



# **THE OVERSTONE FUND**

## **PROSPECTUS**

**(An open-ended investment company  
incorporated with limited liability and  
registered in England and Wales  
under registered number IC000927)**

**This document is the Prospectus of THE OVERSTONE FUND and is dated and valid as at 24 July 2023. This document replaces any previous prospectuses issued by the Company.**

**It has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook (COLL), which forms part of the FCA Handbook, and complies with the requirements of COLL 4.2.5R.**

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

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## **THE OVERSTONE FUND**

***If you are in any doubt about the contents of this Prospectus you should consult your professional adviser authorised under the Financial Services and Markets Act 2000.***

***The ACD of the Company, Thesis Unit Trust Management Limited, (the "ACD") has taken all reasonable care to ensure that the information contained in this document is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything material to such information. The ACD accepts responsibility accordingly.***

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

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

***The Shares have not been and will not be registered under the 1933 Act or the securities laws of the United States. The Shares 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 Company in the United States or to US Persons may constitute a violation of US law. The Company and the ACD have not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.***

***The Shares 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 Shares 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 Company 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 ACD. A prospective investor may be required at the time of acquiring Shares to represent that such investor is a qualified holder and not a US Person or acquiring Shares 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 ACD to an investment does not confer on the investor a right to acquire Shares 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. The attention of potential investors in the Dubai International Financial Centre is drawn to the information in Appendix H.***

***Purchases must be made on the basis of the information contained in the most recently published Prospectus and supplementary documentation, including the latest reports when issued, which are available from the registered office of the ACD. Investors should check with the ACD that this is the most recently published version of the Prospectus.***

***Obligations have been imposed on financial sector professionals to prevent the use of funds such as Company 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 ACD where other suitable evidence is available which in its sole judgement allows the ACD to cover its obligations under money-laundering legislation.***

***Neither the ACD 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 ACD.***

#### **Data Protection**

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

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

#### **Electronic Verification**

***The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, SYSC and Joint Money***

***Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check your identity and the source of the money invested.***

***The ACD may also request verification documents from parties associated with you. In some cases documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your (or your associated party's) credit rating. They may also use your (or your associated party) details in the future to assist other companies for verification purposes. If you apply for Shares you are giving the ACD permission to ask for this information in line with the Data Protection Laws.***

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

### **RISK FACTORS**

- **Collective investment schemes should be regarded as long term investments.**
- **The value of the Shares in the Company is based upon the value of the underlying investments.**
- **The value of those investments, and the income from them, and consequently the value of the Shares and the income from them, can go down as well as up and are not guaranteed.**
- **Past performance is not necessarily a guide to future performance.**
- **The Company may invest in currencies other than sterling. As a result, exchange rate changes may cause the value of overseas investments to rise or fall, and the value of the Shares to go up or down.**
- **Investors may not get back the amount originally invested.**
- **Approved derivatives transactions are used for the purpose of Efficient Portfolio Management (including hedging). It is, therefore, anticipated that the outcome of the use of derivatives for Efficient Portfolio Management would be principally to hedge against currency risks and to reduce, rather than to increase, the risk profile to the Company.**
- **Emerging markets tend to be less well regulated and more volatile than more established stock markets and therefore your money is at greater risk. Political and economic conditions should also be considered. The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments within the Funds. A counterparty may not pay or deliver on time or as expected. Lack of liquidity or efficiency in certain stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Investment Manager may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.**

- **The Company may invest in warrants. A warrant is a time-limited right to subscribe for shares, derivatives, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be highly volatile.**
- **The asset classes in which the Company invests will have different risk profiles and returns achieved in one market do not necessarily follow, or give an indication of, returns in another market.**
- **The Company will be exposed to credit risks that an issuer or counterparty with whom it trades will default. A settlement in a transfer system may not take place as expected because a counterparty does not pay, or deliver, on time, or as expected.**
- **Infectious diseases that pose significant threats to human health may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious diseases could significantly impact the value of the Scheme Property of the Company and the value of distributions paid to Shareholders.**

## THE OVERSTONE FUND PROSPECTUS

### 1. INTRODUCTION

- 1.1 This document is the Prospectus of **The Overstone Fund** (the Company).
- 1.2 In this Prospectus the following words and expressions shall have the following meanings:

"ACD" the authorised corporate director holding office as such from time to time pursuant to the Rules and the ACD Agreement between the Company and the ACD, being Thesis Unit Trust Management Limited, and its successor or successors as authorised corporate director of the Company;

"Act" the Financial Services and Markets Act 2000;

"Approved Bank" in relation to a bank account opened for the Company:

- (a) if the account is opened at a branch in the UK:
  - (i) the Bank of England; or
  - (ii) the central bank of a member state of the OECD; or
  - (iii) a bank; or
  - (iv) a building society; or
  - (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
- (b) if the account is opened elsewhere:
  - (i) a bank in (a); or
  - (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or
- (c) a bank supervised by the South African Reserve Bank; 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" any day which is not a Saturday, a Sunday, a public holidays in England or a day or part of a day on which the London Stock Exchange is not open for trading;

"CASS" the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook, as amended or replaced from time to time;

"CCP" as defined in the FCA Glossary;

"Class" or "Classes" in relation to shares, means (according to the context) all of the shares or a particular class or classes of shares;

"COLL"	the Collective Investment Schemes Sourcebook issued by the FCA as amended or re-enacted from time to time;
"Custodian"	the person who provides custodian services to the Company, being The Northern Trust Company, and its successor or successors as custodian;
"Data Protection Laws"	<p>all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances:</p> <p>(a) the UK GDPR;</p> <p>(b) the Data Protection Act 2018;</p> <p>(c) any laws which implement any such laws;</p> <p>(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</p> <p>(e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding);</p>
"Dealing Day"	any Business Day;
"Depositary"	the person to whom is entrusted the safekeeping of all of the Scheme Property of the Company (other than certain Scheme Property designated by the FCA Rules), being NatWest Trustee and Depositary Services Limited and its successor or successors as depositary;
"Depositary Agreement"	the agreement between the Company, the ACD and the Depositary regarding the appointment of the Depositary;
"EEA"	the European Economic Area;
"EEA State"	a member state of the European Union and any other state which is within the EEA;
"Efficient Portfolio Management" or "EPM"	<p>techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:</p> <p>(a) they are economically appropriate in that they are realised in a cost effective way;</p> <p>(b) they are entered into for one or more of the following specific aims:</p> <p>(i) reduction of risk;</p> <p>(ii) reduction of cost; and/or</p> <p>(iii) generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the</p>



	Company and the risk diversification rules laid down in COLL;
"Eligible Institution"	one of the eligible institutions as defined in the FCA Glossary ;
"EMIR"	has the meaning set out in the FCA Glossary;
"ERISA Plan"	(i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) 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);
"EU"	the European Union;
"Euros" and the sign "€"	the single currency for the time being of the Participating Member States;
"EUWA"	the European Union (Withdrawal) Act 2018;
"FATCA"	the Foreign Account Tax Compliance Act (US);
"FCA"	the Financial Conduct Authority or any successor regulatory authority from time to time. The address for the FCA is set out in Appendix G;
"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 Instruments"	has the meaning set out in the FCA Glossary ;
"Fund" or "Funds"	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) and to which specific assets and liabilities of the Company may be allocated and which are invested in accordance with the investment objective applicable to such sub-fund and 'Funds' shall be interpreted accordingly;
"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;
"Instrument of Incorporation"	the instrument dated 28 November 2011 constituting the Company, as amended by a resolution of the ACD dated 1 November 2012, and as amended from time to time;

"International Tax Compliance Regulations"	the International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time;
"Investment Manager"	an investment manager retained by the ACD pursuant to the FCA Rules, being Oldfield Partners LLP and its successor or successors as investment manager to the Company;
"Non-UCITS retail scheme"	an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund;
"OECD"	the Organisation for Economic Co-operation and Development;
"OEIC Regulations"	The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended or re-enacted from time to time;
"OTC"	over the counter;
"Participating Member States"	means any member state of the EU that adopts or has adopted the Euro as its lawful currency in accordance with legislation of the EU;
"Register"	the register of shareholders of the Company;
"Registrar"	the person who maintains the Register, being Northern Trust Global Services SE, UK branch and its successor or successors as registrar;
"Rules"	the FCA Rules and any other regulations that may be made under section 262 of the Act and for the time being in force;
"Share" or "Shares"	a share or shares in the Company that may be in issue from time to time;
"Shareholder"	means a holder of registered Shares in the Company;
"Scheme Property"	the property of the Company or a Fund (as appropriate) to be held by the Depositary for safekeeping, as required by the FCA Handbook;
"SYSC"	the Senior Management Arrangements, Systems and Controls Sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time;
"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 investment in transferable securities (UCITS) (No. 2009/65/EC), as amended;
"UK AIF"	as defined in the FCA Glossary;
"UK GDPR"	means Regulation 2016/679 of the European Parliament and of the Council of 27th 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) including 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"

has the meaning set out in the FCA Glossary;

"UK UCITS Regulations"

the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK's withdrawal from the European Union;

"United Kingdom" or "UK"

the United Kingdom of Great Britain and Northern Ireland;

"United States" or "US"

the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

"US dollars" and the sign "\$"

the legal currency of the United States of America;

"US Person"

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 1933 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 US Person only if they are outside both the definition of "U.S. person" in Rule 902 and the definition of "Non-United States person" under CFTC Rule 4.7.

"Valuation Point"

each Business Day at 10.30pm;

"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).

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

1.4 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.

- 1.5 References to the plural shall include the singular and vice versa.
- 1.6 Unless otherwise defined in paragraph 1.2 above or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the OEIC Regulations, the Act or the FCA Handbook shall bear the same meanings in this Prospectus.
- 1.7 References to statutes, statutory provisions or regulations (including any provision of the FCA Handbook) shall include those statutes, provisions, regulations, or provision of the FCA Handbook as amended, extended, consolidated, substituted or re-enacted from time to time and, in particular, references to Regulations and/or Directives of the European Union shall, where appropriate, include all domestic law and regulation enacted (or re-enacted) for the purpose of bringing such European Union law and regulation into domestic law and regulation.

## **2. THE COMPANY**

- 2.1 The Company is an authorised investment company with variable capital for the purposes of the OEIC Regulations.
- 2.2 The Company is a UK UCITS, being a category of authorised scheme for the purposes of COLL 1.2.1R.
- 2.3 The Company was authorised by the Financial Services Authority pursuant to an authorisation order dated 28 November 2011 and was launched on 6 December 2011. The Financial Services Authority was superseded by the Financial Conduct Authority and the Prudential Regulation Authority in 2013.
- 2.4 The Company registration number is IC000927 and the FCA's product reference number for the Company is 570849. The base currency of the Company is pounds sterling.
- 2.5 The minimum share capital of the Company is £1,000 (one thousand pounds sterling) and the maximum share capital is £10,000,000,000 (ten billion pounds sterling).
- 2.6 The registered office and head office of the Company is at Exchange Building, St John's Street, Chichester, PO19 1UP. This is the address in the UK for service on the Company of notices or other documents required or authorised to be served on it.

### **2.7 The Funds**

- 2.7.1 The Company is structured as an umbrella scheme for the purposes of the OEIC Regulations and therefore different Funds may be formed by the ACD, subject to approval from the FCA. On the establishment of a new Fund an updated prospectus will be prepared setting out the relevant information concerning the new Fund. Each Fund of the Company belongs to the type of "UK UCITS" as if they were themselves an investment company with variable capital in respect of which an authorisation order.
- 2.7.2 Provision exists for an unlimited number of Funds and, at the date of this Prospectus, one Fund is available, **Overstone Global Equity Income Fund**. Details of this Fund, and the FCA's product reference number, are set out in Appendix A.
- 2.7.3 The assets of each Fund will be treated as separate from those of every other

Fund and will be invested in accordance with investment objective and investment policy of that Fund.

2.7.4 Details of the Funds, including their investment objectives and policies, are set out in Appendix A.

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

2.7.6 Any assets, liabilities, expenses, costs or charges not attributable to one Fund only and allocated in accordance with FCA Rules, may be reallocated by the ACD within the Company provided that such reallocation shall be done in a manner which is fair to Shareholders of the Company as a whole. In the event that any assets are so reallocated, the ACD will advise Shareholders in the next succeeding annual or half-yearly report to Shareholders.

2.7.7 While provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts, or under foreign law contracts, it is not known how those foreign courts will react to Regulations 11A and 11B of the OEIC Regulations.

2.8 The Company will continue until wound up in accordance with the Rules.

2.9 The Company may be wound up under chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. A Fund may only be terminated under COLL. The Company may not be wound up, or a Fund terminated, unless, and until effect may be given, under regulation 21 of the OEIC Regulations to proposals to (a) wind up the affairs of the Company, or (b) alter the Company's Instrument of Incorporation and Prospectus as required if a Fund is to be terminated and until a solvency statement has been prepared and received by the FCA prior to satisfaction of the condition in (a).

2.10 Subject to the foregoing, the Company will be wound up, or a Fund terminated, under COLL:

2.10.1 if an extraordinary resolution of Shareholders of the Company or the relevant Fund to that effect is passed; or

2.10.2 when the period (if any) fixed for the duration of the Company, or a Fund by the Instrument of Incorporation expires, or any event occurs for which the Instrument of Incorporation provides that the Company, or a Fund, is to be wound up, or terminated; or

2.10.3 on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company or termination of the relevant Fund; or

2.10.4 in the case of the Company that is an umbrella on the date on which all of its Funds fall within 2.10.4 or have otherwise ceased to hold any Scheme Property,

notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Fund.

- 2.11 The winding up of the Company or a Fund under COLL is carried out by the ACD which will, as soon as practicable, cause the Scheme Property of the Company or the relevant Fund to be realised and the liabilities to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company or the relevant Fund the ACD may arrange for interim distribution(s) to be made to Shareholders. When all liabilities have been met, the balance (net of a provision for any further expenses) will be distributed to Shareholders.
- 2.12 Shareholders will be notified of any proposal to wind up the Company. On commencement of such winding up the Company will cease to issue and cancel Shares and transfers of such Shares shall cease to be registered.
- 2.13 On completion of the winding up the Company will be dissolved and any money (including unclaimed distributions) standing to the account of the Company will be paid into court within one month of dissolution.
- 2.14 The Company is a collective investment scheme in which each investor's funds are pooled with all other investors' funds. The ACD takes reasonable steps to ensure that each investment transaction carried out within the Company is suitable for the Company, having regard to the investment objective and policy of the Company. This Prospectus is intended to provide information to potential investors about the Company.
- 2.15 The Company is classed as a UK UCITS. It may be marketed to the public in the UK, however, it will not be able to apply to the regulatory authorities in the European Union to market Shares under the UCITS Directive in those states.
- 2.16 Historical performance data for each Fund is set out in Appendix D.
- 2.17 Shareholders are not liable for the debts of the Company.

### **3. INVESTMENT OBJECTIVES AND INVESTMENT POLICY**

- 3.1 The investment objective of each Fund is set out in Appendix A.
- 3.2 The investment policy of each Fund is set out in Appendix A.
- 3.3 **The Company may enter into derivatives transactions for Efficient Portfolio Management (including hedging) in accordance with the FCA Rules.**

### **4. BENCHMARK**

- 4.1 The performance of **Overstone Global Equity Income Fund** is compared against the value or price of an index (for performance comparison purposes only). Please refer to Appendix A for details.
- 4.2 The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change through an update to the Prospectus and the change

noted in the subsequent annual and half yearly reports.

## **5. INVESTOR PROFILE**

5.1 The profile of a typical investor for whom each Fund is designed is set out in Appendix A.

## **6. REPORTING, DISTRIBUTIONS AND ACCOUNTING DATES**

6.1 The accounting reference date, accounting periods and income allocation dates for each Fund are set out in Appendix A.

6.2 Income will be allocated for each of the Funds on the relevant income allocation dates as set out in Appendix A.

6.3 Distributions of income for the Company are made on or before the annual income allocation date and on or before the interim income allocation date in each year.

6.4 Copies of the annual report will be published, and made available, within four months after the end of the annual accounting period and within two months after the end of the interim accounting period respectively, in each year.

6.5 Copies of the most recent annual and half-yearly reports will be made available (free of charge) on request from the ACD. These reports shall be available, without charge, for inspection by the public during normal working hours at the ACD's place of business. Refer to Appendix G for the ACD's address.

### **6.6 Payment of Distributions**

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

6.6.2 Each holder of income Shares is entitled, on the interim income allocation date and the annual income allocation date, to the income attributable to his holding.

6.6.3 Income on accumulation Shares is not distributed but that income is automatically transferred to (and retained as part of) the capital assets of the Company at the end of the relevant distribution period and is reflected in the price of an accumulation share.

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

6.6.5 On the income allocation dates, an amount, as determined by the ACD in accordance with the Instrument of Incorporation, is either paid, reinvested or accumulated to those Shareholders who are entitled to the distribution by evidence of their holding on the Register at the previous accounting date. Payments will be made by means of direct credit to the Shareholder's

nominated bank account. If a nominated bank account is not provided, a cheque will be sent out, within four Business Days, to the Shareholder's address as appearing in the Register. If the income allocation date is not a Business Day, payment will be made on the next Business Day.

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

## **7. CHARACTERISTICS OF SHARES**

- 7.1 The Company will issue income and accumulation Shares of each Class.
- 7.2 Details of Share Classes currently in issue for each Fund, and further information in respect of currency hedged share Classes, are detailed in Appendix A.
- 7.3 Income receivable in respect of income Shares is distributed to Shareholders. Holders of accumulation Shares are not entitled to be paid the income attributable to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Company at the end of the relevant distribution period and is reflected in the price of an accumulation Share.
- 7.4 Where the Company has different Classes of Shares, each Class may attract different charges and so monies may be deducted from Classes in unequal proportions. In these circumstances the proportionate interests of the Classes within the Company will be adjusted accordingly.
- 7.5 The price of the Shares is expressed in pounds sterling and the Shares themselves have no nominal value.
- 7.6 The rights attaching to the Shares may be expressed in two denominations and the proportion of a larger denomination share represented by a smaller denomination share shall be one thousandth of the larger denomination share.
- 7.7 No certificates are issued to Shareholders.
- 7.8 Title to Shares is evidenced by the entry on the Register; Shareholders may but need not support an instruction to the ACD by enclosing the contract note or the most recent annual statement or copies of such documents.
- 7.9 Shares in the Company are not listed or dealt in on any investment exchange.

## **8. DEALING IN SHARES**

### **8.1 Buying Shares**

- 8.1.1 The dealing office of the ACD is open from 9.00am until 5.00pm each Business Day during which the ACD may receive requests for the buying and selling of Shares.
- 8.1.2 The ACD's normal basis of dealing is at a forward price plus or minus any applicable dilution levy. This means that transactions will be effected at prices determined at the next Valuation Point following the ACD's agreement to sell,



or as the case may be, to redeem the Shares in question.

Please refer to paragraph 16.3 for details of the ACD's policy on dilution.

- 8.1.3 Shares may be purchased by sending a completed application form or clear written instructions to the Administrator:
- (a) by post to the address specified in Appendix G; or
  - (b) through the means of electronic communication (in accordance with paragraph 8.11); or
  - (c) by obtaining an application form by telephoning the ACD's Customer Enquiry Line on 0333 300 0375. The ACD has the right to establish facilities for recording telephone calls made or received on these telephone lines.

Investors who have previously signed an application form, and for whom an account has been established, may also purchase Shares by telephoning the ACD's Customer Dealing Line on 0330 300 0375.

- 8.1.4 A contract note giving details of the Shares purchased will be issued no later than the next Business Day after the Dealing Day. Payment in full should be made not later than the fourth Business Day after the Dealing Day, and the ACD reserves the right to require payment in advance.
- 8.1.5 An annual statement made up to 5 April will be issued to Shareholders. This will detail the Shareholder's current holding, transactions during the year, and income paid. Interim statements are available on request.

## 8.2 **Minimum Initial Subscription and Minimum Shareholding**

- 8.2.1 The minimum initial subscription for each Fund is set out in Appendix A. The only restriction on holdings is the value of the holding; there is no minimum number of Shares which any Shareholder need hold. The ACD reserves the right to reduce or waive minimum investment levels.
- 8.2.2 The ACD reserves the right to reject, on reasonable grounds, any application for Shares in whole or in part, in which event, the ACD will return by post, any money sent, or the balance, for the purchase of Shares which are the subject of the application, at the risk of the applicant.

## 8.3 **Redeeming Shares**

- 8.3.1 At any time during a Dealing Day when the ACD is willing to issue Shares it must also be prepared to redeem Shares. The ACD will buy back Shares from registered holders at not less than the price determined at the Valuation Point following receipt of redemption instructions less any dilution levy.
- 8.3.2 The ACD may refuse to redeem a certain number of Shares if the redemption will mean the Shareholder is left holding Shares with a value of less than the minimum initial subscription specified for the relevant in Appendix A.

- 8.3.3 Requests to redeem Shares in the Company may be made by sending clear written instructions to the ACD:
- (a) by post to the address specified in Appendix G; or
  - (b) through the means of electronic communication (in accordance with paragraph 8.11); or
  - (c) by telephoning on 0333 300 0375 (asking for the Dealing Line). The ACD has the right to establish facilities for recording telephone calls made or received on these telephone lines.
- 8.3.4 A contract note giving details of the number and price of the Shares sold back to the ACD will be sent to Shareholders no later than the next Business Day after the Dealing Day. In the event that the ACD requires a signed Form of Renunciation, e.g. in respect of joint holders, corporate holders or redemptions dealt through an agent, a Form of Renunciation will be attached.
- 8.3.5 When Shares are redeemed, a cheque will be sent out within four Business Days of the Dealing Day or the time when the ACD has received all duly executed instruments and authorisations as will vest to title in the ACD or enable it to arrange to do so, whichever is the later.
- 8.3.6 The ACD does not intend to make any charge other than possibly a dilution levy on the redemption of the Shares.
- 8.3.7 The ACD is not required to issue a cheque in respect of the redemption of Shares where it has not yet received the money due on the earlier issue of those Shares.
- 8.3.8 Where a Shareholder requests redemption or cancellation of Shares, the ACD may, at its discretion, give written notice to the Shareholder before the proceeds would otherwise become payable that, in lieu of paying such proceeds in cash, the ACD will transfer to that Shareholder property attributable to the Company having the appropriate value. The selection of the property to be transferred will be made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the Shareholder requesting cancellation of his Shares than to continuing Shareholders. The ACD may retain out of the property to be transferred property or cash of a value equivalent to any stamp duty or stamp duty reserve tax to be paid to the redemption or cancellation of the Shares.

#### 8.4 **Suspension of Dealing**

- 8.4.1 The ACD may if the Depositary agrees, or shall if the Depositary so requires, at any time, temporarily suspend the issue, cancellation, sale and redemption of Shares if the ACD or Depositary (in the case of any requirement by the Depositary), believes that due to exceptional circumstances it is in the interests of Shareholders or potential shareholders. The ACD, or the Depositary, if it has required the ACD to suspend dealing, must immediately inform the FCA stating the reasons for the suspension and, as soon as practicable, give written confirmation of the suspension, and the reason for it, to the FCA.

- 8.4.2 The ACD must ensure that a notification of the suspension is made to the Shareholders as soon as practicable after the suspension commences, drawing Shareholders' attention to the exceptional circumstances resulting in the suspension. Notification to Shareholders must be clear, fair and not misleading. Shareholders will be kept informed in writing about updates on the suspension.
- 8.4.3 The ACD and Depositary must review any such suspension at least every 28 days and inform the FCA of the results of their review. Any such suspension may only continue for so long as it is justified having regard to the interest of the Shareholders.
- 8.4.4 The ACD must inform the FCA of the proposed re-start of dealing and, immediately after the re-start, must confirm in writing to the FCA.
- 8.4.5 The ACD may agree, during the suspension, to deal in Shares, in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first Valuation Point after restart of dealings in Shares.
- 8.4.6 Re-calculation of prices will commence on the Dealing Day immediately following the end of the suspension, at the relevant Valuation Point.

## 8.5 **The ACD's right to refuse applications**

The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Company incurring any liability to taxation which the Company is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Shares.

## 8.6 **Mandatory transfers and redemptions**

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

- 8.6.2 A person who becomes aware that he has acquired or is holding affected shares in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory, or by virtue of which he is not qualified to hold such affected shares, shall forthwith, unless he has already received a notice as aforesaid, either transfer or procure the transfer of all his affected shares to a person qualified to own them or give a request in writing to procure that such a request for the redemption or cancellation of all his affected shares pursuant to COLL.
- 8.6.3 In addition, where the ACD considers it is in the best interests of Shareholders, the ACD may convert a Shareholder's holding in one Class of Shares to another Class of Shares in the same Fund. The ACD shall give at least 60 days prior written notice to the Shareholders concerned of the proposed conversion, including details of the new Class of Shares and reminding Shareholders of their rights to redeem.

## **8.7 Issue of shares in exchange for in specie assets**

- 8.7.1 The ACD may arrange for the Company to issue Shares in exchange for assets other than cash, but may only do so where the Depositary has taken reasonable care to determine that the Company's acquiring of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders, or potential shareholders.
- 8.7.2 The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.
- 8.7.3 The ACD will not issue Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Fund.

## **8.8 In specie redemptions**

- 8.8.1 If a Shareholder requests the redemption of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned or in some way advantageous or detrimental to the Fund, arrange, having given prior notice in writing to the Shareholder that in place of payment for the Shares in cash, the Company transfers property or, if required by the Shareholder, the net proceeds of sale of the relevant property, to the Shareholder.
- 8.8.2 The ACD will select the property to be transferred in consultation with the Depositary. The Depositary must take reasonable care to ensure that the property transferred would not be likely to result in any material prejudice to the interests of Shareholders.
- 8.8.3 The ACD may retain out of the property to be transferred property or cash of a value equivalent to any stamp duty or stamp duty reserve tax to be paid to the redemption of the Shares.

## **8.9 Switching**

- 8.9.1 A Shareholder in a Fund may at any time switch all or some of his Shares of one Class or Fund ("Original Shares") for Shares of another Class or Fund ("New

Shares”), subject to the restrictions defined in this Prospectus. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point on the Dealing Day on which the Original Shares are redeemed and the New Shares are issued.

- 8.9.2 A request to switch may be made in writing to the dealing office of the ACD. The Shareholder will be required to provide written instructions to the Registrar or their client adviser, as appropriate (which, in the case of joint Shareholders must be signed by all the joint Shareholders) before switching is effected. Switching forms may be obtained from the Registrar or the client’s client adviser.
- 8.9.3 The ACD may at its discretion charge a fee on the switching of Shares between Funds although has no current plans to do so.
- 8.9.4 If the switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant’s holding of Original Shares to New Shares (and made a charge on switching on such conversion) or refuse to effect any switch of the Original Shares. No switch will be allowed during any period when the right of Shareholders to require the redemption of their Shares is suspended. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a switch. A duly completed switching form must be received by the ACD before the Valuation Point on a Dealing Day in the Fund or Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day, or at such other date as may be approved by the ACD. Switching requests received after a Valuation Point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds.
- 8.9.5 The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on switching together with any other charges in respect of the application for the New Shares or redemption or cancellation of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

**Shareholders who are subject to UK taxation should note that a switch of Shares in one Fund, for Shares in any other Fund, is treated as a redemption of the Original Shares and a purchase of New Shares and will be a realisation for the purposes of capital gains taxation. It will be treated as a redemption and sale and is a disposal for capital gains purposes.**

**Switches between Classes of Shares in one Fund may not be treated as a realisation for the purposes of capital gains taxation where the New Shares have substantially the same value as the Original Shares, the fund property before and after the switch is the same, and the rights of Shareholders to Share in capital and income remain the same (except for management fees).**

**In circumstances where both Classes are subject to a different hedging mechanism these provisions may still apply provided that the values of the Original Shares and the New Shares and the Shareholder’s rights**

**(other than the hedging) remain substantially the same, and that the different hedging is designed to give the same result for both Classes. Careful consideration needs to be given to switching where one or both Classes are hedged.**

**A Shareholder who switches Shares in one Fund for Shares in any other Fund (or who switches between Classes of Shares) will not be given a right by law to withdraw from, or cancel the transaction.**

## 8.6 **Market Timing**

The ACD may refuse to accept a new subscription in the Company or a switch from another Fund if, in the opinion of the ACD, it has reasonable grounds for refusing to accept a subscription or a switch from them. In particular, the ACD may exercise this discretion if it believes the Shareholder has been or intends to engage in market timing.

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

## 8.10 **Large Deals**

For the purpose of Chapter 6 of COLL a large deal will be a deal in respect of Shares exceeding 5% of the value of the relevant Fund.

## 8.11 **Electronic communications**

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

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

## 8.12 **Client Money Rules**

- 8.12.1 The FCA Handbook contains provisions (known as the "Client Money Rules") designed to safeguard client money in the hands of authorised persons. However, the CASS rules also provide that money need not be treated as client

money in respect of a delivery versus payment transaction, for the purpose of settling a transaction in relation to units in a regulated collective investment scheme such as the Company, provided that:

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

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

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

8.12.4 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 Client Money Rules.

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

## **9. MEETINGS OF SHAREHOLDERS, VOTING RIGHTS AND SERVICE OF NOTICES OR DOCUMENTS**

9.1 The Company will not hold annual general meetings. Resolutions will be voted upon at Extraordinary General Meetings.

9.2 Copies of the service contracts between the Company and the ACD will be provided to Shareholders on request.

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

- 9.4 An extraordinary resolution is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for the resolution at a general meeting, or, as the case may be, a Class meeting, of Shareholders.
- 9.5 Except where an extraordinary resolution is specifically required or permitted, any resolution of Shareholders is passed by a simple majority of the votes validly cast at a general meeting of the Shareholders.
- 9.6 A meeting of Shareholders has no powers other than those contemplated by the Rules.
- 9.7 Shareholders must receive at least 14 days' notice of any meeting of Shareholders and are entitled to be counted in the quorum and vote at any such meeting either in person or by proxy.
- 9.8 The quorum at a meeting of Shareholders shall be two Shareholders present in person or by proxy.
- 9.9 At any meeting of Shareholders, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, shall have one vote.
- 9.10 On a poll, every Shareholder who is present in person or by proxy shall have one vote for every Share in the Company. A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 9.11 In the context of despatch of notice, "Shareholders" means the persons who were entered in the Register seven days before the notice of meeting was given but excluding persons who are known not to be entered on the Register at the date of despatch of the notice.
- 9.12 In the context of voting, "Shareholders" means the persons who were entered on the Register seven days before the notice of meeting was given but excluding any persons who are known not to be entered on the Register at the date of the meeting.
- 9.13 The ACD is not entitled to vote at or be counted in a quorum at a meeting of Shareholders in respect of Shares held or deemed to be held by the ACD, except where the ACD holds Shares on behalf of, or jointly with, a person who, if himself the sole registered Shareholder would be entitled to vote, and from whom the ACD has received voting instructions. Associates of the ACD are entitled to be counted in a quorum and, if they hold Shares on behalf of a person who would have been entitled to vote if he had been a registered Shareholder and they have received voting instructions from that person, may vote in respect of such Shares pursuant to such instructions.
- 9.14 Any notice or document to be served upon a Shareholder will be duly served if it is:
- 9.14.1 delivered to the Shareholder's address as appearing in the Register; or
  - 9.14.2 delivered by using an electronic medium in accordance with paragraph 8.11.
- 9.15 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.

- 9.16 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.
- 9.17 Any document or notice to be served on or information to be given to a Shareholder, must be in legible form. For this purpose, any form is legible form which:
  - 9.17.1 is consistent with the ACD's knowledge of how the recipient of the document wishes or expects to receive the document;
  - 9.17.2 is capable of being provided in hard copy by the ACD;
  - 9.17.3 enables the recipient to know or record the time of receipt; and
  - 9.17.4 is reasonable in the context.
- 9.18 The ACD must obtain the prior approval of Shareholders by extraordinary resolution for any proposed change to the Company that is a fundamental change. This is a change or event which:
  - 9.18.1 changes the purpose or nature of the Company;
  - 9.18.2 may materially prejudice a Shareholder;
  - 9.18.3 alters the risk profile of the Company; or
  - 9.18.4 introduces a new type of payment out of the Company property.
- 9.19 The ACD must give prior written notice to Shareholders of any proposed change which constitutes a significant change. This is a change or event which is not fundamental, but which:
  - 9.19.1 affects a Shareholder's ability to exercise his rights in relation to his investment;
  - 9.19.2 would reasonably be expected to cause the Shareholder to reconsider his participation in the Company;
  - 9.19.3 results in any increased payments out of the Company property to the ACD or an associate of the ACD; or
  - 9.19.4 materially increase other types of payment out of the Company property.
- 9.20 The notice period must be of reasonable length, and must not be less than 60 days.
- 9.21 The ACD must inform Shareholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Company. This is a change or event, other than a fundamental or significant change, which a Shareholder must be made aware of unless the ACD concludes the change is insignificant. The appropriate manner and timescale of notification will depend on the nature of the change or event. An appropriate manner of notification could include the information being included in the next long form report of the Company.

## 10. THE ACD

- 10.1 The ACD is Thesis Unit Trust Management Limited, a private company limited by shares, incorporated in England and Wales under the Companies Act 1985 on 6 February 1998 with company number 3508646. The ACD is, for the purposes of COLL, an authorised fund manager.

Registered office and head office: Exchange Building  
St John's Street  
Chichester  
PO19 1UP

Telephone: 01243 531234

### Share Capital

Issued and paid up: £5,673,167

- 10.2 The directors of the ACD are:

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

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

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

- 10.5 The ACD is authorised and regulated by the Financial Conduct Authority and is authorised to carry on certain permitted regulated activities in the UK in accordance with the Act.

- 10.6 The ACD is the sole director of the Company and its duties and obligations are governed by the terms of the agreement dated 30 November 2011 between the Company and the ACD (the "ACD Agreement"). The ACD Agreement provides that the ACD manage and administer the Company in accordance with the Act and the OEIC Regulations, the Instrument of Incorporation and the contents of this Prospectus.

- 10.7 The ACD Agreement may be terminated by either party on not less than 90 days' written notice. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD other than the matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations.
- 10.8 The ACD may act as an 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 E.
- 10.9 The ACD has delegated the following functions to the parties listed below:
- 10.9.1 investment management to the Investment Manager;
  - 10.9.2 registration to the Registrar; and
  - 10.9.3 administration and fund accounting to the Administrator.
- Please refer to paragraphs 12 to 14 below for more detail.
- 10.10 Investors buy and redeem Shares through the ACD who nets them to reduce the number of Shares issued or cancelled by the Company, or a Fund. When carrying out deals in Shares the ACD acts as principal but does not profit from this activity.

## **11. THE DEPOSITARY**

- 11.1 The Depositary of the Company is NatWest Trustee and Depositary Services Limited, a private limited company registered in England and Wales with company number 11194605.
- 11.2 The ultimate holding company of the Depositary is NatWest Group plc, which is incorporated in Scotland.
- 11.3 The Depositary's registered office address is 250 Bishopsgate, London EC2M 4AA. The Depositary's head office address is 440 Strand, London WC2R 0QS. The address of its office which handles matters relating to the Company is set out in Appendix G.
- 11.4 The Depositary's principal activity is the provision of trustee and depositary services .
- 11.5 The Depositary is established in the UK and is authorised and regulated by the FCA to act as a depositary of a UK UCITS or a UK AIF.
- 11.6 **Duties of the Depositary**
- 11.6.1 The Depositary is responsible for the safekeeping of the Scheme Property, monitoring the cash flows of the Company and must ensure that certain processes carried out by the ACD are performed in accordance with the applicable rules and scheme documents.

## 11.7 Terms of Appointment

- 11.7.1 The appointment of the Depositary has been made under the terms of the Depositary Agreement between the Company, the ACD and the Depositary.
- 11.7.2 The Depositary Agreement provides that the Depositary be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties required in the OEIC Regulations and COLL.
- 11.7.3 The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.
- 11.7.4 Under the Depositary Agreement the Depositary has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Depositary has delegated custody of the Scheme Property to The Northern Trust Company (the "Custodian"). Contact details for the Custodian are set out in Appendix G. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("sub-custodians").
- 11.7.5 A list of sub-custodians is set out in Appendix F. Investors should note that the list of sub-custodians is updated only at each Prospectus review.
- 11.7.6 To the extent permitted by applicable law and the UK UCITS Regulations, the Depositary 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 Depositary to properly fulfil its obligations under the Depositary Agreement.
- 11.7.7 The Depositary Agreement provides that the Depositary will be indemnified by the Company in respect of any liabilities suffered or incurred by the Depositary in the proper performance of its obligations and duties under the Depositary Agreement except in the case of fraud or negligent breach of the Depositary Agreement or of any applicable laws.
- 11.7.8 The Depositary Agreement may be terminated on six months' notice by the Company, the Depositary or the ACD or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary has taken place.
- 11.7.9 Details of the fees payable to the Depositary are set out in the Depositary's fees section of this Prospectus at paragraph 16.6.

## 11.8 Conflicts of Interest

- 11.8.1 The Depositary may act as the depositary of other authorised units trusts or open-ended investment companies and as trustee or custodian of other collective investment schemes.
- 11.8.2 It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and

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

11.8.3 As the Depositary operates independently from the Company, Shareholders, the ACD and the Custodian, the Depositary does not anticipate any conflicts of interest arising between it and any of the aforementioned parties.

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

## 11.9 Updated Information

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

## 12. THE ADMINISTRATOR AND FUND ACCOUNTANT

12.1 The ACD has delegated certain administrative functions and fund accountancy services to Northern Trust Global Services SE, UK branch (as the "Administrator" and "Fund Accountant").

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

## 13. INVESTMENT MANAGER

13.1 The ACD is responsible for the overall investment management and administration of the Company. The ACD has delegated its day-to-day responsibility for investment management to Oldfield Partners LLP (as "Investment Manager"). Oldfield Partners LLP is a limited liability partnership registered in England on 9 November 2004.

13.2 Its registered office and principal place of business address is set out in Appendix G. The company registration number is OC309959 and the FCA registration number is 415363.

13.3 The Investment Manager is authorised to carry on investment business in the UK by virtue of its authorisation and regulation by the Financial Conduct Authority.

13.4 The appointment of the Investment Manager has been made under an agreement between the ACD and the Investment Manager. The Investment Manager has full discretionary powers over the investment of the part of the Scheme Property of the Company entrusted to it subject to the overall responsibility and right of veto of the ACD. The agreement between the ACD and the Investment Manager is terminable on three months' written notice by the ACD or the Investment Manager, or may be

terminated immediately by the ACD if it is in the interests of Shareholders.

13.5 The principal activity of the Investment Manager is acting as an investment manager and adviser. The Investment Manager is authorised to deal on behalf of the Company. 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 ACD, or may be available from the Investment Manager's website, listed in Appendix G.

13.6 The fees of the Investment Manager will be paid by the Company as set out in paragraph 16.8.

#### **14. THE REGISTER AND THE REGISTRAR**

14.1 The ACD has delegated the function of maintaining the register to Northern Trust Global Services SE, UK branch (as the "Registrar").

14.2 The Register is kept, and can be inspected at, the office of the Registrar at 50 Bank Street, Canary Wharf, London E14 5NT.

#### **15. AUDITORS**

15.1 The Auditors of the Company are PricewaterhouseCoopers LLP whose address details are at Appendix G.

#### **16. CHARGES AND EXPENSES**

##### **16.1 ACD's preliminary charge**

The ACD may receive, or waive in part or in whole, a preliminary charge (if any) upon the issue or sale of Shares. The current preliminary charge (if any) is set out in Appendix A in respect of all Classes of Shares. If not waived, the preliminary charge will (where one applies) be charged upon the issue or sale of Shares.

##### **16.2 ACD's periodic charge**

The ACD receives a periodic charge for managing the Company at a rate per annum of the value of the Scheme Property of each Fund accruing daily and payable out of the Scheme Property of the Funds. The current rate of the periodic charge for each Fund is set out in Appendix A in respect of all Classes of Shares.

16.2.1 Any increase of the preliminary or periodic charge may be made by the ACD only after giving 60 days' written notice to the Shareholders (in the case of the periodic charge) or to the Depositary (in the case of the preliminary charge).

16.2.2 The periodic charge in respect of a Fund may, at the discretion of the ACD, be treated as an income charge or a charge against capital (or a combination of both) and will be paid monthly in arrears. Please refer to paragraphs 16.10.2 and 16.10.3 below.

##### **16.3 Dilution levy**

16.3.1 The actual cost of purchasing or selling investments may be higher or lower than the mid-market value used in calculating the Share price. For example, due to dealing charges or through dealing at prices other than the mid-market

price. Under certain circumstances (for example, large volumes of deals), this may have an adverse effect on the Shareholders' interest in the Company. In order to prevent this effect ("dilution"), the ACD has the power to charge a "dilution levy" on the sale and/or redemption of Shares.

- 16.3.2 The ACD currently intends to charge a dilution levy in respect of "large deals" (which, for these purposes are deals in respect of Shares exceeding 5% of the value of the relevant Fund) and reserves the right to charge a dilution levy based on prevailing market conditions. If the ACD charges a dilution levy it will be calculated by reference to the costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, commission and transfer taxes.
- 16.3.3 The need to charge a dilution levy will depend on the volume of sale and redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged where the Scheme Property is in continual decline or in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution levy. If a dilution levy is not charged in such circumstances, this may have an adverse effect on the future growth of the Scheme Property.
- 16.3.4 It is not possible to predict accurately whether dilution will occur at any point in time. The ACD estimates, based on historical data, that a dilution levy may be charged on around 1% of deals.
- 16.3.5 The amount of the dilution levy will not exceed 3% of the value of the transaction before the imposition of the levy. This figure is based on the ACD's future projections of the likely impact of deals to which the dilution levy is applied on remaining Shareholders.
- 16.3.6 For illustrative purposes, the table below shows historic information on dilution levies to the Share price:

Name	Estimated Dilution Levy (%) applicable for purchases as at 30 April 2023	Estimated Dilution Levy (%) applicable for sales as at 30 April 2023	Number of days on which a Dilution Levy has been applied over the period 1 April 2022 to 31 March 2023
<b>Overstone Global Equity Income Fund</b>	0.2%	0.2%	2

#### 16.4 Redemption charge

- 16.4.1 The ACD Agreement contains a provision for the ACD to make a redemption charge but at present, there are no plans to impose such a charge. The ACD must not introduce a redemption charge, or change the rate or method of

calculation of a current redemption charge, unless at least 60 days before the introduction or change, the ACD:

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

## 16.5 Charges on switching

16.5.1 On the switching of Shares between Funds or Classes in the Company the Instrument of Incorporation authorises the Company to impose a charge on switching.

16.5.2 The charge will not exceed an amount equal to the then prevailing preliminary charge for the new Shares. If a redemption charge is payable in respect of the original Shares, this may become payable instead of, or as well as, the then prevailing preliminary charge for the new Shares. The charge on switching is payable by the Shareholder to the ACD. An SDRT provision may also be levied on the redemption of the original Shares.

16.5.3 The ACD does not currently charge a switching fee.

## 16.6 Depositary's fees

### 16.6.1 Periodic fee

- (a) The Depositary is paid a monthly periodic fee (plus VAT) from the Scheme Property of the Company in remuneration for its services.
- (b) The Depositary's fee is calculated on the value of the Scheme Property of the Company in accordance with the Depositary Agreement and the FCA Rules, and payable out of the Company in accordance with the FCA Rules. For this purpose, the value of the Company is inclusive of the issues and cancellations which take effect as at the relevant Valuation Point.
- (c) The Depositary's fee shall accrue daily, and shall be calculated by reference to the value of the Company at the first Valuation Point on the first Business Day and shall end immediately before the next Valuation Point in each month. The Depositary's fee is payable on, or as soon as practicable after, the end of the month in which it accrued.
- (d) The current fees payable are:

0.0275% per annum	on the first £50,000,000 value of the Scheme Property of each Fund
0.025% per annum	on the next £50,000,000 value of the Scheme Property of each Fund



0.020% per annum	on the next £100,000,000 value of the Scheme Property of each Fund
0.015% per annum	on the value thereafter

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

#### 16.6.2 **Transaction and Custody charges**

- (a) In addition to the above periodic fees, the Depositary shall also be entitled to be paid transaction charges and derivative and custody charges in relation to transaction and derivative transaction handling and safekeeping of Scheme Property as follows:

<b>Item</b>	<b>Range/Fees</b>
Transaction Charges	£7.50 to £180.00
Derivative Transaction Charges	£20 (if applicable)
Custody Charges	up to 0.9% of the value of the holding involved

These charges vary from country to country depending on the markets and the type of transaction involved.

- (b) 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 ACD and the Depositary. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

16.6.3 Where relevant, the Depositary 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 Company 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 Rules.

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

- 16.6.5 On a winding up of the Company the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.
- 16.6.6 Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.
- 16.6.7 In each case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Rules by the Depositary.

#### **16.7 Administration, Registration and Valuation Fees**

- 16.7.1 The administration of the Company will be carried by Northern Trust Global Services SE, UK branch, who also acts as Registrar.
- 16.7.2 Administration and valuation fees will be paid to the Administrator at a rate per annum of the value of the Scheme Property of each Fund accruing daily and payable out of the Scheme Property of the Funds; details of these fees are set out in Appendix A.
- 16.7.3 The registration fees, payable to the Administrator, will be paid out of the Scheme Property of the relevant Fund, as will the disbursements listed in the Other Expenses paragraph 16.10 below. These fees, and details of how the fees are split, are set out in Appendix A.

#### **16.8 Investment Manager's fee**

The Investment Manager receives a periodic fee for providing investment management services to each Fund at a rate per annum of the value of the Scheme Property of each Fund accruing daily and payable out of the Scheme Property of the Funds. The current rate of the periodic charge for each Fund, which may vary in respect of each Class of Shares, is set out in Appendix A. Research costs will be paid for by the Investment Manager and will not be paid out of the Scheme Property.

#### **16.9 Hedged Share Class expenses**

Where a Share Class is hedged, any costs related to such hedging shall be borne separately by the relevant Share Class.

#### **16.10 Other Expenses**

- 16.10.1 The following other expenses may be paid out of the Scheme Property of the Company:
- (a) broker's commission (excluding costs for research), fiscal charges (including stamp duty and/or stamp duty reserve tax) and other costs or disbursements which are necessary to be incurred in effecting transactions for the Company and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

- (b) expenses properly incurred by the ACD in the performance of its duties as ACD of the Company, including without limitation, the costs of preparation and distribution of reports, accounts, and any prospectuses, Key Investor Information Documents or equivalent documents (in the case of the Key Investor Information documents only preparation and not distribution may be charged) and the Instrument of Incorporation, Key Investor Information Document or equivalent documents, and any costs incurred as a result of changes to any prospectus, Key Investor Information Document or equivalent documents or the Instrument of Incorporation, periodic updates of any other administrative documents, as well as the cost of maintaining other documentation required to be maintained in respect of the Company or a Fund and the cost of monitoring any paying agent in any territory in respect of the Company or a Fund;
- (c) all fees for the services of establishing and maintaining the Register of the Company and any associated incurred expenses whether they are provided by the ACD, its associates or any other person;
- (d) any costs incurred in establishing or maintaining any services or facilities for electronic dealing in Shares;
- (e) the cost of printing and distributing promotional material in respect of the Company and of any marketing activities undertaken by the ACD in relation to the Company provided such marketing activities have first been approved by the other directors of the Company (if any);
- (f) the charges and expenses payable to the Depositary, any charge imposed by and incurred expenses of any agents appointed by the Depositary (other than the Custodian) to assist in the discharge of its duties, any charges and expenses properly incurred in connection with the collection and the distribution of income;
- (g) any charges and expenses properly incurred in relation to the preparation of the Depositary's annual report to Shareholders and any charges and expenses incurred in relation to stock lending;
- (h) any costs incurred by the Company in publishing and despatching the price of the Shares;
- (i) any costs incurred in producing and despatching any payments made by the Company, or the periodic reports of the Company;
- (j) any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Company, which are currently carried on by the Registrar;
- (k) any fees or costs associated with any CASS related support activity incurred by the Registrar;
- (l) any fees, expenses or disbursements of any legal or other professional adviser of the Company or of the ACD in relation to the Company;

- (m) any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- (n) any costs incurred in respect of meetings of Shareholders convened for any purpose including those convened on a requisition by Shareholders not including the ACD or an associate of the ACD;
- (o) the cost of minute books and other documentation required to be maintained by the Company;
- (p) any expenses properly incurred in relation to company secretarial duties for the Company;
- (q) all fees and expenses incurred in relation to the addition and initial organisation of any funds in the Company, the listing of Shares on any stock exchange, any offer of Shares (including the preparation and printing of any prospectus) and the creation, conversion and cancellation of Shares;
- (r) liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Company in consideration for the issue of Shares as more fully detailed in COLL;
- (s) interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- (t) taxation and duties payable in respect of the property of the Company or the issue or redemption of Shares, including stamp or other duties or taxes in relation to the transfer to the Company of assets taken in exchange for the issue of Shares;
- (u) the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- (v) the fees of the FCA as prescribed in the FEES Manual of the FCA's Handbook together with any corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Shares in the Company are or may be marketed;
- (w) all fees and expenses of paying agents in countries other than the UK where Shares in the Company are registered for retail sale;
- (x) the total amount of any cost relating to the application for authorisation and incorporation of the Company and of its initial offer or issue of Shares;
- (y) any payments otherwise due by virtue of COLL; and
- (z) any value added or similar tax relating to any charge or expense set out herein.

#### 16.10.2 **Allocation of charges and expenses**

- (a) Fees and expenses payable are allocated between capital and income in accordance with the Rules. The applicable policy for each Fund is set out in Appendix A.
- (b) Where fees and/or expenses are deducted in the first instance from income (except those charges and expenses relating directly to the purchase and sale of investments), if, and only if this is insufficient, deductions will be made from capital (save for any charge made in respect of SDRT as described in paragraph 18).

**It should be noted that where fees are treated as a charge against capital (or 'property') of the Company this policy may result in capital erosion or constrain capital growth.**

- (c) The ACD and the Depositary have agreed that normally the fees payable to the ACD and the Depositary will be apportioned as is set out in Appendix A in respect of each Share Class of each Fund.

### 16.10.3 Allocation between Funds

Each of the charges described above are applicable to each Fund. All charges and expenses are charged to the Fund in respect of which they were incurred. Any charges and expenses not attributable to one Fund only, and allocated in accordance with the FCA Rules, will normally be allocated by the ACD to all Funds pro rata to the value of the Scheme Property of each Fund, although the ACD has a discretion to allocate such charges and expenses in a different manner which it considers fair to Shareholders generally.

## 17. VALUATION AND PRICING OF SCHEME PROPERTY

- 17.1 The Company will be valued on a daily basis on each Business Day at 10.30pm (the "Valuation Point") for the purpose of determining the price at which Shares in the Company may be purchased or redeemed.
- 17.2 There will only be a single price for any Share as determined from time to time by reference to a particular Valuation Point.
- 17.3 The Shares will be priced in pounds sterling.
- 17.4 Each Fund will be valued on a net asset value basis to determine the price of the Shares ("NAV price"). Except in circumstances where the application of a dilution levy applies Shares will be redeemed at the NAV price and purchased at a price that includes a preliminary charge at the rate applying to the Fund (see "**Charges and Expenses**").
- 17.5 Out of the preliminary charge, the ACD may pay commission to qualifying intermediaries, including the Investment Manager and its associates.
- 17.6 The net asset value of the Scheme Property of the Company shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions which are set out in the Instrument of Incorporation.
- 17.7 All the Scheme Property of the Fund (including receivables) is to be included when valuing a Fund, subject to the following provisions:

- 17.7.1 Scheme Property which is not cash (or other assets dealt with in paragraphs 16.7.2 and 16.7.3 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
- (a) units or shares in a collective investment scheme:
  - (b) if a single price for buying and selling units or shares is quoted, at that price; or
  - (c) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by an preliminary charge included therein and the selling price has been increased by an exit or redemption charge attributable thereto; or
  - (d) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
- 17.7.2 **exchange-traded derivative contracts:**
- (a) If a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
  - (b) If separate buying and selling prices are quoted, at the average of the two prices;
- 17.7.3 over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
- 17.7.4 any other investment:
- (a) if a single price for buying and selling the security is quoted, at that price; or
  - (b) if separate buying and selling prices are quoted, at the average of the two prices; or
  - (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and
- 17.7.5 Scheme Property other than that described in 16.7.1, 16.7.2, 16.7.3 and 16.7.4 above shall be valued at an amount which, in the opinion of the ACD, represents a fair and reasonable mid-market price;
- 17.7.6 cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values;
- 17.7.7 in determining the value of the Scheme Property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out (and any cash paid or received) and all consequential action required by the Rules or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken;

- 17.7.8 subject to paragraphs 16.7.9 and 16.7.10 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount;
- 17.7.9 futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 16.7.8;
- 17.7.10 all agreements are to be included under paragraph 17.7.8 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement;
- 17.7.11 deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property of the Fund; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty and stamp duty reserve tax;
- 17.7.12 deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day.
- 17.7.13 deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings;
- 17.7.14 add an estimated amount for accrued claims for tax of whatever nature which may be recoverable;
- 17.7.15 add any other credits or amounts due to be paid into the Scheme Property;
- 17.7.16 add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received; and
- 17.7.17 currencies or values in currencies other than base currency or (as the case may be) the designated currency of the Company shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential shareholders.

## 17.8 **Pricing Basis**

- 17.8.1 The ACD currently elects to deal on a forward basis from the beginning of each Business Day until the Valuation Point.

## 17.9 **Publication of Prices**

- 17.9.1 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.
- 17.9.2 For reasons beyond the control of the ACD, these may not necessarily be the current prices.
- 17.9.3 The cancellation price last notified to the Depositary is available from the ACD upon request.

#### 17.10 **Income Equalisation**

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

#### 17.11 **Grouping for Equalisation**

- 17.11.1 Grouping periods are consecutive periods within each annual accounting period, being the interim accounting periods (including the period from the end of the last interim accounting period in an annual accounting period to the end of that annual accounting period) as specified in paragraph 8 above. If there are no interim accounting periods the periods for grouping of Shares will be annual accounting periods. Grouping is permitted by the Instrument of Incorporation for the purposes of equalisation.

### **18. RISK FACTORS**

#### 18.1 **Derivatives**

- 18.1.1 A Fund may be invested in derivatives or a forward transaction but only for the purposes of EPM (including hedging) with the aim of reducing the risk profile of a Fund, or reducing costs. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions nor prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio position should increase. Additionally, it may not be possible for a Fund to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated if it is not able to enter into a hedging transaction at a price sufficient to protect a Fund from the decline in value of the portfolio position anticipated as a result of such a fluctuation.
- 18.1.2 Where derivative instruments are utilised for hedging purposes, the risk of loss to the Fund may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently



correlated. Such imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to risk of loss. While a Fund may enter into such transactions to seek to reduce exchange rate and interest rate risks, changes in currency, interest rates and equity markets may result in a poorer overall performance of the relevant Fund. Movements in currencies may render hedging ineffective. For a variety of reasons, the ACD may not seek to establish (or may not otherwise obtain) a perfect correlation between such hedging instruments and the portfolio holdings being hedged.

## 18.2 Hedged Classes

- 18.2.1 The ACD may enter into currency hedging transactions for the purposes of reducing risk by limiting the effect of movements in exchange rates on the value of the relevant hedged Classes.
- 18.2.2 Currency hedged transactions in respect of this hedged Class, intended to mitigate the effects of exchange rate fluctuations between the currency of the hedged Class and the currency in which all or part of the relevant Fund's assets are denominated or valued, may not be able to completely eliminate the effects of adverse changes in exchange rates. There can be no guarantee even when the Investment Manager undertakes hedging on 100% of the total value of the hedged Class that this will be a perfect hedge, and remove currency risk for holders of the hedged Class.
- 18.2.3 It is intended that the gains/losses on and the costs of the relevant Financial Instruments entered into for hedging purposes will accrue to the holders of Shares in that hedged Class. Any currency exposure of a hedged Class (or other Class) will not be combined with or offset with that of any other Class of the Fund. The accounting methodology used by the Company is also designed to eliminate accounting contagion, so that unrealised gains and losses of a hedged Share Class will be limited to only the hedged Class. However, the assets and liabilities attributable to a Class are not "ring-fenced" from the liabilities attributable to other Classes within the same Fund. Although currency hedging may be implemented differently for different hedged Share Classes within a Fund, the Financial Instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. Accordingly, in the event of a Fund being unable to meet liabilities attributable to any Class out of the assets attributable to that Class, the excess liabilities would have to be met out of Scheme Property assets attributable to the other Classes of the same Fund. Other Classes within the Fund may be adversely affected by the hedging transactions undertaken in respect of the hedged Class.
- 18.2.4 Where there is more than one hedged Class in a Fund denominated in the same currency and it is intended to hedge the foreign currency exposure of such Classes against the base currency of the relevant Fund or against the currency or currencies in which the assets of the relevant Fund are, or are expected to be, denominated, the ACD may aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/loss on and the costs of the relevant Financial Instruments pro rata to each such hedged Class in the relevant Fund.

- 18.2.5 On a liquidation of the Company (or Fund), hedging instruments will be liquidated along with other property of the Company (or Fund) and will form part of the property out of which liabilities of the Company (or Fund as the case may be) are settled.
- 18.2.6 Currency hedging transactions, while potentially reducing the currency risks to which a Share Class would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty. In addition, where a Fund enters into "cross-hedging" transactions (e.g., utilising a currency different from the currency in which the security being hedged is denominated), the Fund will be exposed to the risk that changes in the value of the currency used to hedge will not correlate with changes in the value of the currency in which the securities are denominated, which could result in loss on both the hedging transaction and the Fund's securities.
- 18.2.7 Forward currency contracts and currency futures involve the possibility that the market for them may be limited with respect to certain currencies and, upon a contract's maturity, the possible inability to negotiate with the dealer to enter into an offsetting transaction. There is no assurance that an active forward currency contract market will always exist. These factors restrict the ability to hedge against the risk of devaluation of currencies in which a substantial quantity of securities are being held for the Fund and are unrelated to the qualitative rating that may be assigned to any particular security.
- 18.2.8 Where a hedged Class engages in foreign exchange transactions which alter the currency exposure characteristics of its investments, the performance of such hedged Class will be strongly influenced by movements in exchange rates, as currency positions held by the hedged Class may not fully correspond with securities positions held.

### 18.3 **Counterparty risk in over-the-counter markets**

- 18.3.1 A Fund may enter into transactions in over-the-counter markets which will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Fund may enter into agreements or use other derivative techniques, each of which exposes a Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and significant losses, includes declines in the value of its investment during the period in which a Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances investors may be unable to recover any losses incurred.

### 18.4 **Legal and Regulatory Risks**

- 18.4.1 Legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as

the Company is subject to change. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

## 18.5 **Conflicts Policy**

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

## 18.6 **Exchange-Traded Funds**

18.6.1 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.

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

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

18.6.3 Certain of the ETFs in which the Company 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 Company invests in leveraged ETFs, the more this leverage will increase any losses on those investments.

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

## 18.7 Exchange Traded Notes

- 18.7.1 **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).**
- 18.7.2 **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.**
- 18.7.3 **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.**
- 18.7.4 **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.**

## 18.8 Currency Risk

- 18.8.1 The net asset value of the Funds will be computed in the base currency whereas the investments held for the account of the Fund may be acquired in other currencies. A Fund's net asset value may change significantly when the currencies other than the base currency in which some of a Fund's investments are denominated strengthen or weaken against the base currency. Currency exchange rates generally are determined by supply and demand in the foreign exchange markets and the perceived relative merits of investments in different countries. Currency exchange rates can also be affected unpredictably by intervention by government or central banks or by currency controls or political developments. In the case of a subscription or redemption request for shares in a hedged share Class, the hedging strategies may not be accurately adjusted and reflected in the net asset value of the relevant hedged share Class until after the Dealing Day on which the subscription or redemption request is accepted.

## 18.9 Custody Risk

- 18.9.1 The Depositary may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint a custody agent. The Depositary or Custodian may hold Financial Instruments in fungible accounts (meaning the assets are interchangeable) or omnibus accounts (resulting in accounts being combined). The use of omnibus accounts gives rise to a

potential risk that there could be a shortfall in the Financial Instruments held in such an account should the total of the Financial Instruments be less than the aggregate entitlement of the Company. It is expected that such risks will be mitigated by the Custodian's trade matching and reconciliation processes, however in the event of an irreconcilable shortfall, the affected clients would bear the risk of any shortfall on a pro-rata basis and the Company may not recover all of its Financial Instruments.

## **19. TAXATION**

**The following summary is based on current UK law and HM Revenue & Customs practice. It summarises the UK tax position of Investment Companies with Variable Capital ("ICVC") and shareholders who are UK tax resident. However, it should not be regarded as definitive nor as removing the desirability of taking separate professional advice. Investors are advised to consult their professional tax adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.**

### **19.1 Taxation of the Funds**

The Company is an umbrella ICVC and each Fund is treated as a separate Authorised Investment Fund for tax purposes.

A 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".

#### **19.1.1 Income**

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

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

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

#### **19.1.2 Chargeable gains**

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

### 19.1.3 Stamp Duty Reserve Tax

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

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

## 19.2 Taxation of Shareholders

### 19.2.1 Income

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

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

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

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

#### **(A) Interest distributions**

##### UK resident individuals

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

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

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

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

### UK corporate Shareholders

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

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

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

### **(B) Dividend distributions**

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

### UK resident individuals

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

### UK corporate Shareholders

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

### 19.2.2 **Chargeable gains**

#### UK resident individuals

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

Gains in excess of the annual exemption amount are taxed at the lower rate of capital gains tax to the extent that together with an individual's taxable income they do not

exceed the upper limit of the basic rate income tax band and at the higher rate to the extent that they exceed that limit.

#### UK corporate Shareholders

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

#### 19.2.3 **Stamp Duty Reserve Tax**

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

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

#### 19.3 **Income Equalisation – Tax Implications**

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

#### 19.4 **UK information reporting regime**

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

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

The ACD may, in the future, seek to elect the Company into the TEF regime if it considers that it would be advantageous for the majority of investors in the Company to do so. If a 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.

#### 19.6 **International Tax Compliance**

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

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



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

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

**Shareholders should note that:**

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

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

## **20. FURTHER INFORMATION**

### **20.1 Documents of the Company**

Copies of the following may be inspected at the ACD's head office address during normal business hours:

- a) the Instrument of Incorporation;
- b) the Prospectus;
- c) the ACD Agreement;
- d) a summary description of the ACD's strategy for determining when and how voting rights attached to ownership of Scheme Property or the instruments held by the Company are to be exercised; and
- e) the most recent annual and half-yearly reports.

Copies of the above documents may be obtained free of charge on request from the ACD. Details the ACD's head office address are set out in Appendix G.

Any Shareholder may also obtain on request from the ACD supplementary information relating to the quantitative limits applying to the risk management of the Company, the methods used in relation to such risk management and any recent developments of the risk and yields of the main categories of investment.

## 20.2 **Service of notices**

The address for service of notices or other documents required or authorised to be served on the Company is at the Registered Office, Exchange Building, St John's Street, Chichester, PO19 1UP.

## 20.3 **Complaints**

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

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

## 20.4 **Telephone calls**

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

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

## 20.5 **Summary of the ACD's haircut policy**

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

The ACD will judge, on a case-by-case basis, the extent and type of collateral to use when negotiating with counterparties and clearing houses and the haircut policy which it will apply. Where cash is received as collateral it will not be invested in anything other than cash or short-term deposit accounts.

Cash, and specific types of collateral, will be deemed to be permitted (at the ACD's discretion) for the purposes of the Company's collateral policy.

## 20.6 **Remuneration**

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

Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the

remuneration committee, are available on [www.tutman.co.uk](http://www.tutman.co.uk) and a paper copy of such information can be obtained, free of charge, upon request at the offices of the ACD.

## 20.7 **Risk Management**

The ACD uses a risk management process (including a risk management policy) in accordance with COLL 6.12, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure at any time the risk of the Company's positions and their contribution to the overall risk profile of the Company.

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

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

The ACD must assess, monitor and periodically review:

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

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

## 20.8 **Non-accountability for profits**

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

- 20.8.1 dealings in the Shares of the Company; or
- 20.8.2 any transaction in the Scheme Property; or
- 20.8.3 the supply of services to the Company.

## APPENDIX A

### Funds

The Funds, and their investment objectives and policies (and other details), are as follows:

#### **OVERSTONE GLOBAL EQUITY INCOME FUND**

**Investment Objective** The Fund's objective is to achieve an income and some capital growth, (net of fees) over the longer term (i.e. 5 years or more).

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

To achieve the objective, the Fund will invest in a diversified global portfolio which may include investing up to 100% in equity markets. Although the Fund will be geographically diversified, it will have a concentrated portfolio since it will typically have 15-40 holdings. The Fund may also invest in fixed income assets (up to 30%) e.g. corporate and government bonds, warrants, money market instruments, deposits, cash and near cash. Investment will be made directly but may include indirect exposure through the use of collective investment schemes. No more than 10% of the Fund's assets may be invested in units in other collective investment undertakings. Investment in other collective investment schemes may include those managed or operated by the ACD.

**The Fund will be permitted to invest in derivatives for EPM purposes only (including hedging).**

**Performance Comparator** The Company uses the Morgan Stanley Capital International (MSCI) World High Dividend Yield Index as a primary benchmark for performance comparison purposes. This benchmark has been selected because it reflects the performance of equities with higher dividend income, similar to that of the Company and it is therefore an appropriate comparator for the Company's performance.

The Company also uses the Morgan Stanley Capital International (MSCI) World Index as a secondary benchmark for performance comparison purposes. This benchmark is to enable investors to review the performance against a pure wider equity benchmark with no specified income requirement.

These benchmarks are for performance comparison purposes only and they are not target benchmarks and the Company is not constrained by them.

Investment Manager

Oldfield Partners LLP

(FCA registration number 415363)

The Investment Manager is not connected to the ACD.

Investor profile

The Fund is suitable for investors who are familiar with, and are able to accept, the potential returns and risk borne by a portfolio of investments carrying varying risk, but who would expect the higher risk assets to be held in greater proportion.

The investor must be able to accept the risk of losses, so the Fund may be appropriate for investors who can afford to set aside capital for at least five years.

Class of Share available

Income Shares; and

Accumulation Shares

Shares will be issued in ten Share Classes: Class A (Income Shares only), Class B, Class C (Accumulation Shares only), Class FI, Class FJ, Class I, Class J (hedged) (Accumulation Shares only), Class J (unhedged), Class K (Accumulation Shares only) and Class L.

Class A Shares (Income Shares only): available in £

Class B Shares: available in £

Class C Shares (Accumulation Shares only): available in £

Class FI Shares: available in £

Class FJ Shares: available in £

Class I Shares: available in £

Class J Shares (unhedged): available in £

Class J Shares (hedged) (Accumulation Shares only): available in £

Class K Shares (Accumulation Shares only): available in €

Class L Shares: available in \$

Classes of Shares	<p>Class A (Income Shares only) (£): Available to selected clients at the ACD's discretion</p> <p>Class B (£): Available to selected clients at the ACD's discretion</p> <p>Class C (Accumulation Shares only) (£): Available to selected clients at the ACD's discretion</p> <p>Class FI (£): Available to institutional investors and other investors at the discretion of the ACD</p> <p>Class FJ (£): Available to institutional investors and other investors at the discretion of the ACD</p> <p>Class I (£): Available to institutional investors and other investors at the discretion of the ACD</p> <p>Class J (£): Available to institutional investors and other investors at the discretion of the ACD</p> <p>Class K (Accumulation Shares only) (€): Available to selected clients at the ACD's discretion</p> <p>Class L (\$): Available to selected clients at the ACD's discretion</p>
Fund type	UK UCITS
FCA Product reference number	640688
Minimum initial investment	<p>Class A (Income Shares only): £10,000</p> <p>Class B : £10,000</p> <p>Class C (Accumulation Shares only): £10,000</p> <p>Class FI: £20,000,000</p> <p>Class FJ: £20,000,000</p> <p>Class I : £10,000</p> <p>Class J : £10,000</p> <p>Class K (Accumulation Shares only) (€): €10,000</p> <p>Class L (\$): \$10,000</p>
Minimum holding	Not applicable

Minimum subsequent purchase	<p>Class A (Income Shares only): no minimum</p> <p>Class B : no minimum</p> <p>Class C (Accumulation Shares only): no minimum</p> <p>Class FI : no minimum</p> <p>Class FJ : no minimum</p> <p>Class I : no minimum</p> <p>Class J : no minimum</p> <p>Class K (Accumulation Shares only): no minimum</p> <p>Class L : no minimum</p>
Minimum redemption	<p>Class A (Income Shares only): no minimum</p> <p>Class B: no minimum</p> <p>Class C (Accumulation Shares only): no minimum</p> <p>Class FI: no minimum</p> <p>Class FJ: no minimum</p> <p>Class I : no minimum</p> <p>Class J: no minimum</p> <p>Class K (Accumulation Shares only): no minimum</p> <p>Class L : no minimum</p>
Annual accounting date	31 March
Interim accounting date	30 September
Income allocated	<p>31 July (final)</p> <p>30 November (interim)</p>
Past Performance	Historical performance data for the Fund is set out in Appendix D
Launched	6 December 2011
<b><u>Charges:</u></b>	
<b>Preliminary charge</b>	<p>Class A (Income Shares only): Nil</p> <p>Class B : Nil</p>

Class C (Accumulation Shares only): Nil

Class FI: Nil

Class FJ: Nil

Class I : Nil

Class J : Nil

Class K (Accumulation Shares only): Nil

Class L : Nil

**ACD's periodic charge**

0.07% per annum on the value of the Fund's Scheme Property up to £50,000,000

0.05% per annum on the value of the Fund's Scheme Property above £50,000,000 up to £100,000,000

0.03% per annum on the value of the Fund's property thereafter

Subject to a minimum of £15,000 per annum for each Fund

**Registration Fees**

£10 Per Shareholder per annum

£6 Per Shareholder transaction effected through straight-through processing

£19 Per Shareholder transaction recorded manually

Charges and expenses associated with setting up such transactions will be paid out of the relevant Fund's property.

On-going charges and expenses (reasonably and properly incurred) in respect of the processing and implementation of electronic transfers for a Fund will be paid out of the relevant Fund's property.

**Administration and Valuation Fees**

0.07% on the value of the Fund's Scheme Property up to £50,000,000

0.05% on the value of the Fund's Scheme Property above £50,000,000 up to £100,000,000

0.03% on the value of the Fund's Scheme Property thereafter



	Subject to a minimum of £25,000 per annum for each Fund
<b>Investment Manager's annual charge</b>	<p>Class A (Income Shares only): 1.25%</p> <p>Class B : none</p> <p>Class C (Accumulation Shares only): 0.65%</p> <p>Class FI : 0.40%</p> <p>Class FJ : 0.40%</p> <p>Class I : 0.65%</p> <p>Class J : 0.65%</p> <p>Class K (Accumulation Shares only): 0.65%</p> <p>Class L: 0.65%</p>
<b>Exit (Redemption) Charge</b>	No
<b>Allocation of Charges and Expenses</b>	<p>Class A (Income Shares only): from capital *</p> <p>Class B : from income ¥</p> <p>Class C (Accumulation Shares only): from income</p> <p>Class FI : from capital *</p> <p>Class FJ : from income ¥</p> <p>Class I : from capital *</p> <p>Class J : from income ¥</p> <p>Class K (Accumulation Shares only): from income ¥</p> <p>Class L : from income ¥</p> <p><b>* It should be noted that this policy may result in capital erosion or constrain capital growth.</b></p> <p>¥ Except those charges and expenses relating directly to the purchase and sale of investments</p>
<b>Switching Fee</b>	None at present but may be introduced in the future at the ACD's discretion. (Please refer to paragraph 16.5 of the main body of this Prospectus for details.)
<b>Charge for investment research</b>	Not applicable

## **Hedged Share Classes**

Currently only Class J Hedged Accumulation Shares in the **Overstone Global Equity Income Fund** are available as a hedged Class. Additional hedged Classes may be added. **Please refer to paragraph 17.2 of the main body of this Prospectus for the risks associated with hedged classes.**

The Fund will enter into hedging transactions in respect of hedged Share Classes to aim to protect investors from currency exposure to assets of the Fund denominated in currencies other than the currency of denomination of such Share Class. Solely the capital is being hedged and not the total return of the Fund or the hedged Share Class. The Fund will enter into such transactions in respect of the hedge Share Classes in relation to all currency exposure. However, in extreme market conditions when there is reduced market liquidity or increased volatility the Investment Manager may determine not to hedge a currency exposure where, acting in the best interests of the Shareholders, it considers it uneconomical to do so.

It is intended to carry out such hedging through the utilisation of over the counter currency forward contracts (both non deliverable forward contracts and deliverable forward contracts).

To the extent that the hedging is successful, the performance of the hedged Share Class is likely to move more in line with the performance of the underlying assets because some of the currency exposures have been reduced.

In seeking to hedge against currency fluctuations, over-hedged and under-hedged positions, while not intended, may arise due to factors outside the control of the Investment Advisor. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed 105% of the net asset value of the Share class in aggregate. Over-hedged positions materially in excess of 100% of the net asset value of the Share class will not be carried forward from month to month.

The ACD will review the hedging position on each day that there is a Valuation Point or Dealing Day and will adjust any hedging to the extent there is a material change in the value of the assets of that Share Class and to the dealing volume.

**Investors should refer to the risk warnings in paragraph 18 in the main body of this Prospectus for a description of some of the risks associated with currency transactions and hedging.**

## **APPENDIX B**

### Management and borrowing powers of the Company

#### **1. LIMITATIONS ON TYPE OF INVESTMENTS**

- 1.1. All the Scheme Property of the Funds must be invested in any or all of the following assets: transferable securities, approved money-market instruments, derivatives and forward transactions, deposits and units in collective investment schemes (regulated).
- 1.2. Cash or near cash may be held for the pursuit of the Funds' respective investment objectives or redemption of Shares or for the efficient management of the Company in accordance with its investment objective or any other purpose reasonably regarded as ancillary to the investment objective of the relevant Fund. From time to time a Fund may have a higher than usual level of liquidity if the ACD considers that to be in the interests of Shareholders. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased.
- 1.3. The investment objective and policy set out in paragraph 3 of the main body of this Prospectus and Appendix A are subject to the limits on investment under the FCA Rules and as set out in this Prospectus. These limits are summarised below.
- 1.4. The Funds will not invest in immovable property or tangible movable property, including gold.
- 1.5. Investments permitted for the Funds are as follows:

##### **1.5.1. Approved securities**

The Scheme Property may be invested in approved securities. An approved security is a transferable security that is admitted to an official listing in the United Kingdom or an EEA State or is traded on or under the rules of an eligible securities market (otherwise than by the specific permission of the market authority). An eligible market is a regulated market that is regulated, operates regularly and is open to the public; further details are set out in sub-paragraph 1.5.10 below.

##### **1.5.2. Transferable securities**

Transferable securities are, in general terms, shares, debentures, alternative debentures, government and public securities, warrants or certificates representing certain securities. Not more than 10% in value of the Scheme Property can be invested in transferable securities which are not approved securities.

The Scheme Property may be invested in transferable securities on which any sum is unpaid only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Company, at the time when payment is required, without contravening the rules in COLL 5.

### **1.5.3. Money-market instruments**

The Company may invest in approved money-market instruments. 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.

A money-market instrument is regarded as normally dealt in on the money market if it:

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

A money-market instrument is regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.

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

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

A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market is presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

Except as set out below, approved money-market instruments held by the Company must be admitted to, or dealt in on an eligible market.

Not more than 10% in value of the Scheme Property is to consist of approved money-market instruments, which are not:

- (a) listed on or normally dealt in on an eligible market; or
- (b) liquid and whose value can accurately be determined at any time, provided the money-market instrument is:
  - (i) issued or guaranteed by a central, regional or local authority of the United Kingdom or an EEA State (or, if the EEA State is a federal state, one of the members making up the federation), the Bank of England, the European Central Bank, or a central bank of an EEA State, the European Union or the

European Investment Bank, a non-EEA State (or, in the case of a federal state, by one of the members making up the federation), or by a public international body to which the United Kingdom or one or more EEA States belong; or

- (ii) issued by a body, any securities of which are dealt in on an eligible market; or
- (iii) issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by UK or European Union law or by 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 European Union law.

#### **1.5.4. Derivatives**

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

- (a) the transaction is of a kind specified in COLL 5.2.20R;
- (b) the transaction is covered, as required by COLL 5.3.3AR; and
- (c) the use of derivative instruments is in accordance with the requirements of COLL 5.3.11G.

**Derivatives must only be used for Efficient Portfolio Management purposes, including hedging and forward transactions.**

Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the limits specified in COLL 5.2.11R and COLL 5.2.12R save as provided in COLL 5.2.19R(4).

Where the Company invests in an index based derivative, provided the relevant index falls within 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, subject to the ACD taking account of COLL 5.2.3R in relation to the prudent spread of risk.

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

A transaction in a derivative must be in an approved derivative or comply with the requirements for transactions in OTC derivatives as described in COLL 5.2.23R.

A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

A transaction in a derivative must not cause the Company to diverge from its investment objective as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.

A transaction in a derivative must not be entered into if the intended effect is to create

the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives.

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

No agreement by or on behalf of the Company to dispose of property or rights (except for deposits) may be made unless:

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

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

The ACD must ensure that the Scheme Property provides a prudent spread of risk.

Each derivative transaction must be fully covered by cash, near cash or other property sufficient to meet any obligation which could arise.

A transaction in an OTC derivative must be:

- (a) with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is:
  - i. an Eligible Institution or an Approved Bank;
  - ii. 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;
  - iii. a CCP that is authorised in that capacity for the purposes of EMIR;
  - iv. a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
  - v. to the extent not already covered above, a CCP supervised in a jurisdiction that:
    - (i) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom; 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.
- (b) on approved terms. The terms of the transaction in derivatives are approved only if the ACD:

- i. carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
  - ii. can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;
- (c) capable of reliable valuation: a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
  - i. on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable;
  - ii. or if that value is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- (d) subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - i. an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
  - ii. a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.
- (e) the arrangements and procedures referred to in paragraph (b) must be:
  - i. adequate and proportionate to the nature and complexity of the OTC derivative concerned; and
  - ii. adequately documented.

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

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

The Depositary must take reasonable care to ensure that the ACD has systems and controls that are adequate to ensure compliance with paragraphs (a) to (d) above.

The following additional provisions apply:

- (a) The ACD must:

- a. establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Company to OTC derivatives; and
  - b. ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- (b) Where the arrangements and procedures referred to in paragraph (a) involve the performance of certain activities by third parties, the ACD must comply with the requirements of SYSC 8.1.13R and COLL 6.6A.4R(5) and (6);
- (c) The Company may invest in derivatives and forward transactions as part of its investment policy provided:
- a. its global exposure relating to derivatives and forward transactions held in the Company does not exceed the net value of the Scheme Property; and
  - b. its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in COLL 5.2.11R.

The ACD must calculate the global exposure of the Company on at least a daily basis.

For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

- (d) The ACD must calculate the global exposure of the Company either as:
- a. the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in COLL 5.2.19(R)(3A), which may not exceed 100% of the net value of the Scheme Property of the Company by way of the commitment approach; or
  - b. the market risk of the Scheme Property of the Company by way of the value at risk approach.

The ACD must ensure that the method selected above is appropriate, taking into account:

- c. the investment strategy pursued by the Company;
- d. the types and complexities of the derivatives and forward transactions used; and
- e. the proportion of the Scheme Property comprising derivatives and forward transactions.

Where the Company employs techniques and instruments including repo contracts or stock lending transactions in order to generate additional leverage or exposure to market risk, the ACD must take those transactions into consideration when calculating global exposure.

For the purposes of this paragraph, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.



- (e) Where the ACD uses the commitment approach for the calculation of global exposure, it must:
- a. ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in COLL 5.2.19(R)(3A), whether used as part of the Company's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management; and
  - b. convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).

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

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

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

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

**Approved derivatives transactions are for the purpose of Efficient Portfolio Management (including hedging).**

**It is anticipated, therefore, that the outcome of the use of derivatives for the purpose of Efficient Portfolio Management would be principally to hedge against currency risks and to reduce, rather than to increase, the risk profile to the Company.**

**1.5.5. Deposits**

**The Company may invest in deposits only with an Approved Bank with a rating of not less than A with Standard and Poor's and which are repayable on demand or have the right to be withdrawn and maturing in no more than 12 months.**

**1.5.6. Collective investment schemes**

The Company may invest up to 10% of its Scheme Property in units in a regulated collective investment scheme (the "second scheme") provided that the second scheme satisfies all of the following conditions:

- (a)
- a. it is a UK UCITS or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or

- b. it is a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or
  - c. it is authorised as a Non-UCITS retail scheme (provided that requirements of COLL 5.2.13AR(1), (3) and (4) are met); or
  - d. it is authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or
  - e. it 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);
- (b) it complies where relevant with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes);
  - (c) it has terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes; and
  - (d) where the second scheme is an umbrella, the provisions in (b) and (c) above and COLL 5.2.11R (Spread: general) apply to each sub-fund as if it were a separate scheme.
  - (e) The requirements of COLL 5.2.13AR are that:
    - (a) the second scheme is an undertaking:
      - (i) with the sole object of collective investment in transferable securities or in other liquid financial assets, as referred to in COLL 5, of capital raised from the public and which operate on the principle of risk-spreading; and
      - (ii) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption);
    - (b) the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the United Kingdom, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured;

- (c) the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UK UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and approved money-market instruments are equivalent to the requirements of COLL 5; and
- (d) the business of the second scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.

In addition to the conditions set out above, not more than 10% of the value of the Company will be invested in second schemes within paragraphs b. to e. above.

Subject to the restrictions above, each Fund may invest in or dispose of (and the Scheme Property attributable to each Fund may include): (a) units in other collective investment schemes managed or operated by the ACD or an associate of the ACD, or (b) units in another Fund, provided that the ACD makes good to the Company certain amounts as is specified in COLL 5.2.16R.

Where a substantial proportion of the Company's assets are invested in other collective investment schemes the maximum level of management fees that may be charged to the Company and to the other collective investment schemes in which it invests should not exceed 2.5% per annum plus VAT (if applicable).

#### **1.5.7. Warrants**

**The Company may invest in warrants but the exposure created by the exercise of the rights conferred by those warrants must not exceed the limits set out in "Spread: general" below. It is not anticipated that extensive use will be made of warrants, and in any event no more than 15% of the value of the Company's property will be invested in them.**

**A warrant is a time-limited right (but not an obligation) to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities.**

**A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be highly volatile.**

#### **1.5.8. Spread: general**

- (a) This paragraph does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 1.5.9 applies.
- (b) For the purposes of this paragraph 1.5.8, companies included in the same group for the purposes of consolidated accounts as defined in accordance with 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.
- (c) The specific limits are set out as follows:

- (i) not more than 20% in value of the Scheme Property is to consist of deposits with a single body;
  - (ii) Not more than 5% in value of the Scheme Property of the Funds is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security;
  - (iii) The limit of 5% in (ii) is raised to 25% in value of the Scheme Property in respect of covered bonds provided that when the Funds invest more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property of the Funds;
  - (iv) The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank;
  - (v) Not more than 20% in value of the Scheme Property is to consist of transferable securities and approved money-market instruments issued by the same group;
  - (vi) not more than 20% in value of the Scheme Property is to consist of the units of any one collective instrument scheme.
- (d) In applying the limits in paragraphs (c)(i), (c)(ii) and (c)(iv) above and subject to paragraph (c)(iii) above, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
- (i) transferable securities (including covered bonds) or approved money-market instruments issued by;
  - (ii) deposits made with; or
  - (iii) exposures from OTC derivatives transactions made with;
- a single body.

For the purpose of calculating the limits in paragraph (d) above the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:

- (a) the ACD must ensure that counterparty risk arising from an OTC derivative transaction is subject to the limits set out in COLL 5.2.11R(7) and COLL 5.2.11R(10);
- (b) when calculating the exposure of the Company to a counterparty in accordance with

the limits set out in COLL 5.2.11R(7), the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty;

- (c) the ACD may net the OTC derivative positions of the Company with the same counterparty, provided:
  - a. it is able, legally, to enforce netting arrangements with the counterparty on behalf of the Company; and
  - b. the netting agreements referred to above do not apply to any other exposures the Company may have with that same counterparty.
- (d) the ACD may reduce the exposure of the Scheme Property to a counterparty to an OTC derivative transaction through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation;
- (e) the ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits set out in COLL 5.2.11BR(7) when it passes collateral to the counterparty to an OTC derivative transaction on behalf of the Company;
- (f) collateral passed in accordance with COLL 5.2.11BR(5) may be taken into account on a net basis only if the ACD is able, legally, to enforce netting arrangements with this counterparty on behalf of the Company;
- (g) the ACD must calculate the issuer concentration limits referred to in COLL 5.2.11R on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach; and
- (h) in relation to exposures arising from OTC derivative transactions, as referred to COLL 5.2.11R(10), the ACD must include in the calculation any counterparty risk relating to the OTC derivatives transactions.

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

This paragraph 1.5.9 applies in respect of a transferable security or an approved money-market instrument ("such securities") that are issued or guaranteed by:

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

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.

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

- (a) the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Company;**
- (b) no more than 30% in value of the Scheme Property consists of such securities of any one issue;**
- (c) the Scheme Property includes such securities issued by that or another issuer, of at least six different issues; and**
- (d) the disclosures in COLL 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made.**

**In relation to such securities:**

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

**Notwithstanding paragraph 1.5.8(a) and subject to paragraphs COLL 5.2.12R(2) and (3), in applying the 20% limit in paragraph 1.5.8(d) with respect to a single body, such securities issued by that body shall be taken into account.**

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

- (a) the Government of the UK;**
- (b) the Government of Canada; and**
- (c) the Government of the United States of America.**

**Fixed interest securities such as government bonds, are particularly sensitive to changes in interest rates and inflation. Further, the value of a fixed interest security will fall in the event of the default or reduced credit rating of the bond issuer.**

#### **1.5.10. Eligible markets**

The markets upon which transferable securities and approved money-market instruments are traded must meet certain criteria laid down in the FCA Rules.

Eligible markets include any regulated market, and markets established in the United Kingdom or an EEA State which are regulated, operate regularly and are open to the public.

In the case of all other markets, in order to qualify as an eligible market, the ACD after consultation with and notification to the Depositary, must decide that market is appropriate for investment of, or dealing in, the Scheme Property. A market must not be considered appropriate unless it:

- (a) is regulated;**

- (b) operates regularly;
- (c) is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator;
- (d) is open to the public;
- (e) is adequately liquid; and
- (f) has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

The eligible securities markets for the Company are set out in Appendix C to this Prospectus.

Eligible derivatives markets are markets which the ACD, after consultation with and notification to the Depositary, has decided are appropriate for the purpose of investment of or dealing in the Scheme Property with regard to the relevant criteria set out in the FCA Rules and the guidance on eligible markets issued by the FCA (as amended from time to time).

The eligible derivatives markets for the Company are set out in Appendix C to this Prospectus.

#### **1.5.11. General**

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

The restrictions on investment set out above are tighter than those imposed by the FCA Rules in the following respects: for the purposes of paragraph 1.5.5, the FCA Rules do not require a certain rating for an Approved Bank.

## **2. BORROWING**

The Depositary may, in accordance with the FCA Rules and with the instructions of the ACD, borrow sums of money for the use of the Company on terms that the borrowing is repayable out of the Scheme Property.

Such borrowings must be made from eligible institutions and the period of the borrowings must not exceed three months without the prior consent of the Depositary. Borrowings must not exceed 10 per cent of the value of the Scheme Property.

Borrowing may be made from the Depositary or an associate of it at a normal commercial interest rate.

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

## **3. EFFICIENT PORTFOLIO MANAGEMENT**

- 3.1. The ACD may utilise the property of the Company to enter into transactions for the purpose of Efficient Portfolio Management. These are techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:
- 3.1.1. The transactions must be **economically appropriate** in that they are realised in a cost effective way.
  - 3.1.2. The transactions must be entered into for one or more of the following specific aims, namely:
    - (a) The reduction of risk;
    - (b) The reduction of cost; or
    - (c) The generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL.
  - 3.1.3. The first aim allows for tactical asset allocation; that is a switch in exposure through the use of derivatives rather than through the sale and purchase of underlying property.
  - 3.1.4. Similarly, the aim of reduction of risk allows for the use of derivatives with a view to switching the currency exposure of all or part of the underlying Scheme Property away from a currency which the ACD considers to be unduly prone to risk.
- 3.2. **Economically appropriate**
- 3.2.1. The guidelines adopted by the ACD, under which the Company will operate are:
    - (a) Any transaction must be one which (alone or in combination with one or more of others) is reasonably believed by the Company to be economically appropriate to the Efficient Portfolio Management of the Company.
  - 3.2.2. This means that the ACD reasonably believes that:
    - (a) For transactions undertaken to reduce risk or cost (or both), the transaction (alone or combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; and
    - (b) For transactions undertaken to generate additional capital or income, the Company is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.
  - 3.2.3. The transaction may not be entered into if its purpose could reasonably be regarded as speculative.
  - 3.2.4. Where the transaction relates to the actual or potential acquisition of transferable securities, the ACD must intend that the Company should invest



in transferable securities within a reasonable time and must ensure thereafter that, unless the position has itself been closed out, that intention is realised within a reasonable time.

**Efficient Portfolio Management techniques may be utilised by the Company when considered appropriate.**

## APPENDIX C

### Eligible markets

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

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

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

#### Eligible Securities Markets

UK	All eligible markets The Alternative Investment Market of the London Stock Exchange (AIM)
Any EEA State	All eligible markets
Australia	ASX Group Sydney Futures Exchange
Austria	Wiener Borse - Vienna Stock Exchange
Bermuda	Bermuda Stock Exchange (BSX)
Brazil	BM&F BOVESPA
Canada	Toronto Stock Exchange TSX Venture Exchange Montreal Exchange
Chile	Santiago Stock Exchange (Bolsa de Comercio de Santiago)
China	Shenzhen Stock Exchange Shanghai Stock Exchange
Colombia	Bolsa de Valores de Colombia (BVC)
Croatia	Zagreb Stock Exchange
Germany	Deutsche Borse
Hong Kong	Hong Kong Stock Exchange
India	National Stock Exchange of India

	Bombay Stock Exchange (BSE)
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv SE (TASE)
Japan	Tokyo Stock Exchange
	Osaka Securities Exchange
	Nagoya Stock Exchange
	JASDAQ Securities Exchange
	Sapporo Securities Exchange
	Fukuoka Stock Exchange
	Tokyo Financial Exchange
Korea	Korea Composite Stock Price Index
Kuwait	Kuwait Stock Exchange
Malaysia	Bursa Malaysia Securities
Mexico	Bolsa Mexicana de Valores (BMV)
Morocco	Casablanca Stock Exchange
New Zealand	New Zealand Stock Exchange (NZX)
Norway	Oslo Stock Exchange
Oman	Muscat Securities Market
Pakistan	Karachi Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippines Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Limited
	South African Futures Exchange (SAFEX)
Spain	MEFF (Renta Variable & Fija)
	Spanish Exchanges BME
Sri Lanka	Colombo Stock Exchange
Sweden	NASDAQ Nordic
Switzerland	SIX Swiss Exchange AG
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand (SET)
Tunisia	Tunis Stock Exchange
Turkey	Istanbul SE
United Arab Emirates	Abu Dhabi Securities Exchange
	NASDAQ Dubai
USA	<ol style="list-style-type: none"> <li>1. NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc);</li> <li>2. any exchange registered with the Securities and Exchange Commission as a national stock</li> </ol>

exchange, including the New York Stock Exchange, NYSE Euronext and the stock exchanges of Chicago, NYSC Arca Equities and NASDAQ OMX PHILX;

3. the market in transferable securities issued by or on behalf of the Government of the United States of America conducted through persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealer;
4. the Over-the-Counter Market regulated by the National Association of Securities Dealers Inc.

### **Eligible Derivatives Markets**

Italy	Equities Derivatives Market (IDEM)
Japan	Tokyo Financial Exchange Inc
New Zealand	New Zealand Stock Exchange
Spain	BME, Spanish Exchanges
South Africa	South African Futures Exchange
UK	NYSE Euronext, London International Financial Futures and Options Exchange(LIFFE) and NASDAQ Nordic
United States of America	Chicago Board Options Exchange, CME Group, NASDAQ OMX Futures, New York Futures, New York Mercantile

## APPENDIX D

### Historical Performance

The comparisons are representative of the different share classes for the **Overstone Global Equity Income Fund** over a five year period. Where data is not available for a share class the table is marked 'N/A'. The performance table shows the total annual return 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.

#### **Overstone Global Equity Income Fund**

<b>Accumulation Class</b>	<b>Share</b>	<b>2018 (%)</b>	<b>2019 (%)</b>	<b>2020 (%)</b>	<b>2021 (%)</b>	<b>2022 (%)</b>
Class B Accumulation Shares		-3.98	21.25	-4.97	16.65	-12.87
Class C Accumulation Shares		-5.18	19.76	N/A	N/A	N/A
Class FI Accumulation Shares	GBP	N/A	16.63	-8.62	N/A	N/A
Class FJ Accumulation Shares	GBP	N/A	16.63	-8.62	N/A	N/A
Class I Accumulation Shares		-4.66	20.48	-5.58	15.90	-13.45
Class J Accumulation Shares		-4.63	20.47	-5.55	15.88	-13.47
Class J Hedged Accumulation Shares		-7.14	21.78	-9.79	18.17	-16.31
Class K Accumulation Shares*		-5.73	27.89	-10.47	23.06	-17.79
Class L Accumulation Shares**		-9.97	25.21	-2.50	14.73	-22.70
<b>Income Share Class</b>		<b>2018 (%)</b>	<b>2019 (%)</b>	<b>2020 (%)</b>	<b>2021 (%)</b>	<b>2022 (%)</b>
Class A Income Shares		-5.30	19.74	N/A	N/A	N/A
Class B Income Shares		-4.04	21.26	-4.85	16.61	-12.50
Class I Income Shares		-4.59	20.52	-5.52	15.90	-13.16
Class J Income Shares		-4.59	20.47	-5.50	15.85	-13.13

Class L Shares**	Income	-9.97	25.27	-2.43	14.75	-22.40
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*Source: These performance figures have been derived from information extracted from information provided through Morningstar*

Up to date performance data can be obtained from the ACD.

**\*Class K Shares are available in Euros. Any return may increase or decrease as a result of currency fluctuations.**

**\*\*Class L Shares are available in US dollars. Any return may increase or decrease as a result of currency fluctuations.**

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

## APPENDIX E

### Other Regulated Collective Investment Schemes that the ACD manages

#### Authorised Investment Companies with Variable Capital

Abaco Fund ICVC  
Arch House Fund  
Ariel Fund  
Bryth ICVC  
CP Investment Funds  
Destiny Fund ICVC  
Harroway Capital ICVC  
Hawarwatza Fund  
Libero Portfolio Fund  
Lime Grove Fund  
Meadowgate Funds  
Scarp Fund  
Skiwi Fund  
The Ambrose Fund  
The Astral Fund  
The Capital Link Growth Fund  
The Contact Fund  
The Diversification Fund ICVC  
The Dunnottar Fund  
The Global Multi Asset Fund  
The Gulland Fund  
The Hector Fund  
The Juniper Fund  
The Lockerley Fund  
The Mazener Fund  
The Motim Fund  
The Northern Funds  
The Oenoke Fund  
The Ord Fund ICVC  
The Penare Fund  
The Saint Martins Fund  
The Staderas Fund  
The Stratford Fund  
The Sun Portfolio Fund  
The TBL Fund  
The TM Lancewood Fund  
The TM Mitcham Fund  
The Vinings Fund  
The Wharton Fund  
Thesis JDS Fund  
TM Acer Fund  
TM Balanced Growth Fund  
TM Brown Advisory Funds  
TM Brunsdon OEIC  
TM Cerno Investment Funds  
TM Cresswell Fund  
TM CRUX Funds ICVC  
TM CRUX OEIC  
TM First Arrow Investment Funds  
TM Hearthstone ICVC  
TM Investment Exposures Fund  
TM Investment Funds

#### Authorised Unit Trusts

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

**Authorised Investment Companies with  
Variable Capital**

TM Lime Fund  
TM Neuberger Berman Investment Funds  
TM Oak Fund  
TM Optimal Funds  
TM P1 Investment Funds  
TM Redwheel Funds  
TM Ruffer Portfolio  
TM Stonehage Fleming Global Multi-Asset  
Umbrella Fund  
TM Stonehage Fleming Investments Funds  
TM Tellworth Investments Funds  
TM Total Return Fund  
TM UBS (UK) Fund  
TM Veritas Investment ICVC  
Trowbridge Investment Funds

**Authorised Unit Trusts**



## APPENDIX F

### List of Sub-Custodians

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

Jurisdiction	Sub-custodian	Sub-custodian Delegate
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	Not applicable
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	Not applicable
<b>Bahrain</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Bangladesh</b>	Standard Chartered Bank	Not applicable
<b>Belgium</b>	The Northern Trust Company	Not applicable
<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	Not applicable
<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	Not applicable
<b>CD's - USD</b>	Deutsche Bank AG, London Branch	Not applicable

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Sub-custodian Delegate</b>
<b>CD's - USD</b>	The Northern Trust Company, Canada	Not applicable
<b>Canada</b>	Royal Bank of Canada	Not applicable
<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China A Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>China A Share</b>	Bank of Communications Co., Ltd	Not applicable
<b>China A Share</b>	China Construction Bank Corporation	Not applicable
<b>China A Share</b>	Deutsche Bank (China) Co., Ltd, Shanghai Branch	Not applicable
<b>China A Share</b>	Industrial and Commercial Bank of China Limited	Not applicable
<b>China A Share</b>	Standard Chartered Bank (China) Limited	Not applicable
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>China B Share</b>	Citibank N.A., Hong Kong Branch	Not applicable
<b>Clearstream</b>	Clearstream Banking S.A.,	Not applicable
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	Not applicable
<b>Costa Rica</b>	Banco Nacional de Costa Rica	Not applicable
<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	Not applicable
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	Not applicable
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (publ)	Not applicable
<b>Egypt</b>	Citibank N.A., Cairo Branch	Not applicable
<b>Egypt</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Egypt SAE
<b>Estonia</b>	Swedbank AS	Not applicable
<b>Finland</b>	Skandinaviska Enskilda Banken AB (publ)	Not applicable
<b>France</b>	The Northern Trust Company	Not applicable
<b>Germany</b>	The Northern Trust Company	Not applicable
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	Not applicable
<b>Greece</b>	Citibank Europe PLC	Not applicable
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
<b>Hungary</b>	Citibank Europe plc	Not applicable
<b>Iceland</b>	Landsbankinn hf	Not applicable

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Sub-custodian Delegate</b>
<b>India</b>	Citibank N.A.	Not applicable
<b>India</b>	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
<b>Indonesia</b>	Standard Chartered Bank	Not applicable
<b>Ireland</b>	The Northern Trust Company, London	Not applicable
<b>Israel</b>	Citibank, N.A., Israel Branch	Not applicable
<b>Italy</b>	Citibank Europe plc	Not applicable
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
<b>Jordan</b>	Standard Chartered Bank	Not applicable
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	Not applicable
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	Not applicable
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	Not applicable
<b>Lithuania</b>	AB SEB bankas	Not applicable
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	Not applicable
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Sub-custodian Delegate</b>
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	Not applicable
<b>Morocco</b>	Société Générale Marocaine de Banques	Not applicable
<b>Namibia</b>	Standard Bank Namibia Ltd	Not applicable
<b>Netherlands</b>	The Northern Trust Company	Not applicable
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
<b>Nigeria</b>	Stanbic IBTC Bank Plc	Not applicable
<b>Norway</b>	Skandinaviska Enskilda Banken AB (publ)	Not applicable
<b>Oman</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank N.A., Karachi Branch	Not applicable
<b>Panama</b>	Citibank N.A., Panama Branch	Not applicable
<b>Peru</b>	Citibank del Peru S.A.	Not applicable
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
<b>Poland</b>	Bank Handlowy w Warszawie S.A.	Not applicable
<b>Portugal</b>	BNP Paribas SA	Not applicable

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Sub-custodian Delegate</b>
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	Not applicable
<b>Russia</b>	AO Citibank	Not applicable
<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	Not applicable
<b>Saudi Arabia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Saudi Arabia
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
<b>Slovakia</b>	Citibank Europe PLC	Not applicable
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	Not applicable
<b>South Africa</b>	The Standard Bank of South Africa Limited	Not applicable
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
<b>Spain</b>	Citibank Europe plc	Not applicable
<b>Sri Lanka</b>	Standard Chartered Bank	Not applicable
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (publ)	Not applicable
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	Not applicable

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Sub-custodian Delegate</b>
<b>Taiwan</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
<b>Taiwan</b>	Citibank Taiwan Limited	Not applicable
<b>Taiwan</b>	JPMorgan Chase Bank N.A.	Not applicable
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	Not applicable
<b>Tunisia</b>	Union Internationale de Banques	Not applicable
<b>Turkey</b>	Citibank A.S.	Not applicable
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	Not applicable
<b>Ukraine (Market Suspended)</b>	JSC "Citibank"	Not applicable
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates</b>	First Abu Dhabi Bank PJSC	Not applicable
<b>United Kingdom</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	Not applicable
<b>United States</b>	The Northern Trust Company	Not applicable

<b>Jurisdiction</b>	<b>Sub-custodian</b>	<b>Sub-custodian Delegate</b>
<b>Uruguay</b>	Banco Itau Uruguay S.A.	Not applicable
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>Vietnam</b>	Citibank N.A., Hanoi Branch	Not applicable
<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	Not applicable
<b>Zimbabwe</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Zambia Limited



## APPENDIX G

### Directory of Contact Details

<b>ACD</b>	<b>Thesis Unit Trust Management Limited</b> Exchange Building St John's Street, Chichester, PO19 1UP
<b>Administrator, Registrar and Fund Accountant</b>	<b>Northern Trust Global Services SE, UK branch</b> 50 Bank Street Canary Wharf, London E14 5NT
<b>Dealing Office</b>	<b>Thesis Unit Trust Management Limited</b> Sunderland SR43 4AZ  Tel: 0333 300 0375
<b>Auditors</b>	<b>PricewaterhouseCoopers LLP</b> Atria One 144 Morrison Street Edinburgh EH3 8EX
<b>Custodian</b> <i>Principal place of business:</i>  <i>Who may also act under this power through its London branch:</i>	<b>The Northern Trust Company</b> 50 South LaSalle Street, Chicago, Illinois, USA  50 Bank Street Canary Wharf, London E14 5NT
<b>Depository</b>	<b>NatWest Trustee and Depository Services Limited</b> House A, Floor 0 Gogarburn 175 Glasgow Road Edinburgh EH12 1QH
<b>Investment Manager</b>	<b>Oldfield Partners LLP</b> 11 Grosvenor Place, London SW1X 7HH <a href="http://www.oldfieldpartners.com">www.oldfieldpartners.com</a>
<b>Financial Conduct Authority (FCA)</b>	12 Endeavour Square London E20 1JN

## **APPENDIX H**

### **Disclosures in relation to the Dubai International Financial Centre**

The Overstone Fund, and its Funds, are established in the United Kingdom of Great Britain and Northern Ireland under the UK Financial Services and Markets Act 2000. The relevant regulator in the UK is the Financial Conduct Authority, which has authorised the Fund as a UK UCITS.

This Prospectus relates to a Fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA"). The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this Fund. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. The units to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the units.

**If you do not understand the contents of this document you should consult an authorised financial adviser.**