have come into force, as at the date of this Prospectus the requirement to submit certain OTC derivative transactions to central clearing counterparties (“CCPs”) and the margin requirements for non-cleared OTC derivative transactions are subject to a staggered implementation timeline. It is not yet fully clear how the OTC derivatives market will adapt to the new regulatory regime. Accordingly, it is difficult to predict the full impact of EMIR on the Fund, which may include an increase in the overall costs of entering into and maintaining OTC derivatives contracts. Prospective Investors and Unitholders should be aware that the regulatory changes arising from EMIR and other similar regulations such as the Dodd-Frank Wall Street Reform and Consumer Protection Act may in due course adversely affect the Fund’s ability to adhere to its investment policy and achieve its investment objective.

### ***OTC Derivative Clearing Risk***

The Fund’s OTC derivative transactions may be cleared prior to the date on which the mandatory clearing obligation takes effect under EMIR in order to take advantage of pricing and other potential benefits. OTC derivative transactions may be cleared under the “agency” model or the “principal-to-principal” model. Under the principal-to-principal model there is usually one transaction between the Fund and its clearing broker and another back-to-back transaction between the clearing broker and the CCP whereas under the agency model there is one transaction between the Fund and the CCP. It is expected that many of the Fund’s OTC derivative transactions which are cleared will be under the “principal-to-principal” model. However, the following risks are relevant to both models unless otherwise specified.

The CCP will require margin from the clearing broker which will in turn require margin from the Fund. The Fund's assets posted as margin will be held in an account maintained by the clearing broker with the CCP. Such account may contain assets of other clients of the clearing broker (an "omnibus account") and if so, in the event of a shortfall, the assets of the Fund transferred as margin may be used to cover losses relating to such other clients of the clearing broker upon a clearing broker or CCP default.

The margin provided to the clearing broker by the Fund may exceed the margin that the clearing broker is required to provide to the CCP, particularly where an omnibus account is used. The Fund will be exposed to the clearing broker in respect of any margin which has been posted to the clearing broker but not posted to and recorded in an account with the CCP. In the event of the insolvency or failure of the clearing broker, the Fund's assets posted as margin may not be as well protected as if they had been recorded in an account with the CCP.

The Fund will be exposed to the risk that margin is not identified to the particular Fund while it is in transit from the Fund's account to the clearing broker's account and onwards from the clearing broker's account to the CCP. Such margin could, prior to its settlement, be used to offset the positions of another client of the clearing broker in the event of a clearing broker or CCP default.

A CCP's ability to identify assets attributable to a particular client in an omnibus account is reliant on the correct reporting of such client's positions and margin by the relevant clearing broker to that CCP. The Fund is therefore subject to the operational risk that the clearing broker does not correctly report such positions and margin to the CCP. In such event, margin transferred by the Fund in an omnibus account could be used to offset the positions of another client of the clearing broker in that omnibus account in the event of a clearing broker or CCP default.

In the event that the clearing broker becomes insolvent, the Fund may be able to transfer or "port" its positions to another clearing broker. Porting will not always be achievable. In particular, under the principal-to-principal model, where the Fund's positions are within an omnibus account, the ability of the Fund to port its positions is dependent on the timely agreement of all other parties whose positions are in that omnibus account and so porting may not be achieved. Where porting is not achieved, the Fund's positions may be liquidated and the value given to such positions by the CCP may be lower than the full value attributed to them by the Fund. Additionally, there may be a considerable delay in the return of any net sum due to the Fund while insolvency proceedings in respect of the clearing broker are ongoing.

If a CCP becomes insolvent, subject to administration or an equivalent proceeding or otherwise fails to perform, the Fund is unlikely to have a direct claim against the CCP and any claim will be made by the clearing broker. The rights of a clearing broker against the CCP will depend on the law of the country in which the CCP is established and other optional protections the CCP may offer, such as the use of a third party custodian to hold the Fund's margin. On the failure of a CCP, it is likely to be difficult or impossible for positions to be ported to another CCP and so transactions will likely be terminated. In such circumstances, it is likely that the clearing broker will only recover a percentage of the value of such transactions and consequently the amount the Fund will recover from the clearing broker will be similarly limited. The steps, timing, level of control and risks relating to that process will depend on the CCP, its rules and the relevant insolvency law. However, it is likely that there will be material delay and uncertainty around when and how much assets or cash, if any, the clearing broker will receive back from the CCP and consequently the amount the Fund will receive from the clearing broker.

### ***Counterparty Risk***

The Fund conducts transactions through or with brokers, clearing houses, market counterparties and other agents. The Fund will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.

The Fund may invest into instruments such as notes, swaps or warrants the performance of which is linked to a market or investment to which the Fund seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment the Fund will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks.

The Fund will only enter into OTC derivatives transactions with reputable institutions which are subject to prudential supervision and specialising in these types of transactions. In principle, the counterparty risk for such transactions should not exceed 10% of the relevant Fund's net assets when the counterparty is an Approved Bank or 5% of its net assets in other cases. However, if a counterparty defaults, the actual losses may exceed these limits. If a counterparty were to default on its obligations this may have an adverse impact on the performance of the relevant Fund causing loss to investors.

### ***Risks Associated with Dodd-Frank Wall Street Reform***

Recent legislative and regulatory reforms, including Dodd-Frank Wall Street Reform, are expected to result in new regulation of swap agreements, including clearing, margin, reporting, recordkeeping and registration requirements. New regulations, could, amongst other things, restrict the Fund's ability to engage in swap transactions (for example, by making certain types of swap transactions no longer available to the Fund) and/or increase the costs of such swap transactions (for example, by increasing margin or capital requirements) and the Fund may as a result be unable to execute its investment strategies in a manner the Manager might otherwise choose. It is also unclear how the regulatory changes will affect counterparty risk.

### ***Investment in Collective Investment Schemes and Closed-Ended Funds***

The Fund may invest a significant proportion (more than 50%) of its total assets in collective investment schemes. These collective investment schemes may invest in a range of asset classes including equities, debt instruments, cash and cash based investments, alternative asset classes and derivatives. Alternative asset classes may include property, commodities, private equity or investment in schemes that use strategies which seek positive absolute returns. Collective investment schemes that invest in alternative asset classes will do so either directly or indirectly through the purchase of derivatives, including derivatives on indices as permitted by or consistent with COLL. Funds using derivatives may also employ certain derivative techniques which may create additional risks and increase price volatility. The Fund's investment in collective investment schemes may include Exchange Traded Funds.

The Fund may invest in closed-ended funds which invest in hedge funds, property funds and funds containing other alternative asset classes may deal infrequently, may limit redemptions and may contain investments which are not readily realisable. Investments which are not readily realisable means there is no recognised market for such investments, in which case it may be difficult to deal in these investments or to obtain reliable information about their value or the extent of risk to which these are exposed. Any investment in closed-ended funds will in general make up a small proportion of the Fund's net assets.

### ***Fund selection***

The Manager may undertake strategic and tactical analysis to determine asset allocation and to implement a rigorous fund selection process prior to investment in a particular collective investment scheme. Tactical asset allocation is based on systematic investment in asset classes with specific growth and value characteristics created by investor biases. This manifests itself through a price driven based model which is then subject to a macro-economic overlay. Once asset allocation has been determined, the Manager will conduct a rigorous fund selection process based on extensive and detailed analysis of the collective investment scheme, including its portfolio management team, investment style, behaviour over different periods of the market cycle and the underlying portfolio.

### ***Custody Risk***

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

The Fund may invest in markets where custodial and/or settlement systems are not fully developed. The Custodian may have no liability where the assets of the Fund that are traded in such markets.

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

### ***Smaller Companies Risk***

If the Fund invests in smaller companies, it may fluctuate in value more than other funds. Smaller companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Consequently investments in smaller companies may be more vulnerable to adverse developments than those in larger companies and the Fund may have more difficulty establishing or closing out its securities positions in smaller companies at prevailing market prices. Also, there may be less publicly available information about smaller companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

### ***Technology Related Companies Risk***

Investments in the technology sector may present a greater risk and a higher volatility than investments in a broader range of securities covering different economic sectors. The equity securities of the companies in which the Fund may invest are likely to be affected by world-wide scientific or technological developments, and their products or services may rapidly fall into obsolescence. In addition, some of these companies offer products or services that are subject to governmental regulation and may, therefore, be adversely affected by governmental policies. As a result, the investments made by the Fund may drop sharply in value in response to market, research or regulatory setbacks.

### ***Lower Rated, Higher Yielding Debt Securities Risk***

The Fund may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in the Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

### ***Property and Real Estate Companies Securities Risk***

The risks associated with investments in securities of companies principally engaged in the real estate industry include: the cyclical nature of real estate values; risks related to general and local economic conditions; overbuilding and increased competition; increases in property taxes and operating expenses; demographic trends and variations in rental income; changes in zoning laws; casualty or condemnation losses; environmental risks; regulatory limitations on rents; changes in neighbourhood values; related party risks; changes in the appeal of properties to tenants; increases in interest rates; and other influences of capital markets on real estate. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of the Fund's investments.

The real estate market has, at certain times, not performed in the same manner as equity and bond markets. As the real estate market frequently performs, positively or negatively and without any correlation to the equity or bond markets, these investments may affect the performance of the Fund either in a positive or a negative manner.

### ***Initial Public Offerings Risk***

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

### ***Risk associated with Debt Securities issued pursuant to Rule 144A under the Securities 1933 Act***

SEC Rule 144A provides a safe harbour exemption from the registration requirements of the 1933 Act for resale of restricted securities to qualified institutional buyers, as defined in the rule. The advantage for investors may be higher returns due to lower administration charges. However, dissemination of secondary market transactions in rule 144A securities is restricted and only available to qualified institutional buyers. This might increase the volatility of the security prices and, in extremes conditions, decrease the liquidity of a particular rule 144A security.

### ***Emerging and Less Developed Markets Securities Risk***

Investing in emerging markets and less developed markets securities poses risks different from, and/or greater than, risks of investing in the securities of developed countries. These risks include; smaller market-capitalisation of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible repatriation of investment income and capital. In addition, foreign Investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalisation or the creation of government monopolies. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging and less developed countries.

Although many of the emerging and less developed market securities in which the Fund may invest are traded on securities exchanges, they may trade in limited volume and may encounter settlement systems that are less well organised than those of developed markets. Supervisory authorities may also be unable to apply standards that are comparable with those in developed markets. Thus there may be risks that settlement may be delayed and that cash or securities belonging to the Fund may be in jeopardy because of failures of or defects in the systems or because of defects in the administrative operations of counterparties. Such counterparties may lack the substance or financial resources of similar counterparties in a developed market. There may also be a danger that competing claims may arise in respect of securities held by or to be transferred to the Fund and compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

Additional risks of emerging market securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organised and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.

### ***Private equity***

The Fund may gain exposure to private equity through investment in transferable securities and/or regulated collective investment schemes which themselves invest in this asset class. Investments in Private Equity involve a high degree of risk and can be illiquid and highly speculative.

### ***Hedge Funds***

The Fund may gain exposure to hedge funds through investment in transferable securities and/or regulated collective investment schemes which themselves invest in these asset classes. Underlying hedge funds will utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment policy. These risks associated with these instruments are described above. The underlying hedge funds may also sell covered and uncovered options on securities. To the extent that such options are uncovered, such underlying hedge funds could incur an unlimited loss.

Underlying hedge funds may only be available for subscription or redemption on a periodic basis (e.g. quarterly). Furthermore some such schemes may be closed for subscription/and or redemptions, may be subject to certain restrictions or limitations, and there is unlikely to be an active secondary market in the shares or Units of such underlying hedge funds. Accordingly it may be difficult or impossible for an underlying hedge fund to acquire, realise or value its investment as and when it deems appropriate. The inability to accurately value and/or realise such investments may restrict the ability of an underlying hedge fund to redeem shares or Units.

### ***Potential Conflicts of Interest***

The Investment Managers and the Manager may effect transactions in which the Investment Managers or the Manager have, directly or indirectly, an interest which may involve a potential conflict with the Investment Managers' duty to the Fund. Neither the Investment Managers nor the Manager shall be liable to account to the Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Managers' fees, unless otherwise provided, be abated.

Where a conflict cannot be avoided, The Investment Managers and the Manager will have regard to their respective obligations to act in the best interests of the Fund so far as practicable, having regard to their obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. The Investment Managers will ensure that investors in the Fund are treated fairly and that such transactions are effected on terms which are not less favourable to the Fund than if the potential conflict had not existed.

The Investment Managers and the Manager acknowledge that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Fund or its Unitholders will be prevented. Should any such situations arise the Manager will disclose these to Unitholders in an appropriate format.

Such potential conflicting interests or duties may arise because the Investment Managers or the Manager may have invested directly or indirectly in the Fund.

#### ***Effect of Preliminary charge***

Where a preliminary charge is imposed, an investor who realises his Units after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

The Units therefore should be viewed as medium to long term investments

#### ***Dilution Adjustment***

Investors should note that in certain circumstances a dilution adjustment may be applied on their purchase or redemption of Units (see "Dilution Adjustment" above).

#### ***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 Fund and the value of distributions paid to unitholders.



## **APPENDIX II: THE FUND**

Where the Fund's investment policy refers to investments in corporations of a particular country or region, such reference means (in the absence of any further specification) investments in companies listed, incorporated, headquartered or having their principal business activities in such country or region.

Where the Fund's investment policy refers to investments in non-government bonds, such reference includes (in the absence of any further specification) those issued by quasi-government, supra-national agencies and sub-sovereign issuers as well as bonds issued by corporate entities.

Where the Fund's investment policy refers to investments issued in a particular currency, such reference includes (in the absence of any further specification) investments issued in another currency but hedged back to the specified currency.

Where the Fund states that it will invest a percentage of its assets in a certain way (i) the percentage is indicative only as, for example, the Manager may adjust the Fund's exposure to certain asset classes in response to adverse market and/or economic conditions and/or expected volatility, when in the Manager's view to do so would be in the best interests of the Fund and its Unitholders; and (ii) such assets exclude cash or other liquidities which are not used as backup for derivatives unless otherwise stated. When the Fund states that it invests up to a maximum percentage of its assets (e.g. 80%) in a certain way, such assets include cash or other liquidities which are not used as backup for derivatives.

The Fund's investment policy is subject to limits on investment, set out in paragraph 13 (in the main Prospectus).

## The Hall Fund

### Investment Objective

The Fund aims to provide capital growth in excess of inflation (as measured by UK Consumer Price Index (CPI)) plus 4%, per annum on average, net of fees, over 7 year rolling periods.

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

### Investment Policy

To achieve the objective, the Fund will invest in a geographically diversified global portfolio with no emphasis on any particular geographical area which will typically comprise of at least 80% in equities. The exposure to equities may fall below 80% where equity markets are considered as over valued by the Investment Managers or other asset classes can provide a better risk adjusted return in the market conditions.

This exposure will be achieved either directly or indirectly through collective investment vehicles (which may include those managed by the Manager, the Investment Managers or an associate of the Manager or Investment Managers).

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

Normally, the Fund will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of units) and efficient management of the Fund. There may be times when the Investment Manager considers stock markets to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased.

**The Investment Managers may make use of some derivatives where considered prudent for efficient portfolio management (including hedging). This is not expected to increase the risk profile of the Fund and its use is expected to be limited.**

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

Classes of Units	Income
Base Currency	GBP (£)
Valuation Point	22.30 p.m.
Dealing Frequency	Each Thursday and the last Business Day of the month.
Settlement Period of Subscription and Redemption Proceeds	Within 4 Business Days from the relevant Dealing Day

Investment Managers	Schroder & Co. Limited (trading as Cazenove Capital)  Baillie Gifford & Co
Annual Accounting Date	15 December
Interim Accounting Date	15 March, 15 June, 15 September
Income Allocation Date	15 February, 15 May, 15 August, 15 November
Profile of a Typical Investor	The Fund is a high risk fund aiming to achieve long term capital growth. It may be suitable for investors who are seeking long-term growth potential offered through investment in equities and bonds as well as other asset classes. Investors should regard their investment as medium to long-term and should read the risk warnings set out in the Risk factors section of this Prospectus and the Fund's Key Investor Information Document before investing.
Performance Target	The Fund uses the UK Consumer Price Index (CPI) +4% as a target benchmark. This index was chosen as a target for the Fund's return because the Fund aims to grow investments above the rate of UK inflation.
Specific Fund Risk Factors	These specific risk factors should be read in conjunction with the general risks of investment detailed in Appendix I.
Investment in collective investment schemes managed by the Manager	The Fund may invest in the units and shares of funds managed by or operated by the Manager or an associates of the Manager. Where the Fund invests in funds managed by or operated by the Manager or an associate, the Annual Management Charge and Administration Charge (if any) paid by these funds to the Manager will be rebated to the Fund.
Charges Being Charged to Capital*	Charges and expenses will be offset against the capital value of the Fund. As a result of charges being charged to capital, the distributable income may be higher, but the capital value may be eroded which may affect future performance. The consequential increase in income may result in an increase in Unitholder's personal income tax liability. <b>If expenses are charged to capital this policy may result in capital erosion or constrain capital growth</b>

\* The Annual Management Charge was applied to the capital of the Fund from 1 August 2016. It was previously applied to both capital and income of the Fund.

Classes of Units	Income
Minimum Initial Investment	£1,000,000
Minimum Subsequent Investment	£50,000
Minimum Redemption	£50,000
Minimum Holding	£1,000,000
Annual Management Charge	Up to 0.50% (currently 0.4%) per annum
AMC charged to	Capital**
Preliminary charge	7.0%
Charge for investment research	Nil

**\*\* If deductions are made from capital, this will result in capital erosion and constrain growth: see paragraph 39**

### APPENDIX III: ELIGIBLE MARKETS

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

- a) a regulated market (as defined in the Glossary);
- b) a market in the United Kingdom or the EEA 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 or, or dealing in, the property of the Trust. 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 transactions of income and capital to, or to the order of, investors.

In order to qualify as an approved security, the market upon which securities traded must meet certain criteria as laid down in COLL.

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

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

- a) is regulated;
- b) operates regularly;
- c) is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator (as defined in the FCA Glossary); and
- d) is open to the public.

The Manager, after consultation with the Trustee, has decided that the following securities exchanges are eligible markets in the context of the investment policy of the Fund.

<b>Regional</b>	
Europe	<ul style="list-style-type: none"><li>a) Those markets established in a member state excluding UK, Bulgaria, Cyprus, Malta and Romania, on which transferable securities admitted to official listing in a member state are dealt in or traded.</li><li>b) The market organised by the International Capital Markets Association (“ICMA”)</li></ul>
<b>Country</b>	
Australia	Australian Securities Exchange
Brazil	BM&FBOVESPA and Bolsa De Valores De Rio de Janerio

Canada	Toronto Stock Exchange and TSX Venture Exchange
China	Shanghai Stock Connect
Hong Kong	Hong Kong Stock Exchange and GEM (“Growth Enterprise Market”) Hong Kong Stock Connect Hong Kong Bond Connect
India	Bombay (Mumbai) Stock Exchange and National Stock Exchange
Indonesia	Indonesian Stock Exchange
Israel	Tel Aviv Stock Exchange
Japan	The stock exchanges in Fukuoka, Nagoya, Sapporo, Osaka and Tokyo, JASDAQ (and Mothers Market sections of Tokyo Stock Exchange)
Korea	Korea Exchange and KOSDAQ
Malaysia	Bursa Malaysia
Mexico	Mexican Stock Exchange
New Zealand	New Zealand Stock Exchange
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange
Singapore	Singapore Exchange
Sri Lanka	Colombo Stock Exchange
South Africa	Johannesburg Stock Exchange
Saudi Arabia	Tadawul Exchange
Switzerland	SIX Swiss Exchange including the former exchange SWX Europe
Taiwan	Taipei Exchange and Taiwan GreTai Securities Market
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange

UK	Those markets established in the UK on which transferable securities admitted to official listing in the UK are dealt in or traded, including LSE and AIM
USA	<p>The NASDAQ Global Select Market, The NASDAQ Global Market and The NASDAQ Capital Market – collectively the NASDAQ Stock Market (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc)</p> <p>Any exchange registered with the Securities and Exchange Commission as a national stock exchange including Chicago Stock Exchange, NASDAQ OMX BX, NASDAQ OMX PHLX, National Stock Exchange, NYSE Euronext, NYSE Amex and NYSE Arca</p> <p>The market in transferable securities issued by or on behalf of the Government of the United States of America conducted through those persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers</p> <p>The Over-the-Counter Market regulated by the National Association of Securities Dealers Inc</p> <p>FINRA Trade Reporting and Compliance Engine (“TRACE”)</p>
<b>Derivatives</b>	
Australia	ASX Trade24
Belgium	NYSE Euronext Brussels
Brazil	BM&FBOVESPA
Canada	Montreal Exchange
Columbia	Bolsa De Valores
France	NYSE Euronext, Paris
Germany	Eurex
Hong Kong	Hong Kong Futures Exchange
India	National Stock Exchange
Italy	Borsa Italiana (Italian Derivatives Market)
Japan	Osaka Stock Exchange, Tokyo Stock Exchange, Tokyo Financial Exchange

Korea	Korea Exchange
Mexico	Mercado Mexicano de Derivados
Netherlands	NYSE Euronext, Amsterdam
Poland	Warsaw Stock Exchange
Singapore	Singapore Exchange
South Africa	Johannesburg Stock Exchange
Spain	MEFF Renta Variable (Madrid)
Sweden	Nasdaq OMX, Stockholm and NASDAQ OMX Nordic
Switzerland	Eurex
Taiwan	Taiwan Futures Exchange
Turkey	Turkish Derivatives Exchange
UK	ICE Futures Exchange
USA	CME Group (including Chicago Board of Trade (CBOT), Chicago Mercantile Exchange (CME), COMEX, New York Mercantile Exchange (NYMEX)), Chicago Board Options Exchange (CBOE), CBOE Futures Exchange (CFE), ICE Futures US Inc, NASDAQ OMX Futures Exchange (NFX), Eris Exchange



## **APPENDIX IV: OTHER COLLECTIVE INVESTMENT SCHEMES MANAGED BY THE MANAGER**

### **Authorised Investment Companies with Variable Capital**

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

### **Authorised Unit Trusts**

BPM Trust  
Eden Investment Fund  
Elfynn International Trust  
Glenhuntley Portfolio Trust  
Hawthorn Portfolio Trust  
KES Diversified Trust  
KES Equity Fund  
KES Growth Fund  
KES Income and Growth Fund  
KES Strategic Investment Fund  
Latour Growth Fund  
Lavaud Fund  
Mossylea Fund  
Pippin Return Fund  
The Castor Fund  
The Darin Fund  
The Delta Growth Fund  
The Deribee Funds  
The Eldon Fund  
The HoundStar Fund  
The Iceberg Trust  
The Maiden Fund  
The Millau Fund  
The Norfolk Trust  
The Notts Trust  
The Palfrey Fund  
The TM Stockwell Fund  
The White Hill Fund  
Thesis Headway Fund  
Thesis Lion Growth Fund  
Thesis PM A Fund  
Thesis PM B Fund  
Thesis Thameside Managed Fund  
The TUTMAN B&CE Contracted-out Pension Scheme  
TM Balanced Fund  
TM Chainpoint Fund  
TM Growth Fund  
TM Hearthstone UK Residential Feeder Fund  
TM Managed Fund  
TM Masonic Charitable Foundation Investment

**Authorised Investment Companies with Variable Capital**

Thesis JDS Fund  
TM Acer Fund  
TM Balanced Growth Fund  
TM Brown Advisory Funds  
TM Brunsdon OEIC  
TM Cerno Investment Funds  
TM Cresswell Fund  
TM CRUX Funds ICVC  
TM CRUX OEIC  
TM First Arrow Investment Funds  
TM Hearthstone ICVC  
TM Investment Exposures Fund  
TM Investment Funds  
TM Lime Fund  
TM Neuberger Berman Investment Funds  
TM Oak Fund  
TM Optimal Funds  
TM P1 Investment Funds  
TM Redwheel Funds  
TM Ruffer Portfolio  
TM Stonehage Fleming Global Multi-Asset Umbrella Fund  
TM Stonehage Fleming Investments Funds  
TM Tellworth Investments Funds  
TM Total Return Fund  
TM UBS (UK) Fund  
TM Veritas Investment ICVC  
Trowbridge Investment Funds

**Authorised Unit Trusts**

Fund  
TM New Court Fund  
TM New Court Equity Growth Fund  
TM New Institutional World Fund  
TM Preservation Fund  
TM Private Portfolio Trust  
TM Stonehage Fleming Global Equities Fund  
TM Stonehage Fleming Global Equities Fund II  
TM Stonehage Fleming Global Equities Umbrella Fund

## APPENDIX V: PERFORMANCE DETAILS

Annual performance is shown below for **Income Units**.

The performance table shows the total annual return over a five year period up to 31 December in each year listed.

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

**The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.**

Unit Class	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)
Income Units	-6.06	13.87	9.96	15.28	-7.05

*Source:* these performance figures have been derived from information provided through MorningStar

**The performance figure is 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.**

**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.**

## APPENDIX VI: DIRECTORY OF CONTACT DETAILS

<b>Manager</b>	Thesis Unit Trust Management Limited Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP
<b>Administrator, Registrar and Fund Accountant</b> <i>Registered Office:</i>	Northern Trust Global Services SE (UK branch) 50 Bank Street, Canary Wharf, London E14 5NT
<i>Administration Office:</i>	Thesis Unit Trust Management Limited Sunderland SR43 4AZ
<i>Dealing Office:</i>	Thesis Unit Trust Management Limited Sunderland SR43 4AZ  Telephone number 0333 300 0375
<b>Auditors</b>	PricewaterhouseCoopers LLP Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Custodian</b> <i>Principal place of business</i>	The Northern Trust Company 50 South LaSalle Street Chicago, Illinois, USA
<i>Who may also act under this power through its London branch:</i>	50 Bank Street Canary Wharf, London E14 5NT
<b>Trustee</b> <i>Registered and Head Office:</i>	NatWest Trustee and Depositary Services Limited House A, Floor 0 Gogarburn 175 Glasgow Road Edinburgh EH12 1HQ
<b>Investment Managers</b>	Schroder & Co. Limited (trading as Cazenove Capital) 1 London Wall Place London EC2Y 5AU  <a href="http://www.schroders.com">www.schroders.com</a>  Baillie Gifford & Co Calton Square 1 Greenside Row Edinburgh, Midlothian EH1 3AN  <a href="http://www.bailliegifford.com">www.bailliegifford.com</a>
<b>Financial Conduct Authority (FCA)</b>	12 Endeavour Square London E20 1JN