



## **THE MISHKA FUND**

### **PROSPECTUS**

This document constitutes the Prospectus of The Mishka Fund (the "Fund") and is dated and valid as at 13 November 2024. This document replaces any previous prospectuses issued by the Fund.

It has been prepared in accordance with the Collective Investment Scheme Sourcebook ('COLL') which forms part of the FCA Handbook of Rules and Guidance and complies with requirements of 4.2.5R of COLL.

A copy of the Prospectus has been sent to the Financial Conduct Authority and to the Trustee.

*TUTMAN LLP*

*Exchange Building, St Johns Street, Chichester, West Sussex PO19 1UP  
Authorised and regulated by the Financial Conduct Authority*

## TABLE OF CONTENTS

IMPORTANT INFORMATION .....	- 1 -
<b>DEFINITIONS</b> .....	- 3 -
1. INTRODUCTION .....	- 7 -
2. THE MANAGER .....	- 7 -
3. THE TRUSTEE .....	- 8 -
4. DELEGATION .....	- 9 -
5. INVESTMENT MANAGER .....	- 9 -
6. ADMINISTRATOR, REGISTRAR AND FUND ACCOUNTANT .....	- 10 -
7. THE AUDITOR .....	- 10 -
8. OBJECTIVES OF THE FUND .....	- 10 -
9. WINDING UP OF THE FUND .....	- 11 -
10. GENERAL INFORMATION .....	- 12 -
11. RISK FACTORS.....	- 13 -
12. CHARACTERISTICS OF UNITS IN THE FUND.....	- 16 -
13. UNITHOLDER MEETINGS AND VOTING RIGHTS .....	- 16 -
14. CHANGES TO THE FUND.....	- 17 -
15. PRICING AND VALUATION OF THE PROPERTY OF THE FUND .....	- 18 -
16. CHARGES AND EXPENSES .....	- 19 -
17. ELECTRONIC COMMUNICATIONS.....	- 22 -
18. DISTRIBUTION OF INCOME .....	- 23 -
19. ISSUE AND REDEMPTION OF UNITS .....	- 23 -
20. TAXATION .....	- 26 -
21. ADDITIONAL INFORMATION .....	- 31 -
APPENDIX 1 - LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE MANAGER.....	- 34 -
APPENDIX 2 - INVESTMENT RESTRICTIONS.....	- 35 -
APPENDIX 3 - ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS -	53 -
APPENDIX 4 - VALUATION .....	- 54 -

APPENDIX 5 - PAST PERFORMANCE AND INVESTOR PROFILE.....	- 58 -
APPENDIX 6 - LIST OF SUB-CUSTODIANS .....	- 59 -
APPENDIX 7 - DIRECTORY .....	- 64 -

## **IMPORTANT INFORMATION**

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

The Fund is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Fund will be marketed outside the UK.

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

The Trustee is not a person responsible for the information contained in this Prospectus and, accordingly does not accept any responsibility for it under COLL or otherwise.

The distribution of this Prospectus and supplementary documentation and the offering of units may be restricted in certain countries. Any person wishing to apply for Units should inform themselves as to the requirements within their own country for transactions in units, any applicable exchange control regulations and the tax consequences of any transaction in units.

The units have not been and will not be registered under the 1933 Act or the securities laws of the United States. The units may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the units in the United States or to US Persons may constitute a violation of US law. The Fund has not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The units have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful. The units are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Fund is, accordingly, not open for investment by any US Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the Manager. A prospective investor may be required at the time of acquiring units to represent that such investor is a qualified holder and not a US Person or acquiring units for the account or benefit, directly or indirectly, of a US Person or with the assets of an ERISA Plan. The granting of prior consent by the Manager to an investment does not confer on the investor a right to acquire units in respect of any future or subsequent application.

This Prospectus does not constitute an offer or solicitation to anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

Purchases must be made on the basis of the information contained in the most recently published Prospectus and supplementary documentation, including the latest reports when

issued, which are available from the registered office of the Manager. Investors should check with the Manager that this is the most recently published version of the Prospectus.

Obligations have been imposed on financial sector professionals to prevent the use of funds (such as The Mishka Fund) for money-laundering purposes. Within this context a procedure for the identification of subscribers is required. That is, the application form of a subscriber must be accompanied, in the case of individuals, by a copy of a passport or identification card and/or in the case of legal entities, a copy of its statutes and an extract from its commercial register (in the case of a non-UK entity any such copy must be certified to be a true copy by one of the following authorities: ambassador, consulate, notary, local police). Any such information provided is collected for money-laundering compliance purposes only. These specific requirements may be waived by the Manager where other suitable evidence is available which in its sole judgement allows the Manager to cover its obligations under money-laundering legislation.

Neither the Manager nor any of its officers, representatives or advisers, shall be regarded as giving any advice, representation or warranty (express or implied) to any person in connection with the proposals contained in this Prospectus.

No part of this Prospectus may, be reproduced, stored in a retrieval system or transmitted in any form or any means, electronic, mechanical, photocopying, recording or otherwise without the prior written permission of the Manager.

## **THE MISHKA FUND PROSPECTUS**

### **DEFINITIONS**

This document is the Prospectus of the Fund.

In this Prospectus the following words and expressions shall have the following meanings:

- “Act” the Financial Services and Markets Act 2000;
- “Approved Bank” (in relation to a bank account opened for the Fund):
- (a) if the account is opened at a branch in the UK:
    - (i) the Bank of England; or
    - (ii) the central bank of a member state of the OECD; or
    - (iii) a bank; or
    - (iv) a building society; or
    - (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
  - (b) if the account is opened elsewhere:
    - (i) a bank in (a); or
    - (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or
  - (c) a bank supervised by the South African Reserve Bank; or
  - (d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator;
- as such definition may be updated in the FCA Glossary from time to time;
- “Business Day” a weekday being Monday to Friday (excluding any public or bank holiday in England);
- “CCP” as defined in the FCA Glossary;
- “COLL” the Collective Investment Schemes Sourcebook published by the FCA as part of their Handbook as it may be amended, or replaced, from time to time, made under the Act;
- “Custodian” The Northern Trust Company, whose address, for its principal place of business, is set out in Appendix 7;
- “Data Protection Laws” 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:

	<ul style="list-style-type: none"> <li>(a) the UK GDPR;</li> <li>(b) the Data Protection Act 2018;</li> <li>(c) any laws which implement any such laws; and</li> <li>(d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); and</li> <li>(e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws;</li> </ul>
"Depository Agreement"	the agreement between the Manager and the Trustee regarding the appointment of the Trustee as depository;
"EEA State"	a member state of the European Union and any other state which is within the European Economic Area;
"EMIR"	the UK version of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories, which is part of UK law by virtue of the EUWA;
"ERISA Plan"	<ul style="list-style-type: none"> <li>(a) any retirement plan subject to Title 1 of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA");</li> <li>(b) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or</li> <li>(c) an entity whose assets include plan assets by reason of a plan's investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans);</li> </ul>
"EUWA"	The European Union (Withdrawal) Act 2018;
"FATCA"	the Foreign Account Tax Compliance Act (US);
"FCA"	the Financial Conduct Authority or any successor body;
"FCA Glossary"	the glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time;
"FCA Handbook"	the FCA's Handbook of rules and guidance, including COLL, as amended from time to time;
"FCA Rules"	the rules contained in COLL but, for the avoidance of doubt, not including guidance or evidential requirements contained in COLL;
"Financial Instrument"	as defined in the FCA Glossary;

“Fund Accountant”	the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch and its successor or successors as fund accountant;
“Home State”	as defined in the FCA Glossary;
“International Tax Compliance Regulations”	The International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time;
“Investment Manager”	an investment manager retained by the Manager pursuant to the FCA Rules, being Rathbones Investment Management Limited and its successor or successors as investment manager to the Fund;
“Manager”	the authorised fund manager holding office as such from time to time, being TUTMAN LLP and its successor or successors as manager of the Fund;
“Non-UCITS retail scheme” or “NURS”	an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund;
“OECD”	the Organisation for Economic Co-operation and Development;
“Register”	the register of Unitholders of the Fund;
“Registrar”	the person who maintains the register, being Northern Trust Global Services SE, UK branch and its successor or successors as registrar;
“Scheme Property”	as defined in the FCA Glossary;
“SYSC”	the Senior Management Arrangement Systems and Controls sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time;
“Trust Deed”	the deed constituting the Trust dated 16 October 1997 made between the then Manager and the then Trustee as may be amended, restated or supplemental from time to time by agreement between the Manager and the Trustee;
“Trustee”	the person to whom is entrusted the safekeeping of all the Scheme Property of the Fund (other than certain Scheme Property designated by the FCA Rules), being NatWest Trustee and Depositary Services Limited and its successor or successors as trustee;
“UCITS”	an Undertaking for Collective Investment in Transferable Securities. This will include a UCITS or an EEA UCITS, as defined in the FCA Glossary;
“UCITS Directive”	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (UCITS) (No 2009/65/EC), as amended;
“UK AIF”	as defined in the FCA Glossary;
“UK GDPR”	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;

"UK UCITS"	as defined in the FCA Glossary;
"UK UCITS Regulation"	the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK's withdrawal from the European Union);
"Unit" or "Units"	a unit in the Fund;
"Unitholder" or "Unitholders"	holder(s) of registered Units in the Fund;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	the United States of America (including the States and the District of Columbia) and any of its territories, possessions and other areas subject to its jurisdiction;
"US Persons"	means a person who is in either of the following two categories: (a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1993 Act; or (b) a person excluded from the definition of a "Non-United States person" as used in 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 or it 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.
"VAT"	value added tax;
"1933 Act"	the United States Securities Act of 1933 (as may be amended or re-enacted); and
"1940 Act"	the United States Investment Company Act of 1940 (as may be amended or re-enacted).

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

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

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

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

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

## **1. INTRODUCTION**

### **1.1. Establishment**

- 1.1.1. The Fund is called The Mishka Fund and it is an authorised unit trust scheme constituted by a Trust Deed, authorised by the Financial Services Authority on 27 October 1997. The FCA product reference number of the Fund is 184968. The Fund is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Fund will be marketed outside the UK.
- 1.1.2. The Financial Services Authority has been superseded by the Financial Conduct Authority and the Prudential Regulation Authority
- 1.1.3. The base currency of the Fund is Pounds Sterling.
- 1.1.4. The investment objective of the Fund, and the policy to achieve that objective, is set out in Clause 8 below.
- 1.1.5. The circumstances, and procedures, in which the Fund may be wound up are set out in Clause 9 below.

## **2. THE MANAGER**

- 2.1. The Manager of the Fund is TUTMAN LLP, a limited liability partnership incorporated in England on 2 November 2011 with registered number OC369415.
- 2.2. The Manager's registered and head office is at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP.
- 2.3. The members of the Manager are as follows:

Thesis Unit Trust Management Limited	Designated Member
Thesis Holdings Limited	Designated Member
- 2.4. Thesis Unit Trust Management Limited is wholly owned by Thesis Holdings Limited, a private limited company incorporated in Jersey, with number 123560.
- 2.5. The Manager has members' capital of £875,000.
- 2.6. The Manager is authorised and regulated by the FCA, whose address is set out in Appendix 7.
- 2.7. The Manger is responsible for managing and administering the Fund's affairs in compliance with COLL. The Manager may act as the authorised fund manager to other regulated collective investment schemes. Details of these schemes, as at the date of this Prospectus, are set out in Appendix 1.

- 2.8. Copies of the Manager's best execution policy and voting policy are available from the Manager on request.

### **3. THE TRUSTEE**

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

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

- 3.3. The Trustee's registered and head office address is 250 Bishopsgate, London EC2M 4AA. The address of its office which handles matters relating to the Fund is set out Appendix 7.

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

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

#### **3.6. Duties of the Trustee**

- 3.6.1. 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.

#### **3.7. Terms of Appointment**

- 3.7.1. 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.

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

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

- 3.7.4. Under the Depositary Agreement the Trustee has the power to appoint a sub-custodian and may include in such appointment powers to sub-delegate. The Trustee has delegated custody of the Scheme Property to the Custodian. Contact details for the Custodian are set out in Appendix 7. 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").

- 3.7.5. A list of sub-custodians is given in Appendix 6. Investors should note that the list of sub-custodians is updated only at each Prospectus review.

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

- 3.7.7. 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.
- 3.7.8. 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.
- 3.7.9. Details of the fees payable to the Trustee are set out in the Charges and Expenses section of this paragraph at paragraph 16.

### 3.8. Conflicts of Interest

- 3.8.1. 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.
- 3.8.2. 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.
- 3.8.3. As the Trustee operates independently from the Fund, Unitholders, the Manager and the Custodian, the Trustee does not anticipate any conflicts of interest with any of the aforementioned parties.
- 3.8.4. The Trustee is under no obligation to account to the Manager, the Fund or the Unitholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as depositary.

### 3.9. Updated Information

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

## 4. **DELEGATION**

- 4.1. The Manager is permitted, in accordance with COLL, to delegate certain functions to third parties, including group companies. Details of the delegated functions are specified in Clause 5 below (the Investment Manager) and Clause 6 (the Administrator and the Fund Accountant) respectively.

## 5. **INVESTMENT MANAGER**

- 5.1. The Manager has appointed Rathbones Investment Management Limited as investment adviser (the "Investment Manager") to the Fund. The address for the Investment Manager's registered address is set out in Appendix 7 and the Investment Manager is regulated by the Financial Conduct Authority.

- 5.2. The principal activity of the Investment Manager is to act as investment manager and the giving of investment advice. The Investment Manager is required to comply with its own execution policy. A copy of the Investment Manager's execution policy is available on request from the Manager, or may be available from the Investment Manager's website, at [www.rathbones.com](http://www.rathbones.com).
- 5.3. The main terms of the agreement between the Investment Manager and the Manager are that the Investment Manager will exercise all of the Manager's powers and discretions under the Trust Deed in relation to the selection, acquisition, holding and realisation of investments, the application of any monies forming part of the property of the Fund and the negotiation of any borrowing or currency transactions, with the full authority of the Manager to make decisions on behalf of the Manager in respect of those matters. The drawing up of marketing literature is also outsourced to the Investment Manager.
- 5.4. The agreement between the Manager and the Investment Manager is terminable on not less than three months' notice in writing by either party. The agreement may be terminated immediately by the Manager if it is in the interests of investors.

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

- 6.1. The Manager has appointed Northern Trust Global Services SE, UK branch (formerly Northern Trust Global Services PLC) to assist with the administration of the Fund (as the "Administrator") and to assist with transfer agency and registrar functions (as the "Registrar").
- 6.2. The Register is kept by the Registrar and can be inspected by Unitholders at the Registrar's offices located at 50 Bank Street, Canary Wharf, London E14 5NT.
- 6.3. Northern Trust Global Services SE, UK branch has also been appointed by the Manager to assist with fund accounting and valuation (the "Fund Accountant"). The Fund Accountant is responsible, amongst other things, for the calculation of the net asset value of the property of the Fund.
- 6.4. Northern Trust Global Services SE, UK branch is a European public limited liability company.

## **7. THE AUDITOR**

- 7.1. The auditor of the Fund is KPMG LLP; details of the auditor's address are set out in Appendix 7.

## **8. OBJECTIVES OF THE FUND**

### **8.1. Investment Objective**

8.1.1. The Fund aims to provide a total return (with a combination of income and growth of capital), net of fees, over rolling five year periods.

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

### **8.2. Investment Policy**

8.2.1. The Fund aims to achieve the investment objective through investment in a diversified international portfolio. The Fund will normally allocate 40-85% to equities and 0 - 40% to fixed interest (e.g. corporate and government bonds). The Fund may invest outside these parameters where equity markets are considered as over valued by the Portfolio Manager or other

asset classes can provide a better risk adjusted return in the market conditions.

- 8.2.2. The Fund may obtain this exposure directly or through investment in collective investment vehicles (regulated and unregulated which may include other schemes managed by the ACD, or the Portfolio Manager or an associate of the ACD or Portfolio Manager).
- 8.2.3. The assets in which the Fund may also invest (directly or indirectly) will be other transferable securities, including warrants, money market instruments, deposits, cash or near cash investments and alternatives (i.e. gold, commodities and property which will be held indirectly via permitted investments such as collective investment vehicles which can include exchange traded funds or real estate investment trusts).
- 8.2.4. The proportion of the Fund invested in different geographical areas will vary over time in response to the economic and market environment.
- 8.2.5. The use of derivatives is permitted for hedging purposes only and is expected to be limited. The use of derivatives will not affect the risk profile of the Fund.
- 8.2.6. The investment policy of the Fund may mean that at times, where it is considered appropriate, the Scheme Property of the Fund will not be fully invested and that prudent levels of liquidity will be maintained in order to reduce risk and preserve capital. The Fund will hold cash and cash equivalents to maintain liquidity.
- 8.2.7. The Investment Manager will actively manage the Fund. This means the Investment Manager actively makes decisions about how to invest the Scheme Property (and which investments to buy and sell) instead of simply following a market index.

### 8.3. Performance Comparator

- 8.3.1. The Fund uses the Investment Association Mixed Investment 20-60% Shares peer group for performance comparison purposes only. This peer group is not a target benchmark and the Fund is not constrained by it. The peer group has been selected as a comparator for performance because the parameters for this peer group of between 20% and 60% exposure to equities and 30% in fixed interest are closely aligned to the parameters as set out in the Policy of the Fund.

### 8.4. Investment Powers and Limits

- 8.4.1. The Fund's investment objective and policy set out in Clause 8.1 and 8.2 above are subject to the limits on investment contained in Chapter 5 of COLL (a summary of which is contained in Appendix 1).

## **9. WINDING UP OF THE FUND**

- 9.1. The circumstances, and manner, in which the Fund may be wound up are set out under COLL. The Trustee shall proceed to wind up the Fund (in accordance with 9.1.6 below):
  - 9.1.1. if the authorisation order of the Fund is revoked;
  - 9.1.2. if an extraordinary resolution is passed to wind up the Fund and the FCA's prior consent to the resolution has been obtained by the Manager or the Trustee;
  - 9.1.3. if the Manager or Trustee requests the FCA to revoke the authorisation order and the FCA has agreed (provided no material change in any relevant factor

- occurs) that on the conclusion of the winding up of the Fund, the FCA will agree to that request;
- 9.1.4. on the effective date of a duly approved scheme of arrangement of the Fund which is to result in the Fund being left with no property; or
  - 9.1.5. on the expiry of any period specified in the Fund's Trust Deed as the period at the end of which the Fund is to be wound up.
  - 9.1.6. The procedure for winding up of the Fund shall be as follows:
  - 9.1.7. in the case referred to in paragraph 9.1.4 above the Trustee shall wind up the Fund in accordance with the approved scheme of arrangement.
  - 9.1.8. In any other case, the Manager shall as soon as practicable after the Fund falls to be wound up, notify the Unitholders of the proposal to wind up the Fund and cease to sell, redeem or transfer units. The Trustee must cease to issue and cancel all units in issue and realise the property of the Fund and, after paying out of it all liabilities properly so payable and retaining provision for the costs of the winding up, distribute the proceeds to the holders and the Manager (upon production by them of evidence as to their entitlement) proportionately to their respective interests in the Fund.
  - 9.1.9. Any unclaimed net proceeds or other cash held by the Trustee after twelve months from the date the proceeds became payable will be paid by the Trustee into court subject to the Trustee having a right to receive out of it any expenses incurred by them in making that payment into court. On completion of the winding up of the Fund, the Trustee shall notify the FCA and the Trustee or the Manager shall request the FCA to revoke the order of authorisation.

## **10. GENERAL INFORMATION**

### **10.1. Reports and Accounting Reference Dates**

#### **10.1.1. Accounting Dates**

- 10.1.1.1. The annual accounting period of the Fund ends on the 31 March in each year (the Accounting Reference Date).
- 10.1.1.2. The interim accounting period of the Fund ends on the 30 September in each year and such other date or dates as the Manager may determine.

#### **10.1.2. Long Reports**

- 10.1.2.1. Long annual and half yearly reports and accounts will be prepared in accordance with COLL within four months after the end of each annual accounting period and within two months after the end of each half yearly accounting period respectively.
- 10.1.2.2. Long reports and accounts will be available free of charge to Unitholders upon request.

### **10.2. Further Information**

- 10.2.1. Copies of the Trust Deed, (and any supplemental trust deeds), the Prospectus, the Key Investor Information Document and the most recent annual and half-yearly reports of the Fund are kept and may be inspected at and copies provided (free of charge) by the registered office of the Manager.

### 10.3. Future Disclosures

- 10.3.1. Any Unitholder can obtain on request from the Manager the following information supplemental to the Prospectus:
  - 10.3.1.1. the quantitative limits applying to the risk management of the Fund;
  - 10.3.1.2. the methods used in relation to 10.3.1.1.; and
  - 10.3.1.3. any recent developments of the risk and yields of the main categories of investment.

### 10.4. Profile of the Typical Investor

- 10.4.1. The Fund is marketable to all retail investors. Please refer to Appendix 5 for further details.

### 10.5. Performance of the Fund

- 10.5.1. In accordance with regulatory requirements, past performance information for the Fund is shown in Appendix 5.
- 10.5.2. The table in Appendix 5 makes clear the period of time to which the past performance information relates. The past performance information is provided up to the end of the last calendar year before the date of this Prospectus. The past performance information therefore may not be current.
- 10.5.3. If you require more up to date information please telephone 01483 783 900.
- 10.5.4. **When reviewing this information please bear in mind that past performance refers to figures in the past and is not a reliable indicator of future results or performance.**

## 11. RISK FACTORS

- 11.1. It should be noted that investment in the Fund involves risk. The price and the value of units, and the income from them, can go down as well as up and the investor may not necessarily receive back the original sum invested.
- 11.2. The investment is intended as a long-term investment. If you withdraw early there is a risk that you may receive back less than the amount you paid in (net of a preliminary charge).
- 11.3. As the Fund may invest in overseas markets, changes in rates of exchange between currencies may also cause the value of your investments to rise or fall. Past performance is not necessarily a guide to future performance. During periods of high inflation the real value of your investment may be diminished.
- 11.4. Rates of tax are those prevailing at the current time. These are subject to change without prior notice. Any tax reliefs referred to are those currently available and their value depends on the individual circumstances of the investor. Investors should always seek appropriate tax advice from their financial adviser before committing funds for management.
- 11.5. Legal and Regulatory Risks: legal and regulatory (including taxation) changes could adversely affect the Fund. Regulation (including taxation) of investment vehicles, such as the Fund, is subject to change. The effect of any future legal or regulatory (including taxation) change on the Fund is impossible to predict and could be substantial, and have adverse consequences on the rights and returns of Unitholders.

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

#### 11.7. Exchange-Traded Funds

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

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

11.7.2.1. a discount of the ETF's shares to its net asset value;

11.7.2.2. failure to develop an active or liquid trading market for the ETF's shares. The lack of a liquid secondary market, in particular, may make it very difficult for the Fund to sell the ETFs it holds and there can be no guarantee that a secondary trading market will develop;

11.7.2.3. the listing/relevant exchange halting trading of the ETF's shares;

11.7.2.4. failure of the ETF's shares to track the quoted reference index;

11.7.2.5. the re-weighting of; and

11.7.2.6. the holding of troubled or illiquid securities in the quoted reference index.

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

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

#### 11.8. Exchange-Traded Notes

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

11.8.2. ETNs are subject to credit risk, including the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark of strategy remaining unchanged. The general credit market environment can also affect the creditworthiness of the issuer, causing the value of the ETN to fluctuate significantly. Changes in interest rate conditions can also affect the value of

the ETN. Generally, if interest rates fall, the value of these investments rises. Conversely, if interest rates rise, their value falls.

- 11.8.3. The value of an ETN may also be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in tracked assets, and economic, legal, political, or geographic events that affect the underlying asset that is tracked (or referenced) in the ETN.
- 11.8.4. Although most ETNs will quote an annual management charge ratio, this may not include all of the costs involved in running the investment and they do not always quote a total expense ratio figure.
- 11.9. The main risks arising from the Financial Instruments held by the Fund are market risk, foreign currency, asset allocation, interest rate, liquidity, credit and custody risks:
  - 11.9.1. market risk arises mainly from uncertainty about future prices of Financial Instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of adverse price movements;
  - 11.9.2. foreign currency risk comprising movement in exchange rates affecting the value of investments, which are held in foreign currencies, short-term timing difference such as exposure to exchange rate movement during the period between when an investment purchase or sale is entered into and the date when settlement of investment occurs, and finally movements in exchange rates affecting income received by the sub-funds. All income received in foreign currencies are converted into Pounds Sterling on the day of receipt;
  - 11.9.3. asset allocation risk is the risk associated with particular countries or industry sectors which the Fund may invest in, the asset allocation of the Fund is reviewed in order to minimise this risk whilst continuing to follow the investment objective. The Manager has responsibility for monitoring the existing portfolio of the Fund selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable. In addition, whilst the actual composition of the Fund is required to comply with broad legal and statutory rules and limits, risk-concentration may occur in regard of certain tighter asset clauses, economic and geographic sectors;
  - 11.9.4. interest rate risk arises when the Fund invests in both fixed rate and floating rate securities, any change to the interest rates relevant for floating rate securities may result in either income increasing or decreasing. Changes to prevailing rates or changes in expectations of future rates may also result in an increase or decrease in the value of the securities held;
  - 11.9.5. liquidity risk arises when the Fund invests in securities or markets which may have restrictions in both geographical markets and institutions. The Fund mitigates this risk by investing in markets and securities which are considered to have sufficient liquidity to effect an orderly realisation of its assets;
  - 11.9.6. credit risk arises from the quality of investments made in corporate and foreign debt instruments and the resultant interest distributions received from them and the risk of non-repayment of the capital amount. The Fund invests in high quality instruments thereby mitigating the risk of non-payment of interest distributions.
  - 11.9.7. custody risk arises as the Trustee may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint custody agents. The Trustee or Custodian or custody agents may hold Financial Instruments in fungible accounts (meaning the assets are interchangeable)

or omnibus accounts (resulting in accounts being combined). The use of omnibus accounts gives rise to a potential risk that there could be a shortfall in the Financial Instruments held in such an account should the total of the Financial Instruments be less than the aggregate entitlement of the 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.

- 11.9.8. 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 investors.

## **12. CHARACTERISTICS OF UNITS IN THE FUND**

### **12.1. General**

- 12.1.1. The Trust Deed permits the issue of both income and accumulation Units in respect of the Fund.
- 12.1.2. Net income receivable in respect of income Units is distributed to Unitholders.
- 12.1.3. Holders of accumulation Units are not entitled to be paid the income attributable to such Units, but that income is automatically transferred to (and retained as part of) the capital assets of the Fund at the end of the relevant distribution period and is reflected in the price of an accumulation Unit.
- 12.1.4. An income Unit represents one undivided share in the capital property of the Fund. An accumulation Unit represents one undivided share in the capital property of the Fund plus further shares relating to net income retained. Each undivided share ranks pari passu with the other undivided shares in the Fund.
- 12.1.5. A Unitholder's right in respect of the Fund as represented by their units is that of a beneficial interest under a trust. Unitholders are not liable for the debts of the Fund.
- 12.1.6. Title to units is to be evidenced by entries on the Register. Certificates evidencing title to those units will not be issued.
- 12.1.7. Units are not listed, or dealt, on any investment exchange.

## **13. UNITHOLDER MEETINGS AND VOTING RIGHTS**

- 13.1. The Manager or Unitholders may convene a general meeting of the Fund. A requisition by the Unitholders must state the objects of the meeting, be dated and signed by Unitholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all of units in issue, and the requisition must be deposited at the Manager's head office.
- 13.2. A meeting of Unitholders of a scheme duly convened and held in accordance with COLL may by extraordinary resolution require, authorise or approve any act matter or document in respect of which any such resolution is required or expressly contemplated by COLL but shall not have any other powers.
- 13.3. Unitholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meetings, in person or by proxy. The quorum for a meeting is two Unitholders, present in person or by proxy. For an

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

- 13.4. At any meeting of Unitholders of the Fund on a show of hands every holder who (being an individual) is present in person or (being a corporation) is present by its properly authorised representative has one vote. A poll may be demanded by the chairman of the meeting, by the Trustee, or by not less than two Unitholders. On a poll every holder who is present in person or by proxy has one vote for every complete Unit and a further part of one vote proportionate to any fraction of a Unit of which they are the holder and a holder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.
- 13.5. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority is determined by the order in which the names stand in the Register of holders.
- 13.6. The Manager is entitled to receive notice of and attend any meeting of Unitholders but is not entitled to vote or be counted in the quorum. Any associate of the Manager holding units shall not be entitled to vote at such a meeting except in respect of units which they hold on behalf of a person who, if they were the registered holder, would be entitled to vote and from whom they have received voting instructions.

#### 13.7. Notices to Unitholders

- 13.7.1. Any notice or document to be served upon a Unitholder will be duly served if it is:
  - 13.7.1.1. sent by post or left at the Unitholder's address as appearing on the Register; or
  - 13.7.1.2. sent by using an electronic medium in accordance with the provisions titled "Electronic Communications".
- 13.7.2. 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.
- 13.7.3. Any document or notice to be served on or information to be given to a Unitholder must be in legible form. For this purpose any form is a legible form which:
  - 13.7.3.1. is consistent with the Manager's knowledge of how the recipient of the document wishes or expects to receive the document;
  - 13.7.3.2. is capable of being provided in hard copy by the Manager;
  - 13.7.3.3. enables the recipient to know or record the time of receipt; and
  - 13.7.3.4. is reasonable in the context.

#### **14. CHANGES TO THE FUND**

- 14.1. Changes to the Fund are classified as fundamental, significant or notifiable.
- 14.2. The Manager must obtain the prior approval of Unitholders by extraordinary resolution for any proposed change to the Fund that is a fundamental change. This is a change or event which:
  - 14.2.1. changes the purpose or nature of the Fund;
  - 14.2.2. may materially prejudice a Unitholder;

- 14.2.3. alters the risk profile of the Fund; or
  - 14.2.4. introduces a new type of payment out of the Scheme Property.
- 14.3. The Manager must give prior written notice to Unitholders of any proposed change which constitutes a significant change. This is a change or event which is not fundamental, but which:
- 14.3.1. affects a Unitholder's ability to exercise their rights in relation to their investment;
  - 14.3.2. would reasonably be expected to cause the Unitholder to reconsider their participation in the Fund;
  - 14.3.3. results in any increased payments out of the Scheme Property to the Manager or an associate of the Manager; or
  - 14.3.4. materially increase other types of payment out of the Scheme Property.
- 14.4. The notice period must be of reasonable length, and must not be less than 60 days.
- 14.5. The Manager must inform Unitholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Fund. This is a change or event, other than a fundamental or significant change, which a Unitholder must be made aware of unless the Manager concludes the change is insignificant. The appropriate manner and timescale of notification will depend on the nature of the change or event. An appropriate manner of notification could include the information being included in the next long form report of the Fund.

## **15. PRICING AND VALUATION OF THE PROPERTY OF THE FUND**

- 15.1. The property of the Fund will normally be valued at 10.00am on the fourteenth day of each month (or, if such day is not a day on which the London Stock Exchange is open for business, on the next such Business Day) and on the last Business Day of each month, for the purpose of calculating the prices at which units in the Fund may be created, cancelled, bought and sold.
- 15.2. The Manager reserves the right to revalue the Fund at any time if it considers it desirable to do so. Special valuations may take place if at any time the Manager knows or has reason to believe that the value of the property of the Fund has increased or decreased by 2% or more since the previous valuation.
- 15.3. Additional valuations may also be carried out in accordance with COLL in connection with a scheme of arrangement, or on the day the annual or half-yearly accounting period ends.
- 15.4. The Fund operates as a dual priced scheme, with an 'offer' price (the price at which Unitholders buy any units in the Fund from the Manager and being the higher) and a 'bid' price (the price at which Unitholders sell units back to the Manager and being the lower), which are calculated at each valuation point. The difference between these two prices is known as the 'spread', which includes any dealing costs relating to the investments of the Fund.
- 15.5. To calculate the offer price of units, the valuation of the Fund's property will be on an issue basis. To calculate the bid price of units the valuation of the Fund's property will be on a cancellation basis. To calculate the Managers periodic charge, the valuation of the Fund's property will be on a mid-market basis.
- 15.6. Full details of the basis of valuation are set out in Appendix 4 of this Prospectus. The issue basis of the valuation will be carried out by reference to the offer prices of investments and the cancellation basis by reference to the bid prices of those same

investments. Prices must be the most recent prices that can reasonably be obtained after the valuation point in order to give an accurate valuation as at that point. If, in the opinion of the Manager, the price obtained of an investment is unreliable or no recent trade price is available or if no recent price exists, it would be valued at a value which, in the opinion of the Manager, is fair and reasonable.

15.7. COLL 6.6.3R(1) places a duty on the Manager to take action to reimburse affected Unitholders, former Unitholders, and the Fund, for instances of incorrect pricing, except if it appears to the Trustee that the breach is of minimal significance.

15.8. However, in all cases where reimbursement or payment is required, amounts due to be reimbursed to Unitholders for individual sums which are reasonably considered by the Manager and the Trustee to be immaterial, need not normally be paid. For this purpose, the Manager and the Trustee will ordinarily consider all amounts under the sum of £10.00 to be immaterial.

15.9. Large Deals

The policy, and what constitutes a large deal, is set out in Appendix 4 (Valuation).

## **16. CHARGES AND EXPENSES**

16.1. The Manager

16.1.1. Preliminary Charge

The Trust Deed permits the Manager to include in the offer price of units a preliminary charge which is included in the issue price of the units. The rate of the preliminary charge is 10% (though this may be waived wholly or partially at the Manager's discretion).

16.1.2. Periodic Charge

16.1.2.1. In addition, the Trust Deed permits the Manager to make an annual periodic charge (referred to in this Prospectus as the "Management Charge") out of the property of the Fund (plus VAT thereon if applicable).

16.1.2.2. The Management Charge accrues daily and is payable monthly in arrears on the last Business Day following that month end. The current Management Charge is 1.29% per annum (plus VAT thereon if applicable) out of which the Manager's expenses and the fees of the Investment Manager are also met. Research costs will be paid for by the Investment Manager out of this fee and shall not be borne by the Fund.

**16.1.2.3. Please note that 50% of the Management Charge is to be treated as a capital expense. This policy may result in capital erosion or constrain capital growth.**

16.2. The Trustee

16.2.1. The Trustee is entitled to receive out of the property of the Fund for its own account by way of remuneration, a periodic fee (and VAT thereon, if applicable) which will accrue daily and will be payable monthly in arrears. The rate of the Trustee's periodic fee will be such amount as the Manager and the Trustee may from time to time agree. The rate of the Trustee's periodic fee is based on the value of the property of the Fund represented by the net asset value and is calculated at the valuation point coinciding with, or immediately before, the beginning of the relevant monthly charge as follows:

- 16.2.2. The net asset value of the Fund periodic charge rate per annum is:
- |         |   |
|---------|---|
| 0.0275% | up to first £50,000,000                                   |
| 0.025%  | between £50,000,000 and up to and including £100,000,000  |
| 0.020%  | between £100,000,000 and up to and including £200,000,000 |
| 0.015%  | on the value of the Fund's property thereafter            |
- 16.2.3. The value of the Fund's property subject to a minimum fee of £7,500 (plus VAT, if applicable) per annum.
- 16.2.4. The Trustee is also entitled to be reimbursed out of the property of the Fund for expenses properly incurred by it in performing duties imposed on it (or exercising power conferred on it) by COLL (plus VAT, if applicable).
- 16.2.5. The custody fees are currently up to 50 basis points (0.05%) of the value of the holding involved. Transaction charges range up to a maximum of £125.00. The custody fees and transaction charges are currently paid out of the property of the Fund to the Custodian.
- 16.2.6. These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Trustee and the Manager. Custody charges accrue and are payable as agreed from time to time by the Manager and the Trustee.
- 16.2.7. Where relevant, the Trustee may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Fund and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Handbook.
- 16.2.8. The Trustee will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Trust Deed, the FCA Handbook or by the general law.
- 16.2.9. On a winding up of the Fund or the redemption of a class of units (if applicable), the Trustee will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.
- 16.2.10. Any value added tax on any fees, charges or expenses payable to the Trustee will be added to such fees, charges or expenses.
- 16.2.11. In each such case such payments, expenses and disbursements may be payable to any person (including the Manager or any associate or nominee of the Trustee or of the Manager) who has had the relevant duty delegated to it pursuant to the FCA Handbook by the Trustee.

### 16.3. Administrator's, Registrar's and Fund Accountant's Fees

- 16.3.1. There are costs associated with the Administrator's dealing, the Registrar's and Fund Accountant's fees, and the cost of accounting, book-keeping and calculating the net asset value of units in the Fund.

#### 16.4. Fund Accountant

- 16.4.1. The Fund Accountant is entitled to receive out of the property of the Fund for its own account, by way of remuneration, a periodic fee (and VAT thereon, if applicable) which will accrue daily and be payable monthly in arrears.
- 16.4.2. Currently, the Fund Accountant's periodic fee is borne by the Manager and paid out of the Management Charge. The rate of the periodic charge will be such amount as the Manager and the Fund Accountant may from time to time agree, subject to the Regulations. The current rate of the periodic charge is:
- 16.4.2.1. on the first £50,000,000 7 basis points (0.07%)
- 16.4.2.2. £50,000,000 to £100,000,000 5 basis points (0.05%)
- 16.4.2.3. over £100,000,000 3 basis points (0.03%)
- 16.4.2.4. of the property of the Fund, subject to a minimum of £25,000 per annum.
- 16.4.3. For information, a basis point is 0.01%.

#### 16.5. Administrator and Registrar

- 16.5.1. The Administrator and Registrar are entitled to receive out of the property of the Fund for its own account, by way of remuneration, a periodic dealing and registration charge (and VAT thereon, if applicable) which will accrue daily and be payable monthly in arrears.
- 16.5.2. Currently these fees are borne by the Manager and paid out of the Management Charge. The rate of the periodic charge will be such amount as the Manager and the Administrator and Registrar may from time to time agree, subject to the Regulations.
- 16.5.3. The current rate of the periodic charge is as set out in the table below:
- |                  |   |
|------------------|---|
| Registrar's Fees | £18.00 per account per annum plus VAT if applicable, subject to a minimum of £2,000   |
| Dealing Fees     | £5.00 per transaction plus VAT if applicable for electronic trades; £15 per transaction plus VAT if applicable for manual trades. |

#### 16.6. Other Expenses

- 16.6.1. No payments may be made out of the property of the Fund other than payments to the Manager and the Trustee (and sums due by virtue of any other Regulation (such as, for example, cancellation proceeds and reasonable stock lending expenses) and the following (together with VAT where applicable):
- 16.6.1.1. broker's commission (excluding costs for research), fiscal charges and other disbursements which are:
- (i) necessary to be incurred in effecting transactions for the Fund; and
- (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate; and

- 16.6.1.2. interest on borrowings permitted under the Fund and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings; and
- 16.6.1.3. taxation and duties including Stamp Duty Reserve Tax ("SDRT") payable in respect of the property of the Fund, the Trust Deed or the issue of units; and
- 16.6.1.4. any costs incurred in modifying this Prospectus, the Key Investor Information Document, or the Trust Deed, including costs incurred in respect of meetings of Unitholders convened for purposes which include the purpose of modifying this Prospectus, the Key Investor Information Document or the Trust Deed, where the modification is:
  - (i) necessary to implement, or necessary as a direct consequence of, any change in the law (including changes in COLL); or
  - (ii) 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; or
  - (iii) to remove from any of these documents obsolete provisions; and
- 16.6.1.5. any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager; and
- 16.6.1.6. liabilities on unitisation, amalgamation or reconstruction arising in circumstances permitted by COLL; and
- 16.6.1.7. the audit fee properly payable to the auditor and VAT thereon and any proper expenses of the auditor; and
- 16.6.1.8. the fees of the FCA the corresponding fees of any regulatory authority in a country or territory outside the UK in which units in the Fund are or may be marketed; and
- 16.6.1.9. any fees or costs associated with any CASS related support activity incurred by the Registrar; and
- 16.6.1.10. any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Fund, which are currently carried on by the Registrar.

## 16.7. Allocation of payments

- 16.7.1. Expenses may be allocated between capital and income in accordance with COLL. The Manager and Trustee have agreed that charges and expenses are charged against income (except those charges and expenses relating directly to the purchase and sale of investments) of the Fund. If charged against capital, this policy may result in capital erosion or constrain capital growth.

## **17. ELECTRONIC COMMUNICATIONS**

- 17.1. 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:

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

## **18. DISTRIBUTION OF INCOME**

- 18.1. Normally, within two months of the Accounting Reference Date of the Fund in each year an amount, as determined by the Manager in accordance with the Trust Deed, will be paid or allocated to Unitholders by way of a distribution.
- 18.2. The Annual Income Allocation date for the Fund is 31 May.
- 18.3. The Trustee is also authorised to make interim distributions. The interim allocation date for the Fund is 30 November, or such other date or dates as the Manager may determine.
- 18.4. Grouping for equalisation is permitted under the Trust Deed. This means that units purchased during an accounting period will contain in their purchase price an amount called equalisation which represents a proportion of the net income of the relevant Fund already accrued up to the date of purchase. The total of this amount is taken and each Unitholder shall be refunded an averaged proportion as part of their first distribution, which for tax purposes is treated as being a return of capital. Grouping periods shall be each interim accounting period and the period between the end of any interim accounting period and the end of the annual accounting period.
- 18.5. Distributions may be forfeited if not claimed within a six year period. Any unclaimed distribution funds will be held in an unclaimed distribution account.

## **19. ISSUE AND REDEMPTION OF UNITS**

- 19.1. The Manager's dealing office is open from 9.00 a.m. until 5.00 p.m. on each Business Day on which the London Stock Exchange is open for business to receive requests for the issue and redemption of units which will be transacted on the next Dealing Day.

### 19.2. Minimum Value of Holdings

The minimum initial investment in the Fund is currently £100,000. The minimum value of units in the Fund which may be the subject of any one sale or purchase is £100,000. However, no units will be bought back if a holder wishes to redeem less than their entire holding if the redemption would mean that the holder is left holding units of a value less than £100,000. The Manager may waive these limits at its discretion.

### 19.3. Buying Units

- 19.3.1. Units may be bought by submitting a request in writing to Tutman HR at the dealing office of the Administrator. The address for the Dealing Office) is set out in the Directory (Appendix 7).
- 19.3.2. Alternatively, units can be bought by obtaining an application form by telephoning the Manager's Customer Enquiry Line on 0333 300 0355, or through the means of electronic communications (as set out in Clause 17 (Electronic Communications)). Units may be bought at not more than the

offer price calculated in accordance with COLL. A contract note confirming each purchase will be despatched by the close of business on the next Business Day following execution of the transaction. Certificates are not issued.

- 19.3.3. Please note that 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.
- 19.3.4. The Manager reserves the right to reject any application for units in whole or in part in which case the application money or any balance will be returned by post at the risk of the applicant.
- 19.3.5. Default by the purchaser in payment of any monies 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.
- 19.3.6. Subscription money received by the Manager will be treated as client money pending investment in the Fund. No interest will be paid on client money held by the Manager prior to investment in the Fund. For information on how client money is held, please see paragraph 19.4.
- 19.3.7. 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.

#### 19.4. Client Money

- 19.4.1. There may be occasions where money will be held on your behalf by the Manager in a client money account. This is most likely in relation to Unit purchase and redemption transactions. In these circumstances, the Manager will treat the relevant money as "client money", as defined in the FCA's Handbook.
- 19.4.2. Any money which is held on your behalf as client money under the FCA's client money rules will be deposited in a segregated non-interest bearing client money bank account. This client money bank account will be separate to any account used to hold money belonging to the Manager, and will be recognised by the bank as a client money account containing money belonging to the customers of the Manager rather than to the Manager itself. All client money accounts are opened with an appropriate bank or banks in accordance with the FCA's client money rules.
- 19.4.3. The Manager will not be responsible for any actions for omissions of the relevant bank. If the bank holding the client account becomes insolvent, the Manager will have a claim on behalf of all Unitholders, but if there is a shortfall, all clients will share in this proportionately, although Unitholders may be entitled to compensation from the Financial Services Compensation Scheme. The availability of compensation depends on the type of business being conducted. Details are available from the Financial Services Compensation Scheme Helpline on 0800 678 1100 or 020 7741 4100 and on the Financial Services Compensation Scheme website: [www.fscs.org.uk](http://www.fscs.org.uk).

19.4.4. 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 FCA's client money rules.

19.5. Cancellation Price

19.5.1. The cancellation price last notified to the Trustee is available from the Registrar on request.

19.6. Selling Units

19.6.1. The Manager will buy back units from holders, subject to the Minimum Value of Holdings in Clause 19.2 above, at not less than the bid price calculated in accordance with COLL.

19.6.2. Instructions for sale may be given in writing, or by telephone to the Manager, or through the means of electronic communications (as set out in Clause 17 (Electronic Communications)). Once given instructions are irrevocable.

19.6.3. A contract note confirming the transaction will be despatched by the close of business on the next Business Day following its execution. Payment will be made not later than the close of business on the fourth Business Day following the dealing date or the receipt by the Manager of all documentation required to vest title of the units in the Manager, whichever is the later.

19.6.4. Redemption proceeds will be treated as client money pending payment to the redeeming Unitholder. No interest will be paid on client money held by the Manager following a redemption of units. For information on how client money is held please refer to Clause 19.4 (Client Money Rules).

19.7. Redemption Charge

19.7.1. The Manager does not impose a charge on the redemption of units.

19.7.2. The Manager cannot introduce a redemption charge, or change the rate or method of calculation, unless Unitholders are given advance written notice and provided with a revised prospectus setting out the redemption charge.

19.8. In specie transfer

19.8.1. If a Unitholder wishes to sell units in the Fund representing at least 5% of the value of the Fund, the holder may advise the Manager that they wish to receive underlying securities of the Fund (an in-specie transfer) instead of cash. Alternatively, the Manager may elect to transfer to the holder underlying securities of the Fund instead of cash. In these circumstances, the Trustee will cancel the units repurchased and transfer to the holder such assets selected from the property of the Fund as the Trustee, in consultation with the Manager, decides is reasonable.

19.9. Pricing basis

19.9.1. The Manager's normal basis of dealing in units is to transact at a forward price that is the price resulting from the next valuation point after receipt of the dealing request.

19.10. Suspension

19.10.1. The Manager may, with the prior agreement of the Trustee, or shall if the Trustee requires, at any time temporarily suspend the issue and redemption of units if the Manager, or the Trustee in the case of any requirement by

him, is of the opinion that there is good and sufficient reason to do so having regard to the interests of Unitholders or potential Unitholders. The Manager and the Trustee must ensure that the suspension is only allowed to continue for as long as it is justified having regard to the interests of Unitholders. The Manager and the Trustee will formally review the suspension at least every 28 days and inform the FCA of the results of this review. The Manager will ensure that a notification of suspension is made to Unitholders as soon as practicable after the suspension commences.

- 19.10.2. The Trustee may not create or cancel units while the suspension remains in force. Recalculation of creation and cancellation prices will commence on the Business Day immediately following the end of the suspension period at 10 a.m.

#### 19.11. Mandatory Redemption of Units

- 19.11.1. If the Manager reasonably believes that any units are owned directly or beneficially in circumstances which:

19.11.1.1. constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or

19.11.1.2. may (or may if other units are acquired or held in like circumstances) result in the Fund incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory) it may give notice to the holder of such units requiring them to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the units by the Fund. If the holder does not either transfer the units to a qualified person or establish to the Manager's satisfaction that they and any person on whose behalf they hold the units are qualified and entitled to hold and own them, they will be deemed on the expiry of a thirty-day period to have requested their redemption.

#### 19.12. Mandatory Conversion of Units

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

#### 19.13. Publication of Prices

- 19.13.1. 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.
- 19.13.2. For reasons beyond the control of the Manager, these may not necessarily be the current prices.
- 19.13.3. The cancellation price last notified to the Trustee is available from the Manager upon request.

### **20. TAXATION**

- 20.1. **The following summary is based on current UK law and HM Revenue & Customs practice. It summarises the UK tax position of Authorised Unit Trusts**

**(“AUTs”) and Unitholders who are UK tax resident. However, it should not be regarded as exhaustive and investors are advised to obtain specific advice from their professional tax adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.**

## 20.2. Taxation of the Fund

20.2.1. 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.

20.2.2. 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.

### 20.2.3. Income

20.2.3.1. 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. The rate of corporation tax applicable to the Fund is equal to the basic rate of income tax.

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

20.2.3.3. 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. Any 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.

### 20.2.4. Chargeable Gains

20.2.4.1. 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.

### 20.2.5. Stamp Duty Reserve Tax

20.2.5.1. 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.

20.2.5.2. 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 Fund.

## 20.3. Taxation of Unitholders

### 20.3.1. Income

- 20.3.1.1. 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.
- 20.3.1.2. 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 Fund.
- 20.3.1.3. 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.
- 20.3.1.4. All Unitholders will be sent tax vouchers stating the make-up of their distributions and showing their taxable income.

#### (i) Interest Distributions

##### (a) UK resident individuals

- (I) 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.
- (II) 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.
- (III) 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.
- (IV) 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).

##### (b) UK corporate Unitholders

- (I) If, at any point in an accounting period of a UK corporate Unitholder, the Fund fails to satisfy the "qualifying investment" test, Units held by UK corporate Unitholders in respect of the 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).

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

(III) Interest distributions paid to UK corporate Unitholders may be paid without deduction of income tax at source.

(ii) Dividend distributions

(a) Dividend distributions paid by the Fund are treated as if they are dividends.

(I) UK resident individuals

(A) 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.

(II) UK corporate Unitholders

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

## 20.3.2. Chargeable gains

### 20.3.2.1. UK resident individuals

- (i) 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. Gains will be tax-free if after deduction of allowable losses they fall within an individual's annual capital gains exemption.
- (ii) Gains in excess of the annual exemption amount are taxed at the lower rate of capital gains 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.

### 20.3.2.2. 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).

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

## 20.4. Income equalisation – tax implications

- 20.4.1. 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.

## 20.5. UK information reporting regime

- 20.5.1. 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 "International tax compliance" below.

## 20.6. Tax Elected Fund ("TEF") regime

- 20.6.1. 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.

## 20.7. International tax compliance

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

- 20.7.2. 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").
- 20.7.3. 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.
- 20.7.4. **Unitholders should note that:**
- 20.7.4.1. 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;**
- 20.7.4.2. the Manager or Administrator may report these details, along with information about a Unitholder's holding, to HMRC; and**
- 20.7.4.3. HMRC may subsequently exchange this information with other governments or tax authorities in other jurisdictions.**
- 20.7.5. **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.**

## **21. ADDITIONAL INFORMATION**

### 21.1. Data Protection

- 21.1.1. 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.
- 21.1.2. Unitholders have the right to access their personal data processed by the Manager together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons. A copy of the Manager's Privacy Notice relating to investors is available at [www.tutman.co.uk](http://www.tutman.co.uk) or on request from [compliance@tutman.co.uk](mailto:compliance@tutman.co.uk).

## 21.2. Electronic Verification

- 21.2.1. The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, SYSC and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the 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 associate 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.
- 21.2.2. If you apply for shares you are giving the Manager permission to ask for this information in line with Data Protection Laws. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the Manager with your application.

## 21.3. Complaints

- 21.3.1. Complaints concerning the operation or marketing of the Fund should be referred to the Manager at Exchange Building, St Johns Street, Chichester, West Sussex PO19 1UP in the first instance.
- 21.3.2. If the complaint is not dealt with satisfactorily then it can be made direct to The Financial Ombudsman Service at Exchange Tower, London E14 9SR, telephone number 0800 023 4567 or 0300 123 9123.
- 21.3.3. A copy of the Manager's complaints handling procedure is available on request.

## 21.4. Remuneration

- 21.4.1. The Manager has established and applies a remuneration policy, procedure and practice (together, the "Remuneration Policy") which is consistent with, and promotes, sound and effective risk management, and does not encourage risk-taking that is inconsistent with the risk profile or the Trust Deed. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Manager or the Fund.
- 21.4.2. The Remuneration Policy does not impair compliance with the Manager's duty to act in the best interests of the Fund. Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on [www.tutman.co.uk](http://www.tutman.co.uk) and a copy of such information can be obtained, free of charge, upon request at the offices of the Manager.

## 21.5. Non-Accountability for Profits

Neither the Manager, the Trustee, the Investment Manager (or any Associate of the same) or the Auditors is liable to account to either each other or to Unitholders for any

profits or benefits it makes or receives that are made or derived from or in connection with:

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

**APPENDIX 1**

**LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY  
THE MANAGER**

**Authorised Investment Companies with Variable Capital**

Knotts Investments Fund  
The Beamish Fund  
The Cranmer Investment Fund  
The Rectory Fund  
The Serissa Fund  
The Steelback Fund  
TM Fulcrum NURS Funds  
TM Fulcrum UCITS Funds  
TM Opus Fund

## **APPENDIX 2**

### **INVESTMENT RESTRICTIONS**

The Fund is subject to the limits and restrictions on investment for a UK UCITS contained in Chapter 5 of COLL which are summarised below.

#### **1. Permitted categories of Investment**

- 1.1. With limited exceptions the Fund must invest solely in any or all of permitted categories of the following:
  - 1.1.1. transferable securities;
  - 1.1.2. approved money market instruments;
  - 1.1.3. derivatives and forward transactions;
  - 1.1.4. deposits;
  - 1.1.5. units in collective investment schemes;

#### **2. Transferable securities**

- 2.1. Types of transferable security
  - 2.1.1. A transferable security is an investment which is a share, a debenture, an alternative debenture, a government and public security, a warrant, or a certificate representing certain securities (as such terms are defined in the FCA Glossary).
  - 2.1.2. An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
  - 2.1.3. In applying paragraph 2.1.2 to an investment which is issued by a body corporate, and which is a share or a debenture (as such terms are defined in the FCA Glossary), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
  - 2.1.4. An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.
- 2.2. Investment in transferable securities
  - 2.2.1. The Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
    - 2.2.1.1. the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
    - 2.2.1.2. its liquidity does not compromise the Manager's ability to comply with its obligations to redeem units at the request of any qualifying Unitholder;
    - 2.2.1.3. reliable valuation is available for it as follows:

- (i) in the case of a transferable security admitted to or dealt in on an eligible market (see further paragraph 5 below for an explanation of eligible market) where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
- (ii) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

2.2.1.4. appropriate information is available for it as follows:

- (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
- (ii) in the case of a transferable security not admitted to or dealt in on an eligible market where there is regular and accurate information available to the Manager on the transferable security or, where relevant, on the portfolio of the transferable security;

2.2.1.5. it is negotiable; and

2.2.1.6. its risks are adequately captured by the risk management process of the Manager.

2.2.2. 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:

2.2.2.1. not to compromise the ability of the Manager to comply with its obligations to redeem units at the request of any qualifying Unitholder; and

2.2.2.2. to be negotiable.

2.3. Closed end funds constituting transferable securities

2.3.1. 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 in paragraph 2.2 above and either:

2.3.1.1. where the closed end fund is constituted as an investment company or a unit trust:

- (i) it is subject to corporate governance mechanisms applied to companies; and
- (ii) where another person carries out asset management activity on its behalf that person is subject to national regulation for the purpose of investor protection; or

2.3.1.2. where the closed end fund is constituted under the law of contract:

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

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

#### 2.4. Transferable securities linked to other assets

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

2.4.1.1. fulfils the criteria for transferable securities set out in paragraph 2.2 above; and

2.4.1.2. is backed by or linked to the performance of other assets which may differ from those in which the Fund can invest.

2.4.2. Where an investment in paragraph 2.4.1 contains an embedded derivative component, the requirements of the COLL sourcebook with respect to derivatives and forwards will apply to that component.

### **3. Approved money market instruments**

3.1. An approved money market instrument is a money market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

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

3.2.1. has a maturity at issuance of up to and including 397 days;

3.2.2. has a residual maturity of up to and including 397 days;

3.2.3. undergoes regular yield adjustments in line with money market conditions at least every 397 days; or

3.2.4. has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 3.2.1 or 3.2.2 or is subject to yield adjustments as set out in 3.2.3.

3.3. A money market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the Manager to redeem units at the request of any qualifying Unitholder.

3.4. A money market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuation systems, which fulfil the following criteria, are available:

3.4.1. enabling the Manager to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and

- 3.4.2. based either on market data or on valuation models including systems based on amortised costs.
- 3.5. A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager that would lead to a different determination.

#### **4. Transferable securities and approved money market instruments generally to be admitted to or dealt in on an eligible market**

- 4.1. Transferable securities and approved money market instruments held within the Fund must be:
  - 4.1.1. admitted to or dealt in on an eligible market (as described in paragraph 5.2.1 or paragraph 5.3); or
  - 4.1.2. dealt in on an eligible market (as described in paragraph 5.2.2); or
  - 4.1.3. for an approved money market instrument not admitted to or dealt in on an eligible market within paragraph 6; or
  - 4.1.4. 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.
- 4.2. The Fund may invest up to 10% of the Fund's investments in transferable securities and approved money market instruments other than those referred to in paragraph 4.1.

#### **5. Eligible markets regime**

- 5.1. To protect investors the markets in which investments of a Fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold. Where a market ceases to be approved eligible, investments on that market cease to be approved securities. The 10% restriction in paragraph 4.2 above on investment in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as a breach beyond the control of the Manager.
- 5.2. A market is eligible for the purposes of the rules in the COLL sourcebook if it is:
  - 5.2.1. a regulated market (as defined in the FCA Glossary); or
  - 5.2.2. a market in the UK or an EEA State which is regulated, operates regularly and is open to the public;
  - 5.2.3. any market falling within paragraph 5.3 below.
- 5.3. A market not falling within paragraph 5.2 is eligible for the purposes of the COLL sourcebook if:
  - 5.3.1. the Manager after consultation with and notification to the Trustee decides that market is appropriate for investment of, or dealing in the Fund property;
  - 5.3.2. the market is included in a list in the Prospectus; and

- 5.3.3. the Trustee has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market; and all reasonable steps have been taken by the Manager in deciding whether that market is eligible.
- 5.4. In paragraph 5.3.1a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid, and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

## **6. Money market instruments with a regulated issuer**

- 6.1. In addition to instruments admitted to or dealt in on an eligible market, the Fund may invest in an approved money-market instrument provided it fulfils the following requirements:
  - 6.1.1. the issue or the issuer is regulated for the purposes of protecting investors and savings; and
  - 6.1.2. the instrument is issued or guaranteed in accordance with paragraph 7.
- 6.2. The issue or the issuer of a money market instrument other than one dealt in on an eligible market, shall be regarded as regulated for the purposes of protecting investors and savings if:
  - 6.2.1. the instrument is an approved money market instrument;
  - 6.2.2. appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risk related to investments in it) in accordance with paragraph 8 below; and
  - 6.2.3. the instrument is freely transferable.

## **7. Issuers and guarantors of money market instruments**

- 7.1. The Fund may invest in an approved money market instrument if it is:
  - 7.1.1. issued or guaranteed by any one of the following:
    - 7.1.1.1. a central authority of the UK or an EEA State or if the EEA State is a federal state, one of the members making up the federation;
    - 7.1.1.2. a regional or local authority of the UK or an EEA State;
    - 7.1.1.3. the Bank of England, the European Central Bank or a central bank of an EEA State;
    - 7.1.1.4. the EU or the European Investment Bank;
    - 7.1.1.5. a non-EEA State, or in the case of a federal state one of the members making up the federation; or
    - 7.1.1.6. a public international body to which the UK or one or more EEA States belong;

- 7.1.2. issued by a body, any securities of which are dealt in on an eligible market; or
- 7.1.3. issued or guaranteed by an establishment which is:
  - 7.1.3.1. subject to prudential supervision in accordance with criteria defined by UK or EU law; or
  - 7.1.3.2. an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.
- 7.2. An establishment shall be considered to satisfy the requirement in paragraph 7.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
  - 7.2.1. it is located in the EEA;
  - 7.2.2. it is located in an Organisation for Economic Co-Operation and Development (OECD) country belonging to the Group of Ten;
  - 7.2.3. it has at least one investment grade rating;
  - 7.2.4. on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

## **8. Appropriate information for approved money market instruments**

- 8.1. In the case of an approved money market instrument within paragraph 7.1.2 or issued by a body referred to in COLL at COLL 5.2.10E(G); or which is issued by an authority within paragraph 7.1.1.2 or a public international body within paragraph 7.1.1.6, but is not guaranteed by a central authority within paragraph 7.1.1.1, the following information must be available:
  - 8.1.1. information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
  - 8.1.2. updates of that information on a regular basis and whenever a significant event occurs; and
  - 8.1.3. available and reliable statistics on the issue or the issuance programme.
- 8.2. In the case of an approved money market instrument issued or guaranteed by an establishment within paragraph 7.1.3 the following information must be available:
  - 8.2.1. information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
  - 8.2.2. updates of that information on a regular basis and whenever a significant event occurs; and
  - 8.2.3. available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

- 8.3. In the case of an approved money market instrument within paragraph 7.1.1.1, 7.1.1.4 or 7.1.1.5 or which is issued by an authority within paragraph 7.1.1.2 or a public international body within paragraph 7.1.1.6 and is guaranteed by a central authority within paragraph 7.1.1.1 information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

## **9. Spread: general**

- 9.1. This paragraph 9 does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 10 applies.
- 9.2. The specific limits are set out as follows:
- 9.2.1. For the purposes of this paragraph 9, companies included in the same group for the purposes of consolidated accounts as defined in s.399 of the Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards, are regarded as a single body.
  - 9.2.2. Not more than 20% in value of the Fund's property can consist of deposits with a single body.
  - 9.2.3. Not more than 5% in value of the Fund's property can consist of transferable securities or approved money market instruments issued by any single body.
  - 9.2.4. The limit of 5% in paragraph 9.4 is raised to 10% in respect of up to 40% in value of the Fund's property. Covered bonds need not be taken into account for the purpose of applying the limit of 40%.
  - 9.2.5. The limit of 5% in paragraph 9.4 raised to 25% in value of the Scheme Property in respect of covered bonds, provided that where more than 5% of the Fund's property is invested in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% of the value of the Fund's property.
  - 9.2.6. In applying the limits set out in paragraphs 9.4 and 9.5, certificates representing certain securities (as defined in the FCA Handbook) are to be treated as equivalent to the underlying security.
  - 9.2.7. The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Fund's property (10% when the counterparty is an Approved Bank).
  - 9.2.8. Not more than 20% in value of the Fund's investments can consist of transferable securities and approved money market instruments issued by the same group.
  - 9.2.9. Not more than 20% in value of the Fund's property is to consist of the units of any one collective investment scheme.
  - 9.2.10. In applying the limits in paragraphs 9.3, 9.4, 9.5, 9.7 and 9.8 in relation to a single body, and subject to paragraph 9.6, not more than 20% in value of the Scheme Property can consist of any combination of two or more of the following:

- 9.2.10.1. transferable securities (including covered bonds) or approved money market instruments issued by; or
  - 9.2.10.2. deposits made with; or
  - 9.2.10.3. exposures from OTC derivatives transactions made with;
- a single body.

## **10. Spread: Government and public securities**

- 10.1. The following applies in respect of transferable securities or approved money-market instruments ("such securities") that are issued or guaranteed by:
  - 10.1.1. the UK or an EEA State;
  - 10.1.2. a local authority of the UK or an EEA State;
  - 10.1.3. a non-EEA State; or
  - 10.1.4. a public international body to which the UK or one or more EEA States belong.
- 10.2. Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 10.3. The Fund may invest more than 35% in value of the Scheme Property in such securities issued by one issuer provided that:
  - 10.3.1. the Manager has before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund;
  - 10.3.2. no more than 30% in value of the Scheme Property consists of such securities of any one issue;
  - 10.3.3. the Scheme Property includes such securities issued by that or another issuer of at least six different issues.
- 10.4. In relation to such securities:
  - 10.4.1. issue, issuer and guarantor include guarantee, guaranteed and guarantor; and
  - 10.4.2. an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.
- 10.5. **More than 35% in value of the Scheme Property may be invested in such securities issued by:**
  - 10.5.1. **the Government of the United Kingdom or Northern Ireland;**
  - 10.5.2. **the Scottish Administration;**
  - 10.5.3. **the Executive Committee of the Northern Ireland Assembly or the National Assembly of Wales;**

- 10.5.4. **the Governments of Australia, Austria, Belgium, Bulgaria, Canada, The Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Turkey or the United States of America;**
- 10.5.5. **the European Central Bank, the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development or the European Investment Bank.**
- 10.6. The Manager has consulted with the Trustee and considers that the issuers named above are ones which are appropriate in accordance with the investment objective of the Fund.
- 10.7. Notwithstanding paragraph 9.1, and subject to paragraphs 9.3 and 9.2, in applying the 20% limit in paragraph 9.3, with respect to a single body such securities issued by that body shall be taken into account.

## **11. Collective investment schemes**

11.1. With regard to collective investment schemes:

- 11.1.1. the Fund may invest in units in collective investment schemes (second schemes) provided that the second scheme satisfies all of the following conditions, and provided that no more than 30% in value of the Fund's investments is invested in second schemes within paragraphs 11.1.1.2to 11.1.1.5 below:
- 11.1.1.1. the second scheme 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,
- 11.1.1.2. the second scheme is recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met);
- 11.1.1.3. the second scheme is authorised as a Non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1)(a), (3) and (4) are met);
- 11.1.1.4. the second scheme is authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or
- 11.1.1.5. the second scheme is authorised by the competent authority of an OECD member country (other than an EEA State) which has:
- (i) signed the IOSCO Multilateral Memorandum of Understanding; and
  - (ii) approved the scheme's management company, rules and depositary/custody arrangements,

(provided the requirements of COLL 5.2.13AR are met);

- 11.1.2. the second scheme must comply with certain restrictions set out in COLL including restrictions designated to avoid double charging;
- 11.1.3. the second scheme must comply, where relevant, with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes).
- 11.1.4. the second scheme must have terms which prohibit more than 10% in value of the Scheme Property consisting of units in collective investment schemes
- 11.1.5. where the second scheme is an umbrella, the provisions in 11.1.3 and 11.1.4 and COLL 5.2.11R (Spread: general) apply to each sub-fund as if it were a separate scheme.
- 11.1.6. The Fund's investments may include units in collective investment schemes managed or operated by the Manager or an associate of the Manager. No charge will be made for the issue or redemption of those units.
- 11.1.7. Where a substantial proportion of the Fund's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged to the Fund and to the other collective investment schemes in which it invests should not exceed 2.5% per annum plus VAT, if applicable.

## **12. Warrants**

- 12.1. With regard to warrants the Fund may invest in warrants only (on assumptions stated in COLL) if it is reasonably foreseeable that the right conferred by the proposed warrant could be exercised by the Fund without contravening COLL. Investment in warrants will not exceed 5% in value of the property of the Fund.

## **13. Nil/partly paid securities**

- 13.1. With regard to nil or partly paid transferable securities or approved money market instruments, the Fund may invest in such securities or instruments only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be met by the Fund when payment is required without contravening COLL.

## **14. Deposits**

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

## **15. Derivatives: general**

- 15.1. A transaction in derivatives or a forward transaction cannot be effected for the Fund unless:
  - 15.1.1. it is a permitted derivatives and forward transaction (broadly a derivative must be effected on or under the rules of any eligible derivatives market and have underlying consisting of any or all of the following; transferable

securities, approved money market instruments, deposits, permitted derivatives, permitted collective investment schemes, financial indices, interest rates, foreign exchange rates, currencies); and

- 15.1.2. it is covered as required by COLL.
- 15.2. The exposure to the underlying assets must not exceed the limits in COLL for the class of underlying asset concerned save as provided in paragraph 15.6 below.
- 15.3. Hedging - the Manager may hedge transactions by back to back foreign currency borrowings against Pounds Sterling. The Manager does not envisage entering into hedging transactions to a major extent.
- 15.4. Where a transferable security or approved money market instrument embeds a derivative this must be taken into account for the purposes of complying with this paragraph.
- 15.5. A transferable security or an approved money market instrument will embed a derivative if it contains a component which fulfils the following criteria:
  - 15.5.1. by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money market instrument which functions as host contract can be modified according to a specified interest rate, Financial Instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - 15.5.2. the economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 15.5.3. it has a significant impact on the risk profile and pricing of the transferable security or approved money market instrument.
- 15.6. A transferable security or an approved money market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money market instrument. That component shall be deemed to be a separate instrument.
- 15.7. If the Fund invests in an index-based derivative provided the relevant index falls within the FCA Regulations at COLL 5.2.20AR, the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R, for a prudent spread of risk, provided the Manager takes account of the requirements in COLL 5.2.3 for a prudent spread of risk for the Fund.

## **16. Permitted Transactions (Derivatives and Forwards)**

- 16.1. A transaction in a derivative must be in an approved derivative or be one which complies with the requirements for permitted OTC derivatives, in paragraph 20.
- 16.2. A transaction in a derivative must have the underlying consisting of any or all of the following to which the scheme is dedicated: transferable securities; permitted approved money-market instruments; permitted deposits; permitted derivatives; permitted collective investment scheme units; permitted financial indices; interest rates; foreign exchange rates and currencies, and must not consist of commodities. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A derivatives transaction must not cause the Fund

to diverge from its investment objectives as stated in the Trust Deed and the most recently published Prospectus and must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money market instruments, collective investment scheme units or derivatives.

16.3. Any forward transaction must be with an Eligible Institution or an Approved Bank.

16.4. The Fund may not undertake transactions in derivatives on commodities.

## **17. Financial Indices underlying derivatives**

17.1. The financial indices referred to in paragraph 15.1.1 are those where the index is sufficiently diversified, it represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner.

17.2. A financial index is sufficiently diversified if:

17.2.1. it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

17.2.2. where it is composed of assets in which the Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and

17.2.3. where it is composed of assets in which the Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.

17.3. A financial index represents an adequate benchmark for the market to which it refers if:

17.3.1. it measures the performance of a representative group of underlyings in a relevant and appropriate way;

17.3.2. it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

17.3.3. the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

17.4. A financial index is published in an appropriate manner if:

17.4.1. its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

17.4.2. material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

17.5. Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction

shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 16.2 be regarded as a combination of those underlyings.

## **18. Transactions for the purpose of property**

- 18.1. A derivative or forward transaction which would or could lead to the delivery of property for the account of the Fund may be entered into only if such property can be held for the account of the Fund, and the Manager having taken reasonable care determines that delivery of the property pursuant to the transaction will not lead to a breach of the rules in COLL.

## **19. Requirement to cover sales**

- 19.1. No agreement by or on behalf of the Fund to dispose of property or rights (except for a deposit) may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment of rights, and the property and rights above are owned by the Fund at the time of the agreement.

## **20. OTC transactions in derivatives**

- 20.1. A transaction in an OTC derivative must be:

- 20.1.1. with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:
- 20.1.1.1. an Eligible Institution or an Approved Bank; or
  - 20.1.1.2. a person whose permission (including any requirements or limitations), as published in the Financial Services Register, permits it to enter into the transaction as principal off-exchange);
  - 20.1.1.3. a CCP that is authorised in that capacity for the purposes of EMIR;
  - 20.1.1.4. a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
  - 20.1.1.5. 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.
- 20.1.2. on approved terms i.e. the Manager carries out at least daily a reliable 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 on market quotations by the

counterparty; and can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;

- 20.1.3. capable of reliable valuation i.e. 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 on the basis of an up to date market value which the Manager and the Trustee have agreed is reliable; or if this is not available on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology;
- 20.1.4. subject to verifiable valuation (i.e. if throughout the life of the derivative (if the transaction is entered into)) verification of the valuation is carried out by 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 a department within the Manager which is independent from the department in charge of managing the Fund property and which is adequately equipped for such purpose.

## **21. Valuation of OTC derivatives**

- 21.1. For the purposes of paragraph 20.1.2 the Manager must:
  - 21.1.1. establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of the Fund to OTC derivatives; and
  - 21.1.2. ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- 21.2. Where the arrangements and procedures referred to in paragraph 21.1 involve the performance of certain activities by third parties, the Manager must comply with the relevant FCA Regulations.
- 21.3. The arrangements and procedures referred to in this paragraph 21 must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

## **22. Derivatives exposure**

- 22.1. The Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within the Fund's property. Exposure will include any initial outlay in respect of that transaction.
- 22.2. Cover ensures that a Fund is not exposed to the risk of loss of property including money, to an extent greater than the net value of the Fund property. Therefore, a Fund must hold property sufficient in value or amount to match the exposures arising from a derivative obligation to which the Fund is committed. Paragraph 23 sets out detailed requirements for cover of the Fund.
- 22.3. A future is to be regarded as an obligation to which the Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which the scheme is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not,

exercise the right to require the writer to deliver and accept and pay for something).

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

### **23. Cover for transactions in derivatives and forward transactions**

- 23.1. The Manager of the Fund must ensure that its global exposure relating to derivatives and forward transactions held in the Fund does not exceed the net value of the Fund's Property.
- 23.2. Exposure is covered globally if adequate cover from within the Fund property is available to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.
- 23.3. The Fund's global exposure must be calculated on at least a daily basis in accordance with the methods described in COLL 5.3.7R to COLL 5.3.10R. Property the subject of a stock lending transaction is only available for cover if the Manager has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

### **24. Calculation of global exposure**

- 24.1. The Manager must calculate the global exposure of the Fund either as:
- 24.1.1. the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to above), which may not exceed 100% of the net value of the Scheme Property; or
  - 24.1.2. the market risk of the Scheme Property.
- 24.2. The Manager must calculate the global exposure of the Fund by using:
- 24.2.1. the commitment approach; or
  - 24.2.2. the value at risk approach.
- 24.3. The Manager must ensure that the method selected in paragraph 24.2 above is appropriate, taking into account:
- 24.3.1. the investment strategy pursued by the Fund;
  - 24.3.2. the types and complexities of the derivatives and forward transactions used; and
  - 24.3.3. the proportion of the Fund's investments comprising derivatives and forward transactions.
- 24.4. For the purposes of paragraph 24.2.2, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

## **25. Commitment approach**

- 25.1. Where the Manager uses the commitment approach for the calculation of global exposure, it must:
  - 25.1.1. ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives), whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with the FCA Handbook; and
  - 25.1.2. convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).
- 25.2. The Manager may apply other calculation methods which are equivalent to the standard commitment approach.
- 25.3. The Manager may take account of netting and hedging arrangements when calculating global exposure of the Fund, where those arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.
- 25.4. Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.
- 25.5. Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Fund in accordance with COLL 5.5.4R need not form part of the global exposure calculation.

## **26. Borrowing**

- 26.1. Cash obtained from borrowing, and borrowing which the Manager reasonably regards an eligible institution or an Approved Bank to be committed to provide, is not available for cover under the previous paragraph 23 except where paragraph 26.2 below applies.
- 26.2. Where, for the purposes of this paragraph the Fund borrows an amount of currency from an eligible institution or an Approved Bank and keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or their agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Fund property.

## **27. Significant influence**

- 27.1. The Manager must not acquire or cause to be acquired for the Fund, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:
  - 27.1.1. immediately before the acquisition, the aggregate of any such securities held for the Fund taken together with any such securities already held for other authorised unit trusts of which it is also the Manager, gives the Manager power significantly to influence the conduct of business of that body corporate; or
  - 27.1.2. the acquisition gives the Manager that power.

## **28. Concentration limits**

- 28.1. The Fund must comply with the concentration limits set out in paragraph 28.2 below (unless, in the case of paragraphs 28.2.2, 28.2.3 and 28.2.4 at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated).
- 28.2. The Fund:
  - 28.2.1. must not acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and represent more than 10% of those securities issued by that body corporate;
  - 28.2.2. must not acquire more than 10% of the debt securities issued by any single body;
  - 28.2.3. must not acquire more than 25% of the units in a collective investment scheme;
  - 28.2.4. must not acquire more than 10% of the approved money market instruments issued by any single body.

## **29. Underwriting**

- 29.1. Subject to certain conditions set out in COLL, underwriting or sub-underwriting transactions may be entered into on behalf of the Fund.

## **30. Cash and near cash**

- 30.1. Cash and near cash may be held by the Fund where this may reasonably be regarded as necessary in order to enable:
  - 30.1.1. the pursuit of the Fund's investment objectives;
  - 30.1.2. redemption of units;
  - 30.1.3. efficient management of the Fund in accordance with its investment objectives; or
  - 30.1.4. other purposes reasonably regarded as ancillary to the investment objectives of the Fund.

## **31. Borrowing and lending powers**

- 31.1. The Trustee may on the instructions of the Manager and subject to the provisions of COLL, borrow money for the use of the Fund on terms that the borrowing is to be repayable out of the property of the Fund.
- 31.2. Borrowing must be on a temporary basis and not persistent and against these criteria the Manager must have regard to:
  - 31.2.1. the duration of any period of borrowing, and
  - 31.2.2. the number of occasions on which resort is had to borrowing in any period.

- 31.3. No period of borrowing should exceed three months without the prior consent of the Trustee which may only be given on such conditions as appear appropriate to the Trustee to ensure that borrowing does not cease to be on a temporary basis only.
- 31.4. The Manager must ensure that the Fund's borrowing does not, on any Business Day, exceed 10% of the value of the Fund's property.
- 31.5. None of the money in the property of the Fund may be lent. However, providing an officer of the Fund with money to meet expenditure does not constitute lending for the purposes of this prohibition.
- 31.6. Neither acquiring a debenture nor placing money on deposit in a current account constitutes lending.
- 31.7. The Fund may not lend (by way of deposit or otherwise) or mortgage the property of the Fund (other than money).
- 31.8. Stock lending as permitted by COLL does not constitute lending for the purposes of this prohibition.
- 31.9. Where transactions in derivatives or forward transactions are used for the account of the Fund in accordance with COLL the Fund may lend, deposit, pledge or charge the property of the Fund for margin requirements or may transfer Fund property under the terms of an agreement in relation to margin requirements, provided that the Manager reasonably considers that both the agreement and the margin arrangements made under it provide appropriate protection to Unitholders.

### **APPENDIX 3**

#### **ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS**

##### **1. Eligible Securities Markets**

- 1.1. A market is an "eligible market" if it is:
- 1.1.1. a regulated market (as defined in the FCA Glossary);
  - 1.1.2. a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public; or
  - 1.1.3. a market which the Manager, after consultation with, and notification to the Trustee determines is appropriate for the purpose of investment of, or dealing in, the property of the Fund. In accordance with the relevant criteria in the COLL sourcebook, such a market must be regulated, operate regularly, be recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, open to the public, be adequately liquid and have adequate arrangements for unimpeded transmission of income and capital to, or to the order of, investors.
- 1.2. Detailed below are the additional eligible markets on which the Fund is currently permitted to deal:

Australia	ASX Group
Belgium	Euronext Brussels
Canada	Toronto Stock Exchange
Channel Islands	Channel Islands Securities Exchange (CISX)
Hong Kong	Hong Kong Stock Exchange
India	Bombay Stock Exchange (BSE) National Stock Exchange of India
Japan	Tokyo Stock Exchange JASDAQ Securities Exchange
Malaysia	Bursa Malaysia Securities
Singapore	Singapore Exchange
South Africa	JSE Limited
Switzerland	SIX Swiss Exchange
USA	New York Stock Exchange

##### **2. Eligible Derivative Market(s)**

None additional.

## **APPENDIX 4**

### **VALUATION**

The Schedule includes the following defined terms.

"UK UCITS "	an authorised fund;
"dealing"	buying, selling, subscribing for or underwriting investments or offering or agreeing to do so either as a principal or agent or directly or indirectly and including agreeing to acquire or dispose of the investment and entering into and bringing to an end a contract creating it;
"derivative"	a contract for differences, a future or an option;
"ICVC"	investment company with variable capital;
"investment"	(in accordance with Sections 21(14) and 22(4) of the Financial Services and Markets Act 2000) any investment including any asset, right or interest;
"margin"	cash or other property paid, transferred or deposited under the terms of a derivative; for these purposes cash or property will be treated as having been paid, transferred or deposited if it must be paid, transferred or deposited in order to comply with a requirement imposed by the market on which the contract is made or traded;
"option"	the investment, specified in article 83 of the Regulated Activities Order 2001, SI 2001/ 544 which is an option to acquire or dispose of:  (a) a designated investment (other than an option); or  (b) currency of the UK or of any other country or territory; or  (c) palladium, platinum, gold or silver; or  (d) an option to acquire or dispose of an option specified in (a), (b) or (c);
"premium"	the total amount which the purchaser of the option is, or may be, required to pay in consideration for the right to exercise the option;
"Units"	the investment specified in Article 81 of the Regulated Activities Order 2001, SI 2001/544 (Units in a collective investment scheme) and defined in Section 237(2) of the Financial Services and Markets Act 2000 which is the right or interest (howsoever described) of the participants in a collective investment scheme. This includes:  (a) (in relation to a UK UCITS) a Unit representing the rights or interests of the Unitholders in the UK UCITS;  (b) (in relation to an ICVC) a share in the ICVC.

## 1. Issue Basis

- 1.1. The valuation of property for that part of the valuation which is on an issue basis is as follows:

<u>Property</u>	<u>To be valued at</u>
(a) Cash	nominal value
(b) Amounts held in current and deposit accounts	nominal value
(c) Property which is not within (a), (b) or (d):	
(i) if units in a UK UCITS to which Dual-pricing and dealing applies	except where Note 1 applies, the most recent maximum sale price less any expected discount (plus dealing costs). [Note 2]
(ii) if shares in an ICVC or units of an UK UCITS to which single pricing and dealing applies	the most recent price (plus dealing costs). [Notes 2 and 3]
(iii) if any other investment	best available market dealing offer price on the most appropriate market in a standard size (plus dealing costs). [Note 2]
(iv) if other property, or no price exists under (i), (ii) or (iii).	manager's reasonable estimate of a buyer's price (plus dealing costs). [Notes 2 and 4]
(d) Property which is a derivative under the terms of which there may be liability to make, for the account of the UK UCITS, further payments (other than charges, and whether or not secured by margin) when the transaction in the derivative falls to be completed or upon its closing out.	
(i) if a written option	to be deducted at a net valuation of premium. [Note 5]
(ii) if an off-exchange future	net value on closing out. [Note 6]
(iii) if any other such property	net value of margin of closing out (whether as a positive or negative figure). [Note 7]

### Notes

- The issue price is taken, instead of the maximum sale price if the manager of the UK UCITS whose Scheme Property is being valued is also the manager, or an associate of the manager, of the UK UCITS whose units form part of that property.
- In this Section and in Section 2, "dealing costs" means any fiscal charges, commission or other charges payable in the event of the UK UCITS carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the UK UCITS are the least that could reasonably be expected to be paid in order to carry out the transaction. On the issue basis, dealing costs exclude any preliminary charge on sale of units in a UK UCITS.

3. Dealing costs under note 2 include any dilution levy or SDRT provision which would be added in the event of a purchase by the UK UCITS of the units in question but, if the manager of the UK UCITS being valued, or an associate of the manager, is also the manager of the UK UCITS or the ACD of the ICVC whose units are held by the UK UCITS, must not include a preliminary charge which would be payable in the event of a purchase by the UK UCITS of those units.
4. The buyer's price is the consideration which would be paid by a buyer for an immediate transfer or assignment (or, in Scotland, assignation) to them at arm's length.
5. Estimate the premium on writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded; but deduct dealing costs.
6. Estimate the amount of profit or loss receivable or incurable by the UK UCITS on closing out the contract. Deduct minimum dealing costs in the case of profit and add them in the case of loss.
7. Estimate the amount of margin (whether receivable or payable by the UK UCITS on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded. If that amount is receivable (for example, the contract is "in the money") deduct minimum dealing costs. If, however, that amount is payable (for example, the contract is "out of the money") then add minimum dealing costs to the margin and the value is that figure as a negative sum.

## 2. Cancellation Basis

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

<u>Property</u>	<u>To be valued at</u>
(a) Cash	nominal value
(b) Amounts held in current deposit and loan accounts	nominal value
(c) Property which is not within (a), (b) or (d):	
(i) if units in a UK UCITS to which Dual-pricing and dealing applies	except where Note 1 applies, the most recent minimum redemption price (less dealing costs). [Note 2]
(ii) if shares in an ICVC or units in an UK UCITS to which single-pricing and dealing applies	the most recent price (less dealing costs). [Notes 2 and 3]
(iii) if any other investment	best available market dealing bid price on the most appropriate market in a standard size (less dealing costs). [Note 2]
(iv) if other property, or no price exists under (i) or (ii)	manager's reasonable estimate of a seller's price (less dealing costs). [Notes 2 and 4]

(d) Property of the type described in Section 1:	
(i) if a written option	to be deducted at a net valuation of premium. [Note 5]
(ii) if an off-exchange future	net value of closing out [Notes 6 and 8].
(iii) if any other such property	net value of margin on closing out (whether as a positive or negative figure). [Note 6]

Notes

1. The cancellation price is taken instead of the minimum redemption price if the property, if sold in one transaction, would amount to a large deal. A "large deal" is a transaction (or series of transactions) in one dealing period by any person to buy, sell or exchange units which represent more than (whichever is lower) 1% of the net asset value of the Fund, or £100,000.
2. For dealing costs see note 2 in Section 1. Dealing costs include any charge payable on redemption of units in a UK UCITS (taking account of any expected discount), except where the manager of the UK UCITS whose property is being valued is also the manager, or an associate of the manager, of the UK UCITS whose units form part of that property.

**APPENDIX 5**  
**PAST PERFORMANCE AND INVESTOR PROFILE**

The performance table shows the total annual return (as a percentage) 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.

	<b><u>Percentage Growth</u></b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	%	%	%	%	%
<b>The Mishka Fund</b>	12.15	4.48	9.68	-2.40	5.49

*Source of data:* Morningstar

These performance figures are presented as a matter of record and should be regarded as such. Performance is determined by many factors including the general direction and volatility of markets and may not be repeatable.

**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.**

**INVESTOR PROFILE**

The Fund is open to retail investors who can satisfy the minimum subscription amounts. The Fund may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets.

## APPENDIX 6

### LIST OF SUB-CUSTODIANS

As appropriate in line with the Eligible Markets listed in Appendix 3

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Sub-custodian Delegate</b>
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bahrain</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	The Northern Trust Company	
<b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	
<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	
<b>Canada</b>	Royal Bank of Canada	
<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China A Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>Clearstream</b>	Clearstream Banking S.A	
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Sub-custodian Delegate</b>
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Egypt</b>	Citibank N.A., Cairo Branch	
<b>Estonia</b>	Swedbank AS	
<b>Euroclear</b>	Euroclear Bank S.A/N.V	
<b>Finland</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>France</b>	The Northern Trust Company	
<b>Germany</b>	The Northern Trust Company	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	Citibank Europe plc	
<b>Iceland</b>	Landsbankinn hf	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	The Northern Trust Company, London	
<b>Israel</b>	Citibank, N.A., Israel Branch	
<b>Italy</b>	Citibank Europe plc	
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Bank of Jordan Plc	
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Sub-custodian Delegate</b>
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
<b>Morocco</b>	Société Générale Marocaine de Banques	
<b>Namibia</b>	Standard Bank Namibia Ltd	
<b>Netherlands</b>	The Northern Trust Company	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Oman</b>	First Abu Dhabi PJSC, Oman Branch	
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Handlowy w Warszawie S.A.	
<b>Portugal</b>	BNP Paribas SA	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Sub-custodian Delegate</b>
<b>Romania</b>	Citibank Europe PLC	
<b>Russia</b>	AO Citibank	
<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	
<b>South Africa</b>	The Standard Bank of South Africa Limited	
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Citibank Europe plc	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Switzerland</b>	UBS AG Switzerland	
<b>Taiwan</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	
<b>Tunisia</b>	Union Internationale de Banques	
<b>Turkey</b>	Citibank A.S.	
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>Ukraine (Market Suspended)</b>	JSC "Citibank"	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Sub-custodian Delegate</b>
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Kingdom</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>West Africa (UEMOA)</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	
<b>Zimbabwe</b>	The Standard Bank of South Africa Limited	Stanbic Bank Zimbabwe Limited

**APPENDIX 7**  
**DIRECTORY**

<b>The Manager</b>	TUTMAN LLP Exchange Building St Johns Street Chichester West Sussex PO19 1UP
<b>The Trustee</b>	NatWest Trustee and Depositary Services Limited House A, Floor 0 Gogarburn 175 Glasgow Road Edinburgh EH12 1HQ
<b>Investment Manager</b>	Rathbones Investment Management Limited Port of Liverpool Building Pier Head Liverpool L3 1NW
<b>Administrator, Registrar and Fund Accountant</b>	Northern Trust Global Services SE, UK branch 50 Bank Street Canary Wharf London E14 5NT
<b>Dealing Office</b>	Tutman LLP Sunderland SR43 4BN  Telephone number: 0333 300 0355
<b>Auditors</b>	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL
<b>Custodian</b> <i>Principal place of business</i>	The Northern Trust Company 50 South LaSalle Street Chicago Illinois USA

*Who may also act under this power through its London branch* 50 Bank Street Canary Wharf  
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