



PROSPECTUS

relating to

THE PALFREY FUND

This document is the Prospectus of The Palfrey Fund and is dated and valid as at 20 October 2022

This document replaces any previous Prospectuses issued by the Trust.

Prepared in accordance with the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND), which forms part of the FCA Handbook of Rules and Guidance, and complies with the requirements of COLL 4.2.5R and FUND 3.2.2R.

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

**Thesis Unit Trust Management Limited
Authorised and Regulated by the Financial Conduct Authority**

THE PALFREY 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 Manager of the Trust, Thesis Unit Trust Management Limited (the "Manager"), 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 Manager accepts responsibility accordingly.

The Trustee is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefor under the FCA Rules (meaning the rules contained in the Collective Investment Schemes Sourcebook and the Investment Funds Sourcebook as part of the FCA Handbook) or otherwise.

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

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

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

Obligations have been imposed on financial sector professionals to prevent the use of funds such as The Palfrey Fund for money-laundering purposes. Within this context a procedure for the identification of subscribers is required. That is, the application form of a subscriber must be accompanied, in the case of individuals, by a copy of a passport or identification card and/or in the case of legal entities, a copy of its statutes and an extract from its commercial register (in the case of a non-UK entity any such copy must be certified to be a true copy by one of the following authorities: ambassador, consulate, notary, local police). Any such information provided is collected for money-laundering compliance purposes only.

These specific requirements may be waived by the Manager where other suitable evidence is available which in its sole judgement allows the Manager to cover its obligations under money-laundering legislation.

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

This Prospectus and its contents are confidential and should not be distributed or published in any circumstances. No part of this Prospectus may, be reproduced, stored in a retrieval system or transmitted in any form or any means, electronic, mechanical, photocopying, recording or otherwise without the prior written permission of the Manager.

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Definitions

This is the Prospectus for The Palfrey Fund (the ‘Trust’). In this Prospectus the following words and expressions shall have the following meanings:

Act	the Financial Services and Markets Act 2000 as amended or replaced from time to time
AIF	an alternative investment fund
AIFM	an alternative investment fund manager
AIFMD	the Directive 2011/01/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) no. 1060/2009 and (EU) no. 1095/2010
AIFMD Level 2 regulation	as defined in the FCA Glossary
AIFMD UK regulation	the Alternative Investment Fund Managers Regulations 2013
Approved Bank	(in relation to a bank account opened on behalf of the Trust): <ul style="list-style-type: none">(a) if the account is opened at a branch in the United Kingdom:<ul style="list-style-type: none">(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:<ul style="list-style-type: none">(i) a bank in (a); or(ii) a bank which is regulated in the Isle of Man or the Channel Islands; or(c) a bank supervised by the South African Reserve Bank;

	(d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator;
	as such definition may be updated in the FCA Glossary
Business Day	any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in the United Kingdom which, for the purposes of dealing (paragraph 10) is a weekday on which the banks are open for business in London
CASS	the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook as amended or replaced from time to time
CCP	as defined in the FCA Glossary
COLL	the Collective Investment Schemes Sourcebook published by the FCA as part of their Handbook made under the Act as may be supplemented, amended or replaced, from time to time
Data Protection Laws	all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances: <ul style="list-style-type: none"> a) the UK GDPR; b) the Data Protection Act 2018; c) any laws which implement any such laws; and d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); and e) all 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)
Depository Agreement	the agreement between the Manager and the Trustee
EEA State	a member state of the European Union and any other state which is within the European Economic Area
Eligible Institution	one of the eligible institutions as defined in the FCA Glossary
EMIR	as defined in the FCA Glossary

ERISA Plan	means (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)
EUWA	as defined in the FCA Glossary
FCA	the Financial Conduct Authority or any successor regulatory body. The address for the FCA is set out in Schedule 7
FCA Glossary	the glossary to the FCA Handbook
FCA Handbook	the FCA’s Handbook of rules and guidance as amended from time to time
FCA Rules	the rules contained in COLL and in FUND but, for the avoidance of doubt, not including guidance or evidential requirements contained in either
Financial Instruments	as defined in the FCA Glossary
FUND	the Investment Funds Sourcebook published by the FCA as part of their Handbook made under the Act as may be supplemented, amended or replaced, from time to time
Fund Accountant	the person who provides fund accounting services, being Northern Trust Global Services SE (UK branch) and its successor or successors as fund accountant
Home State	as defined in the FCA Glossary
Manager	Thesis Unit Trust Management Limited, the manager of the Trust
Non-UCITS retail scheme	an authorised fund which is neither a UK UCITS nor a qualified investor scheme
OECD	the Organisation for Economic Cooperation and Development
Scheme Property	as defined in the FCA Glossary
Trust Deed	the deed constituting the Trust dated 9 September 2009 made between the Manager and the Trustee as may be amended, restated or supplemented from time to time by agreement between the

	Manager and Trustee
Trustee	NatWest Trustee and Depositary Services Limited or such other entity as is appointed to act as trustee
Register	the register of unitholders of the Trust
Regulated Market	as defined in the FCA Glossary
Rules	the FCA Rules and any other regulations that may be made under sections 247 and 248 of the Act and for the time being in force
UCITS	an Undertaking for Collective Investment in Transferable Securities. This will include a UCITS scheme or an EEA UCITS scheme, as defined in the FCA Glossary
UCITS Directive	the European Parliament and Council Directive of 13 July 2009 on the 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 AIFM	an AIFM established in the UK and with a Part 4A permission to carry on the regulated activity of managing an AIF
UK AIFM regime	the (a) UK AIFMD regulation, (b) AIFMD Level 2 regulation and (c) all other UK law and regulation (including FUND) which, when made, implemented AIFMD in the UK
UK GDPR	Regulation 2016/679 of the European Parliament and of the Council of 27 th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK's withdrawal from the European Union
UK UCITS	as defined in the FCA Glossary
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 Persons

a person as described in any of the following paragraphs:

1. with respect to any person, any individual or entity that would be a US Person under Regulation S of the 1933 Act. The Regulation S definition is set out below. Even if you are not considered a US Person under Regulation S, you can still be considered a "US Person" within the meaning of this Prospectus under Paragraphs 2, 3 and 4, below;
2. with respect to any person, any individual or entity that would be excluded from the definition of "Non-United States person" in Commodity Futures Trading Commission ("CFTC") Rule 4.7. The definition of "Non-United States person" is set out below;
3. with respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws; or
4. with respect to persons other than individuals, (i) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US persons have the authority to control all substantial decisions of the trust and (iii) an estate which is subject to US tax on its worldwide income from all sources;

Regulation S definition of US Person

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organised or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a US person;

- (iv) any trust of which any trustee is a US person;
 - (v) any agency or branch of a foreign entity located in the United States;
 - (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
 - (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
 - (viii) any partnership or corporation if:
 - (A) organised or incorporated under the laws of any non-US jurisdiction; and
 - (B) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts;
5. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person";
6. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a "US Person" if:
- (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with

- respect to the assets of the estate; and
- (ii) the estate is governed by non-US law;
7. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a "US Person" if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
8. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a "US Person";
9. Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
- (iii) the agency or branch operates for valid business reasons; and
- (iv) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
10. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

The Manager may amend the definition of "US Person" without notice to unitholders as necessary in order best to reflect then-current applicable US law and regulation. Contact your investment adviser for a list of persons or entities that are deemed to be "US Persons".

"Non-United States persons" definition

CFTC Rule 4.7 currently provides that the following persons are considered "Non-United States persons":

1. a natural person who is not a resident of the United States or an enclave of the US government, its agencies or instrumentalities;
2. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;
3. an estate or trust, the income of which is not subject to US income tax regardless of source;
4. an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that shares of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and

a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States

VAT	value added tax
1933 Act	the United States Securities Act of 1933 (as may be amended or re-enacted)
1940 Act	the United States Investment Company Act of 1940 (as may be amended or re-enacted)

Any words or expressions defined in the FCA Rules shall have the same meanings where used here.

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

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

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

Unless otherwise defined in the 'Definitions' paragraph above or elsewhere in this Prospectus, words or expressions defined in the FCA Rules shall have the same meanings where used in this Prospectus.

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

1. Introduction

This document constitutes the prospectus for the Trust and has been prepared in accordance with COLL.

The Trust is an authorised unit trust scheme constituted by the Trust Deed.

2. Constitution of the Trust

The Trust was established by the Trust Deed and is an authorised unit trust scheme for the purposes of the Act authorised by the Financial Services Authority with effect from 11 September 2009.

The Financial Services Authority was superseded by the Financial Conduct Authority and the Prudential Regulation Authority. The FCA product reference number of the Trust is 498577.

The Trust is a Non-UCITS retail scheme constituted as a unit trust scheme under the Trust Deed, for the purposes of the categorisations of COLL, and is marketable to all retail investors. The Trust is a UK AIF for the purposes of the UK AIFM regime and FUND.

Unitholders are not liable for the debts of the Trust.

The Trust issues both income and accumulation units.

The base currency of the Trust is pounds sterling.

Historical performance figures for the Trust are set out in Schedule 4.

The units of the Trust are not listed, or dealt on, any investment exchange.

The circumstances, and procedure for winding up the Trust, are set out under paragraph 18 below.

The investment objective and investment policy of the Trust are set out at paragraph 4 below. Limitations to the investment policy are set out at Schedule 1.

3. Management and Administration of the Trust

The Manager

The Manager of the Trust is Thesis Unit Trust Management Limited ("the Manager").

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

The Manager is a UK AIFM for the purpose of the UK AIFM regime and, for the purposes of COLL, is an authorised fund manager.

Registered office and Head Office :	Exchange Building St John's Street, Chichester, West Sussex PO19 1UP
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Issued and paid-up share capital:	£5,673,167
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Directors of the Manager are:

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

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

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

The Manager is authorised and regulated by the FCA whose address is set out in Schedule 6.

The Manager is the authorised fund manager of other regulated collective investment schemes. Details of these schemes (as at the date of this Prospectus) are set out in Schedule 5.

The Manager may delegate its management and administration of the Trust to third parties including associates subject to the rules in COLL. The Manager has delegated functions as set out in paragraphs 4 and 6 below.

The Manager will cover at all times the risks outlined below of loss or damage caused by any relevant person through the negligent performance of activities for which the Manager has legal responsibility by maintaining an amount of own funds, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the UK AIFM regime and the FCA Rules. In addition, the Manager holds significant professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the UK AIFM regime and the FCA Rules.

The risks which are specifically covered by this approach include, without being limited to, risks of:

- (a) loss of documents evidencing title of assets of the Trust;
- (b) misrepresentations or misleading statements made to the Trust or its investors;
- (c) acts, errors or omissions resulting in a breach of:
 - (i) legal and regulatory obligations;
 - (ii) duty of skill and care towards the Trust and its investors;
 - (iii) fiduciary duties;
 - (iv) obligations of confidentiality;
 - (v) the terms of the Trust Deed;
 - (vi) terms of appointment of the Manager by the Trust;
- (d) failure to establish, implement and maintain appropriate procedures to prevent dishonest, fraudulent or malicious acts;
- (e) improperly carried out valuation of assets or calculation of unit prices;
- (f) losses arising from business disruption, system failures, failure of transaction processing or process management.

The Trustee

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

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

The Trustee's registered office address is 250 Bishopsgate, London EC2M 4AA. The Trustee's head office address is 440 Strand, London WC2N 5LR. The address of its office which handles matters relating to the Trust is set out in Schedule 6.

The Trustee's principal activity is the provision of trustee and depositary services. The Trustee is established in the UK and is authorised and regulated by the Financial Conduct Authority to act as a depositary for a UK AIF or a UK UCITS.

Duties of the Trustee

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

Terms of Appointment

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

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

Under the Depositary Agreement the Trustee has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Trustee has delegated custody of the Scheme Property to The Northern Trust Company (the 'Custodian'). Contact details for the Custodian are set out in Appendix 7. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Trust may invest to various sub-delegates ("sub-custodians").

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

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

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

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

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

Details of the fees payable to the Trustee are set out in paragraph 22.

Conflicts of interest

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

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

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

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

The Investment Manager

The Manager is responsible for the overall investment policy and administration of the Trust. However, the Manager has delegated the investment management in respect of the Trust to Sarasin & Partners LLP ("the Investment Manager").

The principal activities of the Investment Manager are the provision of investment management services and investment advice. The Investment Manager is required to comply with its own execution policy. A copy of the Investment Manager's execution policy may be available on its website (listed in Schedule 7) or available on request from the Manager.

The Investment Manager is authorised and regulated by the FCA. The registered office of the Investment Manager is set out in Schedule 6.

The appointment of the Investment Manager has been made under an agreement between the Manager and the Investment Manager. Under the terms of the agreement the Investment Manager agrees to provide the Manager with investment management services in respect of the Trust. The Investment Manager has absolute discretion, as agent for the Manager, to manage, buy, sell, exchange or otherwise deal with investments in or for the account of the portfolio of the Trust and to arrange for cash to be placed on and taken off deposit for the Manager in respect of the portfolio of the Trust. However, the discretion of the Investment Manager is subject to the investment policies and limits contained in this Prospectus and the Trust Deed and to COLL as amended from time to time.

The agreement between the Manager and the Investment Manager may be terminated by either party on the occurrence of certain specified events. In addition the Manager may terminate the agreement with the Investment Manager with immediate effect if in the best interests of unitholders. The Investment Manager may only sub-delegate its functions with the prior consent of the Manager.

The agreement contains provisions to the following effect:

- (a) the Manager will indemnify the Investment Manager against certain losses incurred by the Investment Manager but, in the absence of fraud, the Manager's liability will be limited to the assets of the Trust available to meet such a claim;
- (b) the Investment Manager will be liable for certain losses suffered by the Manager or the Trust, subject, in the absence of fraud,;
- (c) the Investment Manager shall not be liable for non-performance of its obligations due to causes beyond its control; and

- (d) the agreement is governed by English law and the parties submit to the exclusive jurisdiction of the English courts.

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

- (a) By investing in the Trust through the means of electronic communications (as set out under paragraph 12), by telephone or by submitting an application form to the Administrator, the investor makes an offer to subscribe for units which, once it is accepted by the Manager, or the Administrator on its behalf, has the effect of a binding contract to subscribe for units.
- (b) The provisions of the scheme documents made between the Manager and the Trustee by way of which the Trust is constituted, as the same may be amended from time to time are binding on each of the unitholders (who are taken to have notice of them) as if that unitholder was a party to it with effect on and from the date that any person has become a unitholder.
- (c) The property of the Trust will be beneficially owned by the Trustee on behalf of the holders of units of the Trust and may not be used to discharge any liabilities of, or meet any claim against, any person other than the holders of units of the Trust.
- (d) The scheme documents and the application form are each made under and governed by and shall be construed in accordance with the laws of England and Wales. The Trust, the Manager and unitholders of the Trust will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of, or in connection with a unitholder's investment in the Trust, or any related matter.
- (e) The scheme documents may be amended by agreement between the Manager and the Trustee.
- (f) Absent a direct contractual relationship between a unitholder and the relevant service provider, unitholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a unitholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Trust by the relevant service provider is, prima facie, the Trust itself or the Manager acting on behalf of the Trust, as the case may be.
- (g) The Investment Manager may hold or trade in securities and instruments of the same type as the securities and instruments held or traded in by the funds and fund managers; they may also utilise the same or similar strategies as those adopted by the fund managers. The Investment Manager may therefore trade and compete with fund managers and funds on an arm's length basis. In addition, the Investment Manager may make investments in other funds managed or advised by

it.

- (h) The Investment Manager has discretion to enter into foreign exchange hedging transactions and borrowings on behalf of the Trust. The Investment Manager may appoint an affiliate of any existing service provider or any other third party to act as a counterparty in the execution of foreign exchange transactions in connection with the currency hedging activities of the Trust and/or to implement the currency hedging strategy.

The Auditors

The Auditors of the Trust are Grant Thornton (UK) LLP Chartered Accountants whose address is set out in Schedule 6.

The duties of the Auditors are to carry out an annual audit of the Trust and to issue a report including the following statements:

- (a) whether, in the Auditor's opinion, the accounts have been properly prepared in accordance with the relevant Statement of Recommended Practice, the rules in COLL, and the instrument constituting the scheme;
- (b) whether, in the Auditor's opinion, the accounts give a true and fair view of the net revenue and the net capital gains or losses on the Scheme Property of the Trust for the annual accounting period in question and the financial position of the Trust as at the end of that period;
- (c) whether the Auditor is of the opinion that proper accounting records for the Trust have not been kept or whether the accounts are not in agreement with those records;
- (d) whether the Auditor has been given all the information and explanations which, to the best of his knowledge and belief, are necessary for the purposes of this audit; and
- (e) whether the Auditor is of the opinion that the information given in the report of the Manager for that period is consistent with the accounts.

The Registrar, Administrator and Fund Accountant

The Manager is responsible for the Register for the Trust but has delegated its registrar functions to Northern Trust Global Services SE, UK branch ("the Registrar").

The Manager has delegated the function of Administrator and Fund Accountant to Northern Trust Global Services SE, UK branch ("the Administrator") under a contract between the parties.

The duties of the Registrar and Administrator include:

- (a) maintaining the Register;

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

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

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

The Register

The Register is kept at the Registrar's offices located at 50 Bank Street, London E14 5NT. Copies of the Register may be inspected by unitholders at this address during normal business hours.

The Register shall be conclusive evidence as to the persons respectively entitled to the units entered in the Register, except in the event of certain defaults by unitholders. No certificate or other document recording title to units will be issued to a holder of units in the Trust on or following the issue of those units.

Conflicts

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

- (a) the delegate and an investor in the Trust are members of the same group or have any other contractual relationship, if the investor controls the delegate or has the ability to influence its actions (in such cases the likelihood of conflict is likely to increase the greater the extent of such control);
- (b) the delegate makes a financial gain, or avoids a financial loss, at the expense of the Trust or the investors in the Trust;
- (c) the delegate has an interest in the outcome of a service or an activity provided to the Manager or the Trust;
- (d) the delegate has a financial or other incentive to favour the interest of another client over the interests of the Trust or the investors in the Trust;

- (e) the delegate receives or will receive from a person other than the Manager an inducement in relation to the collective portfolio management activities provided to the Manager and the Trust in the form of monies, goods or services other than the standard commission or fee for that service.

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

4. Investment Objective and Policy of the Trust

The investment objective of the Trust is to aim to achieve a balance between providing a consistent flow of income whilst at least maintaining the long term real (after inflation) value of the assets. The Trust aims to achieve a return of CPI +3% over a rolling 5 year period.

Investors should be aware that the investors' capital is in fact at risk and there is no guarantee that consistent returns will be achieved, whether over rolling five year periods, or any time period.

In seeking to achieve the investment objective the Trust will invest in both fixed interest investments (to provide a high fixed income return) principally government and corporate bonds and assets which have the potential to provide both income and capital growth, principally equities in the UK and globally. **The Trust may invest up to 100% of the Trust property in collective investment schemes managed by the Investment Manager or by its associate.**

The Trust may also invest in other transferable securities, money market instruments, units in collective investment schemes, derivatives and forward transactions, deposits and gold subject to the limits set out in Schedule 1. **Investments in derivatives and forward transactions will be carried out for efficient portfolio management reasons only.**

Performance Target

The Trust's performance is measured against the Index. The Index has been selected as a performance target because the constituents are representative of the assets in which the Fund itself is likely to invest. The Index is therefore an appropriate target for the Fund.

The Manager reserves the right to change the benchmark following consultation with the Trustee and in accordance with the rules of COLL. A change could arise, for example, where the Manager determines that an alternative may be more appropriate. Unitholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half yearly reports.

5. Investment Limits for the Trust

The investment and borrowing limits of the Trust are those prescribed by COLL for a Non-UCITS retail scheme (save that the Trust is not permitted to invest in immovables). A summary of the investment limits are contained in Schedule 1 (the "investment and borrowing powers").

The investment policy of the Manager may mean that at times, where it is considered appropriate, the property of the Trust may not be fully invested and that a prudent level of liquidity will be maintained.

6. Profile of a Typical Investor

The Trust is suitable for any investor type, including those who are not interested in or informed about capital market topics, but who see investment funds as a convenient "savings" product.

It is also suitable for more experienced investors wishing to have access to a diversified portfolio of assets. The investor must be able to accept high losses, thus the Trust is suitable for investors who can afford to set aside capital for at least five to ten years. The investor must be able to accept capital and income risk and high losses.

7. Risk Warnings

Investors should always bear in mind that the price of units in the Trust and the income from them can go down as well as up.

Past performance is not a reliable indicator of future performance. Investors may not get back the amount originally invested.

It cannot be guaranteed that the Manager will achieve the objectives set out for the Trust. Investors are reminded that there is no certainty that the investment objective of the Trust will actually be achieved and no warranty or representation is given to this effect.

An investment in the Trust should be regarded as a long term investment. Investment in emerging markets can be subject to risks not normally associated with developed markets. These risks may include instability of the economies of emerging markets, political uncertainties, illiquidity of the market, dealing difficulties, settlement and custody practices. The accounting and financial reporting standards, practices and disclosure requirements in some of the countries in which investments may be made may differ from those experienced in more developed markets. Similarly, reliability of the trading and settlement systems in such markets and the liquidity of these markets may not be equal to those available in more developed markets and this could lead to delays in settlement or affect the price at which investments could be realised.

The Trust may invest in collective investment schemes which invest in equities. Investors should appreciate that there are risks in equity investments. For example, stock market prices, currencies and interest rates can move irrationally and can be affected unpredictably by diverse factors, including political and economic events.

Investors should also be aware that some of the collective investment schemes in which the Trust may invest will carry greater risks in return for higher potential rewards. Specialist funds, which invest in specialist markets or small sectors of industry, are likely to carry higher risks than most general funds.

Some of the collective investment schemes in which the Trust may invest may use derivatives for the purposes of meeting its investment objective.

The Manager will only enter into derivative and forward transactions for the purposes of hedging only. The Manager does not envisage entering into hedging transactions to a material extent. The use of derivatives in this way is intended to reduce the risk profile of the Trust.

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 Trust and the value of distributions paid to investors.

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

8. Characteristics of Income units and Accumulation units

The Trust is an authorised unit trust scheme constituted by the Trust Deed. The Trust Deed allows for a number of types of unit to be issued for the Trust. The capital value of each class of units reflects the value of the Trust and will rise and fall as the value of the assets held by the fund ("the Scheme Property") rises or falls. Subject to the Trust Deed and the provisions of COLL the Manager may create new classes of unit in respect of the Trust.

As the Trust is an authorised unit trust scheme, the nature of the right represented by units is that of a beneficial interest under a trust.

The Trust Deed constituting the Trust permits both income units and accumulation units to be issued.

An income unit entitles the unitholder at each income allocation date to payment of the net income earned and attributable to that unit. An income unit always represents one undivided share of the property of the relevant Trust.

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

9. Unit Prices, Valuations and Dilution

Units in the Trust will be priced on a single price basis as described below:

Valuation

For the purposes of single pricing, the prices of units in the Trust are computed, and the property of the Trust is valued, in accordance with the provisions contained in Chapter 6.3 of COLL and Schedule 3 at the end of this Prospectus, which establish at each Valuation Point a single price at which units can be issued or redeemed.

The Manager has the right to make an additional adjustment or charge to compensate for dilution where on any dealing day use of the single price would materially disadvantage existing unitholders. Unitholders would be materially disadvantaged where there is a material dilution in the value of the property of the Trust as a result of the costs incurred in dealing in underlying investments and of any spread between the buying and selling prices of such investments. The amount to compensate for dilution as determined by the Manager would be an addition to the price of the units on their issue or sale or alternatively a deduction on their cancellation or redemption. This reserve power of the Manager will normally only be exercised if the net value of purchases and sales of units, on any dealing day, exceeds 10 % of the deposited property of the Trust and also in the case of a "Large Deal" (as defined below).

Dilution

To date, the Manager has never made an additional adjustment or charge to compensate for dilution, and it is not possible to predict accurately whether dilution would occur at any point in time. The most likely event which would require a dilution adjustment would be either a substantial investment or a substantial withdrawal, into or out of the Trust on a particular dealing day. It is estimated that any dilution adjustment would be in the region of 1 (one) % of the calculated single price for the Trust.

Pricing

For the purposes of determining the prices at which units may be created or cancelled by the Trustee or purchased from or redeemed by the Manager, the Manager will carry out a valuation of the property of the Trust on each Business Day at 12 noon on that Business Day ("the Valuation Point"). The valuations will be based on closing prices which can most reasonably be obtained after the Valuation Point. The Manager must advise the Trustee if there is to be an additional Valuation Point, but the Manager may carry out additional valuations, without creating a Valuation Point, if it considers it appropriate to do so. The base currency of the Trust is sterling. The prices calculated as at the Valuation Points will be the prices notified to the Trustee for creation, cancellation, issue and redemption of units and deals placed will be dealt at the next available price calculated by reference to the valuation taken at the next Valuation Point for the Trust.

Publication of Prices

The most recent prices will appear daily on the Trustnet website at www.trustnet.com and can also be obtained by telephone on 01483 783 900.

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

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

10. Buying and Selling of units

Dealing

The Manager will be available to receive requests for the buying or selling of units between 9.30a.m. and 5.00p.m. on every Business Day by completing an application form and returning it to Thesis Unit Trust Management at the dealing office of the Administrator. Application forms are available on request from the Manager.

Orders in writing or by obtaining an application form by telephoning the Manager's Customer Enquiry Line on 0333 300 0375 will be accepted for the purchase or sale of units of the Trust. Investors can buy units through the means of electronic communications (as set out in paragraph 12 below).

The Manager will deal with any requests for the buying or selling of units by reference to the Valuation Point next following receipt of such instructions.

In specie consideration for issue of units

The Manager may accept permitted assets other than cash in exchange for units as provided in COLL. In particular the Manager and Trustee will only do so where satisfied that the acquisition of those assets by the Trust in exchange for the units concerned is not likely to result in any material prejudice to the interests of unitholders or potential unitholders.

The Manager will ensure that the beneficial interest in the assets is transferred to the Trust with effect from the issue of the Units. The Trustee/Manager will not issue units in the Trust in exchange for assets the holding of which would be inconsistent with the investment objective of the Trust. Details of investments offered for exchange should be sent to the Manager.

Issue of units

Orders for the issue of units will be processed on a forward price basis at a single price calculated by reference to the Valuation Point next following the Manager's agreement to sell, or as the case may be, to redeem the units in question.

A contract note will be despatched by close of business on the Business Day following execution of the transaction showing the issue price of the units, the number of units issued and stating the aggregate consideration rounded up or down to the nearest penny. If payment has not already been made this will be due to the Manager within three days of the date of the contract.

Following the purchase of units in the Trust no unit certificate or other document recording title to units will be issued to the holder of those units (see under "The Registrar" above).

The Manager reserves the right to reject any application for units in whole or in part, in which case the application monies or any balance will be returned by post at the risk of the applicant.

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

Redemption of units

Orders for the redemption of units will be processed on a forward price basis at a single price. On or following the giving of instructions for the redemption of units in the Trust, a form of renunciation will be issued by the Manager, to be completed, signed, and returned to the Manager. Units will be repurchased at a single price established by the next Valuation Point following receipt of the written instructions to redeem.

A repurchase contract note will be issued by close of business on the Business Day following the execution of the transaction and the Manager will pay the redemption price (less if the proceeds are to be remitted abroad, the cost of such remittance) not later than the close of business on the fourth Business Day following the later of the following times:

- (i) the next Valuation Point occurring after the receipt by the Manager of the request to redeem the units; and
- (ii) the time when the Manager has received all duly executed instruments and authorisations as effect (or enable the Manager to effect) transfer of title to the units;

The Manager will not be required to pay the redemption price in respect of any units which it has agreed to redeem until such time as it has received cleared funds relating to the purchase of those units.

In specie redemption

Where a unitholder requests redemption of a holding of not less than 5 % of the value of the property of the Trust, the Manager may, on giving written notice not later than the close of business on the second Business Day following the day on which the request is received, elect that the unitholder should accept a transfer of property of the Trust instead of the redemption price of the units. However, the unitholder may, on receipt of such notice, serve notice on the Manager, not later than the close of business on the fourth Business Day following receipt of the notice from the Manager, requiring the Manager, instead of arranging for a transfer of the property, to arrange for a sale of the property and for the net proceeds of that sale to be remitted to the unitholder. For the avoidance of doubt, nothing in this paragraph shall enable units to be redeemed at a time when redemption is suspended.

Minimum investment

The minimum initial investment and minimum value of a holding of units in the Trust is currently £50,000. Subsequent investments and withdrawals may be made in amounts of £50,000. These limits may be varied at the discretion of the Manager.

Large Deal

The total consideration payable under a deal in units of the Trust which is a large deal within the meaning of COLL (or purposes other than Stamp Duty Reserve Tax) is an amount exceeding £250,000.

Dealings by the Manager, the Trustee and the Investment Manager

COLL contains provisions governing any transaction concerning the Trust which is carried out by or with the Manager, the Trustee, the Investment Manager or any of their respective associates ("Affected Person"). Those provisions enable an Affected Person to, inter alia, sell or deal in the sale of property to the Trustee for the account of the Trust, vest property in the Trustee against the issue of units in the Trust, purchase property from the Trustee acting for the account of the Trust or provide services for the Trust.

Any such transaction with or for the Trust is subject to, according to the circumstances applicable to such transaction, the best execution, independent valuation or arm's length transaction requirements set out in COLL. Any services provided for the Trust must comply with the arm's length transaction requirements.

Restrictions and Compulsory Transfer and Redemption

The Manager may, from time to time, impose such restrictions as it deems to be necessary for the purpose of ensuring that no units in the Trust are acquired or held by any person or party in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection, the Manager may, at its discretion, reject any application for the purchase, sale or exchange of units.

If the Manager believes that any units in the Trust are owned directly or beneficially in circumstances which may (or may if other units are acquired or held in like circumstances) result in the Trust incurring any liability to taxation (which it would not otherwise incur) or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulations of any country or territory) it may give notice to the unitholder of such units, requiring him to transfer them to a person or party who is qualified or entitled to own them, or to request the redemption of the units by the Trust.

If any person or party upon whom such a notice is served does not, within 30 days following the date of such notice, transfer his affected units or establish to the satisfaction of the Manager (whose decision on the matter is final and binding) that he or the beneficial owner is qualified and entitled to hold and/or own them, he shall be deemed upon the expiration of that 30-day period to have given a request in writing for the redemption or cancellation of all of the relevant units pursuant to COLL.

Profit and Loss of the Manager

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

11. Suspension of Redemption and Issue of units

The Manager may, with the prior agreement of the Trustee or if so required by the Trustee, temporarily suspend the issue, cancellation, sale and redemption of units of the Trust at any time if the Manager, or the Trustee (in the case of any requirement by the Trustee,) is of the opinion that, due to exceptional circumstances, it is in the interests of the existing or potential unitholders of the Trust.

On suspension the Manager, or the Trustee if it has required the Manager to suspend dealing, must immediately inform the FCA stating the reasons for its actions and, as soon as practicable, give written confirmation of the suspension, and the reason for it, to the FCA.

The Manager and the Trustee must formally review the suspension at least every 28 days and will inform the FCA of the results of this review.

The Manager and/or the Trustee shall (if the Trustee has required the suspension) notify the unitholders of the suspension as soon as possible after the commencement of the suspension. Notification of the suspension to unitholders must be clear, fair and not misleading and unitholders' attention must be drawn to the exceptional circumstances resulting in the suspension. Unitholders will be kept informed in writing of updates on the suspension and the suspension must cease as soon as practicable after the exceptional circumstances have ceased.

The Manager and the Trustee (in the case of requirement by the Trustee) will ensure that the suspension will only continue for as long as it is justified having regard to the unitholders interests.

The Manager must inform the FCA of the proposed re-start of dealing and, immediately after the re-start, must confirm in writing to the FCA. The Manager may agree, during the suspension, to deal in units 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 the re-start of dealing.

If the issue, cancellation, sale and redemption of units of the Trust are suspended, the Trustee shall not create or cancel units of the Trust and the Manager shall not buy or sell units of the Trust as agent for the Trustee. Following the lifting of any such suspension the Scheme Property will be valued at the next Valuation Point. The Manager may agree during the period of any such suspension, to sell or to redeem units or may arrange for the Trust to issue or cancel units at a price to be calculated by reference to the first Valuation Point after resumption of dealings in units.

12. Electronic Communications

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

- (a) prior agreement between the Manager and the person making the communication as to:
 - (i) the electronic media by which such communications may be delivered; and

- (ii) how such communications will be identified as conveying the necessary authority; and
- (b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the unitholder.

13. Reporting, Distribution and Accounting Dates of the Trust

The annual accounting periods and the interim accounting period of the Trust end each year on the accounting reference dates specified in the following timetable:

Annual Accounting Reference Date:	31 December
Interim Accounting Reference Date:	30 June
Annual Income Allocation Date:	30 April
Interim Income Allocation Date:	31 October

The Manager will prepare, within four months after the end of the annual accounting period and two months after the end of each half-yearly accounting period, the long reports in accordance with COLL.

Copies of the long reports will also be available (free of charge) to unitholders on request.

Income Distribution

The income of the Trust which is distributed to unitholders in respect of each accounting reference period is determined by taking the aggregate income received or receivable by the Trust in respect of that period and deducting all charges and expenses properly payable out of income and making appropriate adjustments for taxation.

The Trust is required to distribute all its distributable income on an annual basis. Income is distributed on or before the interim and annual allocation dates. Income earned in an interim accounting reference period can be carried forward for distribution as part of the later/final distribution for the year to ensure that distributions paid throughout the year are broadly similar.

At any time while the Trust has in existence both accumulation units and income units, the Trustee shall allocate the amount available for allocation of income between the accumulation units and the income units according to the respective units in the property of the Trust represented by the accumulation units and the income units in existence at the end of the relevant annual accounting period or interim accounting period.

The amount allocated to accumulation units in the Trust (whether as a result of the Trust having in existence both accumulation units and income units or because all the units in the Trust are accumulation units) shall, with effect from the end of the relevant annual accounting period or interim accounting period (as appropriate), become part of the capital property of the Trust and the interests of the holders of such accumulation units in that amount will be satisfied by an increase, as at the end of the period, in the number of undivided units in the capital property of the Trust which an accumulation unit represents. The increase in undivided units in accordance with this paragraph shall be of such number (which may be a fraction but must be calculated to at least four significant figures) as will ensure that the price of an accumulation unit remains unchanged notwithstanding the transfer of the income to the capital property or the relevant part of it.

Where the units of the Trust are or include income units, the Trustee shall, on or before the relevant annual income allocation date or interim income allocation date, distribute the income allocated to the units of the Trust among the holders of income units and the Manager rateably in accordance with the number of income units held or deemed to be held by them respectively at the end of the relevant annual accounting period or interim accounting period (as appropriate). The Trustee will deduct from the income available for allocation in respect of an annual accounting period the amount of the distribution paid on or before the immediately preceding interim allocation date of the Trust.

Any monies payable by the Trustee to a holder of income units may be paid by crossed cheque or warrant made payable to the order of and sent through the post to the registered address of such holder (or, in the case of joint holders, made payable to and sent to the registered address of that one of the joint holders who is first-named in the Register) at the risk of such holder(s). Every such cheque or warrant so addressed and sent shall be a good discharge to the Manager and the Trustee.

Any distribution payment which shall remain unclaimed after a period of six years from the date of payment shall then be transferred to and become part of the capital property of the Trust and, thereafter, neither the payee nor the unitholder nor any successor in title of the unitholder shall have any right to such payment except as part of the capital property of the Trust.

On or before any income allocation date (whether annual or interim) the Manager shall send to each unitholder (or to the first-named of joint unitholders) entitled to be entered in the Register as at the end of the accounting period in question a statement prepared by the Manager showing the calculation of the amount of income allocated in respect of the period to which he is entitled, whether or not the income is distributed to him or allocated to accumulation units, and, where applicable, a statement of how much of the amount to which he is entitled represents Income Equalisation (hereinafter defined) and, where applicable, a certificate for the applicable tax credit.

14. Income Equalisation

In the case of the first allocation of income (whether annual or interim) to which a unitholder is entitled following the issue of units, the allocation will (as permitted by the trust deed constituting the Trust) include a capital sum ("Income Equalisation") representing the best estimate of the Manager of the amount of income included in the single price by reference to which the initial price of those units was determined, provided that the amount of Income Equalisation may be an amount arrived at by taking the aggregate of the amounts of income included in the single price in respect of units of the type in question issued or re-issued during the accounting period in question and dividing that aggregate by the number of those units and applying the resultant average to each of the units in question. The periods for grouping are consecutive periods within each annual accounting period, being the interim accounting period and the period from the last interim accounting period in an annual accounting period to the end of the annual accounting period.

15. Taxation

The following summary is based on current UK law and HM Revenue & Customs practice which are subject to change. It should not be treated as legal or tax advice. It is intended to offer guidance to persons (other than dealers in securities) on the UK taxation of Authorised Unit Trusts ("AUT"). However, it should neither be regarded as definitive nor as removing the desirability of taking separate professional advice. If investors are in any doubt as to their taxation position, or if they may be subject to tax in a jurisdiction other than the UK, they should consult their independent professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

Taxation of the Trust

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

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

(A) Income

The Trust is treated as a company for UK tax purposes and is liable to corporation tax on most sources of its income after relief for management expenses (which include fees payable to the Manager and to the Trustee) at the basic rate of income tax, currently 20%.

If the Trust 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 interest distributions.

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

(B) Chargeable gains

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

(C) Stamp Duty Reserve Tax

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

Generally, no SDRT charge arises on the issue of units in an AUT. However, sometimes SDRT can arise for example where there is an in specie contribution of chargeable securities or where the investor surrenders the units in exchange for chargeable securities (although there are exceptions). Investors should consult their independent professional adviser for more information if they are in any doubt as to whether this affects them.

Taxation of the unitholders

(A) Income

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

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

Where more than 60% of the Trust is invested in "qualifying investments" (broadly speaking interest paying investments) at all times throughout the distribution period, the distributions made by the Trust will be interest distributions. Where this is not the case, distributions made by the Trust will be a dividend distribution.

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

(B) Interest distributions

UK resident individuals

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

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

Basic rate taxpayers are entitled to a personal savings allowance of £1,000. Higher rate taxpayers are entitled to a reduced personal savings allowance of £500 and additional rate taxpayers to no allowance.

Basic rate, higher rate and additional rate taxpayers are liable to 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 of 20%, the higher rate of 40% or the additional rate of 45% (as applicable).

UK corporate unitholders

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

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

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

(C) Dividend distributions

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

UK resident individuals

During the 2022/23 tax year, dividend distributions are taxed at the following rates:

- 0% for the first £2,000;
- 8.75% for dividends falling within the basic rate band;
- 33.75% for dividends falling within the higher rate band; and
- 39.35% for dividends falling within the additional rate band.

These rates may be subject to change in future tax years.

UK corporate unitholders

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

(D) Chargeable gains

UK resident individuals

Unitholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including a redemption, of units in the Trust. Gains will be tax-free if after deduction of allowable losses they fall within an individual's annual capital gains exemption. For the tax year 2022/23, the annual exemption is £12,300.

Gains in excess of the annual exemption amount are taxed at 10% 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 (£37,700 for 2022/23) and at 20% to the extent that they exceed that limit.

UK corporate unitholders

UK corporate unitholders (whose units are not treated as creditor loan relationships) will be charged to corporation tax on any gains realised after the deduction of allowable losses (if any). The indexation figure that UK corporate unitholders can deduct will cover only the movement in the Retail Price Index from the date of acquisition of the asset up to 31 December 2017.

The above statements are only intended as a general summary of UK tax law and practice as at the date of this Prospectus (which may change in the future) applicable to individual and corporate investors who are resident for tax purposes only in the UK, and who are the absolute beneficial owners of a holding in the Trust. Each investor's tax treatment will depend upon the particular circumstances of each investor. In particular, the summary may not apply to certain classes of investors (such as dealers in securities and persons who acquired their shares by reason of employment). Any investor who is in any doubt as to his or her UK tax position in relation to the holding of units in the Trust should consult his or her UK independent professional adviser.

US Taxation Issues/FATCA Tax Reporting

The information which follows is intended as a general guide only and represents the Manager's understanding of certain US taxation issues. It is provided for information purposes only and should not be relied on. Unitholders and prospective unitholders are recommended to seek their own professional advice.

The provisions of the Foreign Account Tax Compliance Act (FATCA) were enacted on 18 March 2010 as part of the Hiring Incentive to Restore Employment Act. FATCA includes provisions under which the Manager as a Foreign Financial Institution (FFI) may be required to report directly to the US Internal Revenue Service (IRS) certain information about units in the Trust held by US Persons for the purposes of FATCA or other foreign entities subject to FATCA and to collect additional identification information for this purpose. Financial institutions that do not enter into an agreement with the IRS and comply with the FATCA regime could be subject to 30% withholding tax on any payment of US source income as well as on the gross proceeds deriving from the sale of securities generating US income made to a unit trust.

The Manager is obliged to comply with the provisions of FATCA under the terms of the inter-governmental agreement (IGA) Model I and under the terms of United Kingdom legislation implementing the IGA rather than under the US Treasury Regulations implementing FATCA. The Manager has registered with the IRS as the sponsoring entity for the Trust to report certain information to HMRC.

In order to comply with its FATCA obligations, the Manager may be required to obtain certain information from unitholders so as to ascertain their US tax status. If the unitholder is a specified US Person, US owned non-US entity, non-participating FFI or does not provide the requisite documentation, the Manager will need to report information on these unitholders to HMRC, in accordance with applicable laws and regulations, which will in turn report this to the US Internal Revenue Service. Provided that the Manager acts in accordance with these provisions the Trust will not be subject to withholding tax under FATCA.

Unitholders, and intermediaries acting for unitholders, should note that it is the existing policy of the Manager that units in the Trust are not being offered or sold for the account of US Persons for the purposes of FATCA and that subsequent transfers of units to such US Persons are prohibited. If units in the Trust are beneficially owned by any such US

Person, the Manager may in its discretion compulsorily redeem such units. Unitholders should moreover note that under the FATCA legislation, the definition of “Specified US Persons” will include a wider range of investors than the current US Person definition.

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

Income equalisation – tax implications

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

UK information reporting regime

Unit trusts are required to report details of interest distributions paid to UK, and many non-UK investors. Dividend distributions and payments made to ISA investors are not within the scope of these rules but see the paragraphs dealing with the “Automatic Exchange of Information” below.

There are also requirements to report cross-border arrangements to the tax authority if certain requirements are met under the International Tax Enforcement (Disclosable Arrangements) Regulations 2020 (as amended from time to time). Investors should consult their independent professional adviser for more information as the obligation to report can in some cases be with the taxpayer.

Tax Elected Fund (“TEF”) regime

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

Automatic Exchange of Information

Following the repeal of the EU Savings Directive a new automatic exchange of information regime has been implemented under Council Directive 2011/16/EU on administrative co-operation in the field of taxation, as amended by Council Directive 2014/107/EU (“Directive on Administrative Co-operation”). The Directive on Administrative Co-operation, which effectively implements the Organisation for Economic Co-operation and Development’s common reporting standard on automatic exchange of financial account information in tax matters, requires governments to obtain detailed account information from financial institutions and exchange that information

automatically with other jurisdictions annually. The Directive on Administrative Co-operation is, generally, broader in scope than the EU Savings Directive. The UK legislation that implements the Directive is the International Tax Compliance Regulations 2015 and the Regulations are likely to apply to the Trust regardless of the composition or asset class of its investments and whether or not the Trust is a UCITS.

The Manager is responsible for identifying the territory in which an accountholder or a controlling person is resident for income tax or corporation tax purposes (or similar tax), applying due diligence procedures, keeping information for either: five years starting from the end of the last year in which the account was included in a return submitted to HM Revenue & Customs pursuant to the requirements of the International Tax Compliance Regulations 2015 (as amended from time to time) for a reportable account; or for an account that is not a reportable account five years starting from the end of the last year in which the account was treated as not being a reportable account based on due diligence procedures. Such tasks have been delegated to the Administrator.

If a unitholder does not provide the requisite information for tax reporting purposes, the Manager may deduct the amount of any penalty imposed on it from the unitholder's account.

16. Individual Savings Accounts and Self-invested Personal Pension Schemes

The Trust is a qualifying unit trust for the purposes of Individual Savings Accounts. The Trust may also be included in certain Self-invested Personal Pension schemes.

17. Charges and Expenses

Manager's Charges

Preliminary Charge

Under the terms of the Trust Deed constituting the Trust, the Manager is authorised to receive a preliminary charge based on the issue price of the units (plus value added tax, if any). The preliminary charge may not be paid out of the property of the Trust. The rate of the preliminary charge is five % (though this may be waived wholly or partially at the Manager's discretion).

Periodic Charge

The Manager is entitled under the Trust Deed constituting the Trust to make a periodic management charge (plus value added tax, if any), of the value of the property of the Trust calculated in accordance with Section 6.7 of COLL ("Periodic Management Charge").

As at the date of this Prospectus, the Manager makes a periodic management charge at the rate of 0.6 % per annum (plus value added tax, if any) in respect of the Trust. The Manager reserves the right to review this level.

The periodic management charge shall accrue in respect of the "accrual intervals", each of which shall have a duration of one calendar month and shall commence on the first of each month. Each accrual of the periodic management charge shall be deducted in arrears at the end of the relevant accrual interval out of the property of the Trust.

Any increase in the preliminary charge, the Manager's charge or the Registrar's fees may, if deemed a significant change for the purpose of COLL be made subject to the Manager giving at least 60 days written notice to the unitholders of the Trust and the Trustee and making available, for at least 60 days and this Prospectus amended to reflect the proposed increase. If the change is deemed fundamental as defined in COLL, unitholder approval of the change will be required.

The Manager may rebate all or part of the above charges to recognised intermediaries.

Allocation of payments

As indicated under "Risk Warnings" above, **the Manager and the Trustee have agreed that all of the periodic management charge payable in respect of the Trust is to be treated as a capital charge and, therefore, debited to the capital property of the Trust. Please note that this may result in capital erosion or constrain capital growth.**

Investment Manager's fee

The Manager is responsible for payment of the fees of the Investment Manager and those of any sub-advisers. Research costs will be paid for by the Investment Manager out of this fee and shall not be borne by the Trust.

Redemption Charge

Pursuant to the Trust Deed the Manager is not authorised to make a redemption charge and cannot introduce a charge, or change the rate, or method of calculation of a current redemption charge, unless advance written notice is given to investors.

Trustee's Charges

Periodic fee

The Trustee is paid a monthly periodic fee (plus VAT) in remuneration for its services from the property of the Trust. The Trustee's fee is calculated, on the value of the property of the Trust determined in accordance with the Trust Deed and COLL, and payable out of the property of the Trust in accordance with COLL. For this purpose, the value of the Trust is inclusive of the issues and cancellations which take effect as at the relevant Valuation Point. The Trustee's fee shall accrue daily, and shall be calculated by reference to the value of the property of the Trust for successive periods commencing on each Valuation Point and ending immediately before the next Valuation Point in each month. The Trustee's fee is payable on, or as soon as is practicable after, the end of the month in which it accrued.

The rate of the periodic fee is agreed between the Manager and the Trustee and is calculated on a sliding scale for the Trust on the following basis:

0.0275% p.a.	on the first £50 million value of the property of the Trust;
0.025% p.a.	on the next £50 million value of the property of the Trust;
0.02% p.a.	on the next £100 million in value of the property of the Trust;
0.015% p.a.	on the value thereafter

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

These rates can be varied from time to time in accordance with the rules and regulations of the FCA.

The first accrual in relation to the Trust will take place in respect of the period beginning on the day on which the first valuation of the Trust is made and ending on the last Business Day of the month in which that day falls.

Transaction, derivative and custody charges

In addition to the periodic fee referred to above, the Trustee shall also be entitled to be paid transaction, derivative and custody charges in relation to transaction and derivative transaction handling and safekeeping of the Trust property as follows:

<u>Item</u>	<u>Range/Fees</u>
Transaction Charges	£7.50 to £100
Derivative Transaction Charges	£20 (if applicable)
Custody Charges	0.0025% to 0.4% subject to a minimum aggregate custody charge of £7,500 per annum

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Trustee and the Manager. Custody charges accrue and are payable as agreed from time to time by the Manager and the Trustee.

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

accordance with the provisions of the rules and regulations of the FCA.

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

On a winding up of the Trust the Trustee will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

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

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

Allocation of payments

As indicated under "Risk Warnings" above, **the Trustee's monthly periodic fee, any transaction, custodian and any other fees due to the Trustee in accordance with this Prospectus are to be treated as capital charges and, therefore, debited to the capital property of the Trust. Please note that this may result in capital erosion or constrain capital growth.**

Payments Out of the Scheme Property

In addition to the Manager's Periodic Management Charge and the Trustee's Charges (plus, in each case, value added tax (if any)), the following expenses may be paid out of the property of the Trust:

- i. broker's commission (excluding costs for research), fiscal charges and other disbursements which are:
 - a. necessary to be incurred in effecting transactions for the Trust; and
 - b. normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- ii. stamp duty, stamp duty reserve tax, other taxes, brokerage fees, governmental fees or charges and other expenses incurred in the acquiring or disposing of investments whether in the UK or elsewhere;
- iii. interest on permitted borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;

- iv. taxation and duties payable in respect of the property of the Trust, the relevant trust deed or the issue of units of that trust, and any stamp duty reserve tax charged in accordance with Schedule 19 of the Finance Act 1999 (or any statutory modification or re-enactment thereof);
- v. any costs incurred in modifying the Trust Deed, including costs incurred in respect of meetings of unitholders convened for purposes which include the purpose of modifying the Trust Deed, where the modification is:
 - a. necessary to implement, or necessary as a direct consequence of, any change in the law (including changes to COLL);
 - b. expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interest of unitholders of the Trust; or
 - c. to remove obsolete provisions from the Trust Deed;
- vi. any costs incurred in respect of meetings of unitholders convened on a requisition by unitholders of the Trust not including the Manager or an associate of the Manager;
- vii. liabilities on unitisation, amalgamation or reconstruction arising in circumstances permitted by COLL;
- viii. the audit fee properly payable to the auditors (plus value added tax, if any) and any proper expenses of the auditors;
- ix. the fees of the FCA under the Financial Services and Markets Act 2000 or any corresponding fees of any regulatory authority in a country or territory outside the United Kingdom in which units in the Trust are or may be marketed;
- x. where the property of a body corporate (such as an investment trust) or of another collective investment scheme is transferred to the Trustee in consideration of the issue of units in the Trust to shareholders in that body or to participants in that other scheme, any liabilities arising after the transfer which, had they arisen before the transfer, could properly have been paid out of that other property, provided that the Trustee is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;
- xi. all direct costs associated with the establishment of the Trust;
- xii. any fees or costs associated with any CASS related support activity incurred by the Registrar; and
- xiii. any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Trust, which are currently carried on by the Registrar.

Allocation of payments

As indicated under "Risk Warnings" above, **the above fees and charges are to be treated as capital charges and, therefore, debited to the capital property of the Trust. Please note that this may result in capital erosion or constrain capital growth.**

Registrar and Administrator's Charges

Charges in respect of maintaining the Register (including fees, expenses) are £2,000 per year.

The Administrator's charges are 0.07% per annum of the value of the property of the Trust, subject to a minimum charge of £25,000 per annum.

The Registrar's and Administrator's fees are paid directly by the Manager.

Allocation of payments

As permitted by COLL, **the Manager's periodic charge, the Trustee's fees and the Trust's expenses (set out under "Payments out of Scheme Property" above) are treated as capital charges and, therefore, debited to the capital property of the Trust. Please note that this policy may result in capital erosion or constrain capital growth of the Trust.**

18. Winding up of the Trust

The circumstances in which the Trust may be wound up are:

- i. the Manager or Trustee may request the FCA to revoke the authorisation order;
- ii. in response to a request to the FCA by the Manager or the Trustee for the authorisation order to be revoked the FCA, having agreed (subject to there being no material change in any relevant factor, that, on the conclusion of the winding up of the Trust) the FCA will agree to that request;
- iii. if the Trust is to be wound up in connection with a scheme of arrangement, the effective date of a duly approved scheme of arrangement which results in the Trust subject to the scheme of arrangement being left with no property;
- iv. the passing of an extraordinary resolution winding up the Trust, providing the FCA's prior consent to the resolution has been obtained by the Manager or Trustee; or
- v. the expiry of any period specified in the Trust Deed as the period at the end of which the Trust is to be wound up.

If any of the above events occur, the Trustee will cease the creation and cancellation of units in the Trust and the Manager will cease issuing or buying and redeeming or selling

units in the Trust.

In the event that the Trust is to be wound up, such winding up shall be undertaken in the following manner:

- (a) in a case falling within sub paragraph (iii) or (iv) above, the Trustee will wind up the Trust in accordance with the approved scheme of amalgamation or reconstruction; and
- (b) in any other case:
 - (1) the Trustee shall, as soon as practicable after the Trust falls to be wound up, realise the property of the Trust and, after paying out or retaining adequate provision for all liabilities properly so payable and retaining provision for the costs of the winding up, distribute the proceeds of that realisation to the unitholders and the Manager (upon production by them of such evidence, if any, as the Trustee may reasonably require as to their entitlement thereto) proportionately to their respective interests in the Trust as at the date of the relevant event giving rise to the winding up; and
 - (2) any net proceeds or other cash (including distribution payments) held by the Trustee which have not been claimed after 12 months from the date on which the same became payable will be paid by the Trustee as the court may direct, after the deduction by the Trustee of any expenses it may incur in making and relating to that payment.

Where the Trustee and one or more unitholders agree, the requirement in sub-paragraph (a) above to realise the property of the Trust shall not apply to that part of the property proportionate to the entitlement of that or those unitholders, and the Trustee may distribute that part in the form of property, after making such adjustments or retaining such provision as appears to the Trustee appropriate for ensuring that that or those unitholders bear a proportional share of the costs and liabilities.

The Trustee will not be required to distribute proceeds of a realisation to any unitholder in any case where the Manager or the Trustee considers it necessary or appropriate to carry out or complete identification procedures in relation to the unitholder or another person pursuant to a statutory, regulatory or European Community obligation.

In winding up, the unitholders will have the right to receive their share of the net proceeds of the property of the Trust. This right is in addition to any rights of the unitholders as beneficiaries under general trust law.

On completion of the winding up in respect of any event referred to in sub-paragraphs (ii), (iii) or (iv) above, the Trustee shall notify the FCA in writing of that fact and at the same time the Manager or the Trustee shall request the FCA to revoke the order of authorisation of the Trust.

19. Meetings of Unitholders

The convening and conduct of meetings of unitholders and the voting rights of unitholders at such meetings of the Trust is governed by Chapter 4.4 of COLL and the procedures set out in the Trust Deed.

Convening a General Meeting

The Manager or the Trustee may convene a general meeting of unitholders at any time. The unitholders may request the convening of a general meeting by a requisition which must be dated, state the objects of the meeting, be signed by unitholders who, at that date, are registered as the unitholders of units representing not less than one-tenth in value of all of the units then in issue and has been deposited at the head office of the Trustee.

The Manager or the Trustee must, on receipt of a requisition to convene a general meeting that complies with the provisions above, immediately convene a general meeting of the Trust for a date no later than eight weeks after receipt of the requisition.

A meeting of the unitholders of the Trust duly convened and held in accordance with Chapter 4.4 of COLL is competent by extraordinary resolution:

- (i) to authorise any modification, alteration or addition to the provisions of the Trust Deed constituting the Trust requiring the approval of unitholders;
- (ii) to authorise, if required under COLL, a departure by the Manager from a statement of policy or set of investment objectives which has been included in this Prospectus;
- (iii) to remove the Manager as manager of the Trust (or to determine that the Manager be so removed as soon as permitted by law); and
- (iv) to approve a proposed scheme of amalgamation or reconstruction put forward by the Manager.

A meeting of unitholders has no powers other than those contemplated by COLL.

Notice of Meetings

Where the Manager or the Trustee decides to convene a general meeting of unitholders, each unitholder must be given at least 14 days written notice, inclusive of the date on which the notice is first served and the day of the meeting and the notice must specify the place, day and hour of the meeting and the terms of the resolutions to be proposed and a copy of the notice must be sent to the Trustee. The accidental omission to give notice to, or the non-receipt of notice by, any unitholder does not invalidate the proceedings at any meeting of the Trust.

Notice of any adjourned meeting of unitholders must be given to each unitholder stating that while two unitholders present in person or proxy are required to constitute a quorum at the adjourned meeting, this may be reduced to one should two such unitholders not be present after a reasonable time of convening of the meeting.

Every notice calling a meeting of the Trust must contain a reasonably prominent statement that a unitholder entitled to attend and vote may appoint a proxy. A unitholder may appoint another person to attend a general meeting and vote in his place as a proxy in accordance with the terms of the Trust Deed of the Trust, however, a unitholder may appoint more than one proxy to attend on the same occasion but a proxy may vote only on a poll.

Any notice or document to be served upon a unitholder shall be deemed duly served if, for units held by a registered unitholder, if it is sent by post to or left at the unitholder's address (as appearing in the Register) or is sent by using an electronic medium in accordance with COLL. Electronic communications are permitted; please refer to paragraph 12 for further details.

Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted. Any document left at a registered address or delivered other than by post is deemed to have been served on that day. Any document or notice to be served on or information to be given to, any person, including the FCA, must be in legible form. Any form is legible form which is consistent with the Manager's or the Trustee's knowledge of how the recipient of the document wishes to expect to receive the document and is capable of being provided in hard copy by the Manager or the Trustee provided it enables the recipient to know or record the time of receipt and is reasonable in the context. Any requirement that a document be signed may be satisfied by an electronic signature or electronic evidence of assent.

Quorum for Meetings

Otherwise than as stated above, the quorum required to conduct business at a meeting of unitholders is two unitholders, present in person or by proxy. For these purposes, "unitholders" means the persons entered on the Register at a time to be determined by the Manager and stated in the notice of the meeting, which must not be more than 48 hours before the time fixed for the meeting.

If, after a reasonable time from the time for the start of the meeting, a quorum is not present, the meeting if convened on the requisition of unitholders, must be dissolved; and in any other case, must stand adjourned to a day and time which is seven or more days after the day and time of the meeting and a place to be appointed by the chairman.

If, at an adjourned meeting of unitholders, a quorum is not present after a reasonable time from the time for the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum.

No director of the Manager can be counted in the quorum of, and no such director or the Manager nor any of their associates may vote at, any meeting of the Trust. This prohibition does not apply to any units held on behalf of, or jointly with, a person who, if himself the registered unitholder, would be entitled to vote and from whom the director, the Manager or its associate have received voting instructions.

For these purposes, units held, or treated as held, by the Manager are not to be regarded as being in issue.

Voting at Meetings

Under these procedures, a resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman of the meeting or by not less than two unitholders or by the Trustee. A demand by a proxy is deemed to be a demand by the member appointing the proxy. The chairman must exercise his power to demand a poll if requested to do so by at least two unitholders or the Trustee.

Except where an extraordinary resolution is specifically required or permitted, any resolution of unitholders is passed by a simple majority of the votes validly cast at a general meeting of unitholders. On a show of hands every unitholder who is present in person has one vote.

In the case of an equality of, or an absence of, votes cast, the chairman is entitled to a casting vote. Where a resolution (including an extraordinary resolution) is required to conduct business at a meeting of unitholders and every unitholder is prohibited from voting in accordance with COLL, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the depositary to the process, instead be passed with the written consent of unitholders representing 50 % or more, or for an extraordinary resolution 75 % or more, of the units of the Trust in issue.

On a poll, votes may be given either personally or by proxy or in any other manner (including the use of ballot papers or electronic or computer voting systems) as the chairman of the meeting may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and, if so directed by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

On a poll, the voting rights for each unit must be the proportion of the voting rights attached to all of the units in issue that the price of the unit bears to the aggregate price or prices of all of the units in issue. A unitholder need not use all his votes or cast all his votes in the same way.

For joint unitholders, the vote of the most senior who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint unitholders. For this purpose seniority must be determined by the order in which the names stand in the Register.

For these purposes a unitholder means those persons who are unitholders as at a cut-off date selected by the Manager which is a reasonable time before notices of the relevant meeting are sent out.

Proxies

Where a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any unitholder on the ground (however formulated) of mental disorder, the Manager may in its absolute discretion upon or subject to production of such evidence of the appointment as the Manager may require, permit such receiver or other person on behalf of such holder to vote on a poll in person or by proxy at any meeting of holders or class meeting or to exercise any right other than the right to vote on a show of hands conferred by ownership of units in relation to such a meeting.

No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Manager may approve or in its absolute discretion accept (including as to how it may be signed or sealed).

The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument appointing the proxy pursuant to the next following clause, failing which the instrument may be treated as invalid.

An instrument appointing a proxy must be left at or delivered to such place or one of such places (if any) as may be specified for the purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, to the Manager's head office) by the time which is 48 hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used and, in default, may be treated as invalid. The instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

A vote cast by proxy shall not be invalidated by the previous death or bankruptcy of the principal or by other transmission by operation of law of the title to the units concerned or by the revocation of the appointment of the proxy or of the authority under which the appointment of the proxy was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Manager at its head office by the time which is two hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

Any corporation which is a holder of units in the Trust may by resolution of the directors or other governing body of such corporation and in respect of any unit or units in the Trust of which it is the unitholder authorise such individual as it thinks fit to act as its representative at any general meeting of the unitholders or of any class meeting. The individual so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise in respect of such unit or units if it were an individual unitholder in that Trust and such corporation shall for the purposes of the Trust Deed constituting the Trust be deemed to be present in person at any such meeting if an individual so authorised is so present.

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

Conduct of Meetings

A meeting of the unitholders must have a chairman, nominated by the Trustee ("the Chairman"). If the Chairman is not present after a reasonable time from the time for the meeting, the unitholders present must choose one of them to be chairman.

The Chairman may with the consent of any meeting of unitholders at which a quorum is present, and must if so directed by the meeting, adjourn the meeting from time to time and from place to place. Business must not be transacted at any adjourned meeting, except business which might have lawfully been transacted at the original meeting.

The Manager must ensure that minutes of all resolutions and proceedings at every meeting of unitholders are made and kept and any minute made is signed by the Chairman of the meeting of unitholders. Any minute made in accordance with these provisions is conclusive evidence of the matters stated in it.

Notification of changes

The Manager must obtain the prior approval of unitholders by extraordinary resolution for any proposed change to the Trust that is a fundamental change. This is a change or event which:

- (a) changes the purpose or nature of the Trust;

- (b) may materially prejudice a unitholder;
- (c) alters the risk profile of the Trust; or
- (d) introduces a new type of payment out of the Scheme Property.

The Manager must give prior written notice to unitholders of any proposed change which constitutes a significant change. This is a change or event which is not fundamental, but which:

- (a) affects a unitholder's ability to exercise his rights in relation to his investment;
- (b) would reasonably be expected to cause the unitholder to reconsider his participation in the Trust;
- (c) results in any increased payments out of the Scheme Property to the Manager or an associate of the Manager; or
- (d) materially increase other types of payment out of the Scheme Property.

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

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

20. Information to unitholders

Trust Deed and the Prospectus

The Trust Deed (and supplemental amending deeds), the Prospectus and the most recent annual and half-yearly long report may be inspected at the Manager's offices. Copies of these documents are available from the Manager's offices (please refer to the address set out in Schedule 6).

Future Disclosures

The following information will be made available to unitholders as part of the Trust's annual report:

- (a) the percentage of the Trust's assets which are subject to special arrangements arising from their illiquid nature;

- (b) the current risk profile of the Trust and the risk management systems employed by the Manager to manage those risks; and
- (c) the total amount of leverage employed by the Trust, as applicable.

Unitholders will also be provided with information regarding changes to:

- (a) the maximum level of leverage which the Trust, or the Manager on the Trust's behalf, may employ; or
- (b) the rights for re-use of collateral under the Trust's leveraging arrangements; or
- (c) any guarantee granted under the Trust's leveraging arrangements.

This information will be made available to unitholders, without undue delay following the occurrence of that change, usually by way of update to this Prospectus. Where required, such change will be preceded by notification to unitholders.

Telephone calls

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

Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where the Manager can identify the call.

If you ask the Manager to send you a recording of a particular call, the Manager may ask for further information to help identify the exact call to which your request relates.

21. General Information

Further Information

Any unitholder can obtain on request from the Manager the following information supplemental to the Prospectus:

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

Notice to unitholders

Any notice or other document is duly served if it is delivered to the unitholder's address as appearing in the Register ("the Registered Address") or if it is delivered by electronic means in accordance with COLL.

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. Please refer to paragraph 19 (notice of meetings) for information on service of notices or documents to unitholders.

Complaints

Unitholders who have a complaint about the operation or marketing of the Trust should, in the first instance, contact the Manager. If the complaint cannot be resolved satisfactorily with the Manager, unitholders may refer the complaint to the Financial Ombudsman Service Limited, Exchange Tower, London E14 9SR.

A copy of the complaints handling procedures is available from the Manager, on request. The Manager may be contacted at the address set out in Schedule 7.

Data Protection

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

Unitholders have the right to access their personal data processed by the Manager together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons.

A copy of the Manager's Privacy Notice relating to investors is available at www.tutman.co.uk or on request from compliance@tutman.co.uk.

Electronic Verification

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

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

The Manager may at its discretion delay or refuse to carry out a transaction (including but not limited to the right to withhold payment of the proceeds of a redemption of units or the payment of income on units to the unitholder) where this is in accordance with its money laundering obligations.

Client Money

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

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

Where money is received in either of the circumstances set out in (a) or (b) above, the Manager must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Trustee or the client as applicable.

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

Money deposited into an account with a third party may have a security interest, lien or right of set-off in relation to the money, to the extent permitted by the Client Money Rules.

EU Savings Directive

In order to fulfil obligations under the EU Savings Directive the Manager may be required to obtain evidence of the tax identification number, if applicable, or country and date of birth of investors resident outside of the UK for tax purposes. If certain conditions apply, information about unitholder's holdings in the Trust may be passed on to HM Revenue and Customs in order to be passed on to other tax authorities.

Investors outside the UK

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

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

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

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

22. Risk Profile Management

The Manager, in consultation with the Investment Manager, has adopted a risk management process in respect of the Trust enabling it to monitor and measure the risk of the Trust's portfolio and contribution of the underlying investments to the overall risk profile of the Trust.

The Manager operates a liquidity risk management policy with a view to ensuring that unitholders are able to realise their units in accordance with this Prospectus and the requirements of the FCA Rules. This Prospectus provides information in relation to liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors.

Liquidity risk is the risk that the Trust is unable to meet its obligations as they fall due. Examples include insufficient cash to meet redemption requests or make margin payments requirements and the risk that a particular derivative position cannot be easily unwound or offset due to insufficient market depth or market disruption or that the Trust's financial obligations arising from the derivative activity (such as margin calls) will not be able to be met. It is controlled for through monitoring of the liquidity of all instruments used, including derivatives, in the context of the investment objectives and liquidity requirements of each scheme or client account. Cash positions are monitored and reported to ensure that the Trust has sufficient capacity to meet obligations arising from any derivative positions.

Stress tests on the portfolio are undertaken on a periodic basis, the frequency is dependent on a number of factors, e.g. portfolio composition and liquidity.

23. Leverage (as defined by the UK AIFM regime)

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

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

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

Derivative Type	Limits
Allowable on a 'substantial' basis	No
Unsecured cash borrowings	Not permitted
Secured cash borrowings	Up to 10% for liquidity purposes only. ONLY for short-term use.
Convertible borrowings	Not permitted
Interest rate swaps	Not permitted
Contracts for differences	Not permitted
Futures contracts	Not permitted
Total return swaps	Not permitted
Forward agreements	Only as required; No greater than 40% of the net asset value of the portfolio.
Options	Only as required; No greater than 30% of the net asset value of the portfolio.
Repurchase arrangements	Not permitted

Reverse repurchase arrangements	Not permitted
Securities lending arrangements	Not permitted
Securities borrowing arrangements	Not permitted
Credit default swaps	Not permitted
MAXIMUM LEVEL OF LEVERAGE USING THE COMMITMENT METHOD*	200%
MAXIMUM LEVEL OF LEVERAGE USING THE GROSS METHOD*	300%

NOTES:

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

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

The maximum level of leverage for the Trust expressed as a ratio of the Trust's total exposure to its net asset value current ratio under the gross method is: **3:1**.

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

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

The maximum level of leverage for the Trust expressed as a ratio of the Trust's total exposure to its net asset value current ratio under the commitment method is: **2:1**.

The Trust may use options, forwards and other derivative instruments for the purpose of hedging against either price or currency fluctuations. The Manager's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves certain special risks, including (i) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the Trust; (ii) the absence of a liquid market for any particular instrument at any particular time; and (iii) possible impediments to the ability to meet redemption requests or other short-term obligations because of the percentage of the Trust's assets segregated to cover its obligations. Hedging strategies necessarily add costs to the Trust.

24. Fair Treatment of Investors

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

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

The Manager and the Investment Manager may in certain circumstances grant preferential treatment to investors. This may include, for example, access to certain unit classes, a waiver or reduction of certain charges, the payment of rebates, or access to individuals within the Manager or the Investment Manager. If such rights are granted, this would typically be to investors who invest significant amounts in the Trust. Such investors would not typically be legally or economically linked to the Manager.

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

The Manager and/or the Investment Manager may enter into side letters and/or other arrangements ("Side Arrangements") with unitholders, including those deemed to involve a significant or strategic relationship, that will result in the terms of an investment in the Trust being different to the terms applicable to other unitholders and/or provide the following preferential treatment:

(a) Disclosure / Reporting:

- (i)** notification of (A) certain 'key man' events and/or (B) certain changes to the organisation of the Trust and/or (C) the issue of units on more favourable terms to those described herein (as amended by the relevant side letter and/or other arrangement) and/or (D) certain other changes

and/or other events, in each case that affects, or relates to, the Trust and/or its service providers (including, but not limited to, the Investment Manager) or the relevant unitholder's investment in the Trust;

- (ii) notification if holdings in the Trust by the relevant unitholder exceed specific levels; and/or
 - (iii) the provision of certain limited information relating to the Investment Manager and/or to the Trust's assets, including in order to allow the relevant unitholder to comply with the laws and regulations to which it is subject.
- (b) Investor Liquidity terms:
- (i) ensure that redemptions of units are effected in full within a prescribed period of time in the event that redemptions are deferred (i.e. "gated") for any reason; and/or
 - (ii) permit transferability of units where there is no change of beneficial ownership.
- (c) Fees:
- (i) rebate some or all of the periodic charge payable in respect of the relevant unitholder's units.

Side Arrangements:

The Manager's Risk Management Policy deals with Side Arrangements.

The main conflict of interest with Side Arrangements is the potential for one or more investors to be advantaged over other investors by terms within their Side Arrangements. For example, the preferential early exit of one investor may reduce the portfolio liquidity, which might make withdrawals unavailable to other investors. Subsequently, it may be the case that other investors are actually disadvantaged. The Manager will give consideration as to whether the nature and scope of the provisions are consistent with treating all investors fairly.

Any Side Arrangement which contains 'material terms' will be fully considered before it is put in place. Examples of material terms would include preferential redemption rights, 'key man' provisions, redemption 'gate' waivers and portfolio transparency rights.

25. Recognition and Enforcement of Judgments

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

Schedule 1

Investment Restrictions

The investment objective and policy of the Trust are subject to the limits on investment under chapter 5 of COLL applicable to Non-UCITS retail schemes, which are summarised below.

1. Transferable securities and money market instruments

The Trust may invest without limitation, except where otherwise specifically stated, in transferable securities and money market instruments (as defined in COLL) admitted to or dealt on an eligible market (approved securities).

Subject to a limit of 20 % in aggregate of the value of the property of the Trust, the Trust may invest in:

- (a) transferable securities which are not admitted to or dealt on an eligible market; or
- (b) money market instruments which are liquid and have a value which can be determined accurately at any time.

Eligible markets are explained and set out in Schedule 2.

2. Spread: general

2.1 This paragraph does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 3 applies.

2.2 The specific limits are set out as follows:

- (a) Not more than 20% in value of the Scheme Property can consist of deposits with a single body.
- (b) Not more than 10% in value of the Scheme Property can consist of transferable securities or money market instruments issued by a single body (in application of which certificates representing certain securities are to be treated as equivalent to the underlying security). This limit is raised to 25% in value of the Trust's property in respect of covered bonds.
- (c) The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property.
- (d) Not more than 20% in value of the Scheme Property can consist of transferable securities which are not approved securities and unregulated schemes.

- (e) Not more than 35% in value of the Scheme Property is to consist of the units of any one collective investment scheme.
- (f) Not more than 10% in value of the Scheme Property can consist of gold.
- (g) For the purposes of this paragraph 2, companies included in the same group for the purposes of consolidated accounts as defined in Directive 83/349/EEC, or in the same group in accordance with international accounting standards, are regarded as a single body.

3. Spread: Government and public securities

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

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

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

3.3 The Trust may invest more than 35% in value of the Scheme Property in such securities issued by one issuer provided that:

- (a) **the Manager has, before any such investment is made, consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Trust;**
- (b) **no more than 30% in value of the property of the Trust consist of such securities of any one issue; and**
- (c) **the Scheme Property includes such securities issued by that or another issuer of at least six different issues.**

3.4 Notwithstanding paragraph 2.1 and subject to paragraphs 2.2(a) and 2.2(g) above, in applying the 20% limit in paragraph 2.2(a) with respect to a single body, such securities issued by that body shall be taken into account.

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

(a) the Government of the United Kingdom, or Northern Ireland, the Scottish Administration, the Executive Committee of the Northern Ireland Assembly or the National Assembly of Wales or by the Government of Australia, Austria, Belgium, Bulgaria, Canada, The Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Turkey or the United States of America, or by the European Central Bank, the International Bank for Reconstruction and Development, the European Bank for Reconstruction and Development or the European Investment Bank.

3.6 The Manager consulted with the Trustee and considers the issuers (named in paragraph (a) above) are ones which are appropriate in accordance with the investment objective of the Trust.

4. Collective investment schemes

With regard to collective investment schemes:

4.1 The Trust may invest in units in collective investment schemes provided that the collective investment scheme (the "second scheme") falls within one of the categories specified below:

- (a) it is a UCITS or a scheme which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive (as implemented in the EEA), or,
- (b) the scheme is a Non-UCITS Retail Scheme; or
- (c) the recognised scheme (as defined in the FCA Glossary);
- (d) the scheme is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS Retail Scheme;
- (e) is a scheme not falling within (a) to (d) and in respect of which no more than 20% in value of the Trust's property (including any transferable securities which are not approved securities) is invested.

and the second scheme satisfies the requirements in (f) to (i) below:

- (f) the second scheme operates on the principle of the prudent spread of risk;
- (g) the second scheme is prohibited from having more than 15 % in value of the property of that scheme consisting of units in collective investment schemes;
- (h) the participants in the second scheme must be entitled to have their

units redeemed in accordance with the scheme at a price:

- (i) related to the net value of the property to which the units relate; and
 - (ii) determined in accordance with the scheme.
- (i) where the second scheme is an umbrella the provisions in (f) to (h) and COLL 5.6.7R (Spread: general) apply to each sub-fund as if it were a separate scheme.

4.2 A list of the locations of the establishment of any second schemes which the Trust may invest in from time to time is shown in Appendix 6.

4.3 The Trust's property may include units in collective investment schemes managed or operated by the Manager or an associate of the Manager. No charge will be made for the issue or redemption of those units.

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

5. **Warrants**

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

6. **Nil/partly paid**

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

7. **Cash and near cash**

Cash and near cash may be held by the Trust where this may reasonably be regarded as necessary in order to enable:

- (a) the pursuit of the Trust's investment objectives;
- (b) redemption of units;
- (c) efficient management of the Trust in accordance with its investment objectives; or
- (d) other purposes reasonably regarded as ancillary to the investment

objectives of the Trust.

8. **Underwriting**

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

9. **Borrowing powers**

9.1 The Trustee may, on the instructions of the Manager, and subject to the provisions of COLL and this paragraph, borrow money for the use of the Trust on terms that the borrowing is to be repayable out of the property of the Trust. The power to borrow is subject to the obligation of the Trust to comply with any restriction in the Trust Deed.

9.2 Borrowings may only be made from an Eligible Institution or an Approved Bank.

9.3 Borrowing must be on a temporary or a non-temporary basis and not be persistent. For this purpose the Manager must have regard, in particular, to the duration of any period of borrowing and number of occasion on which it has resorted to borrowing in any period.

9.4 The above provisions do not apply to "back to back" borrowing arrangements whereby an amount of currency is borrowed from an Eligible Institution or an Approved Bank and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his agent or nominee).

9.5 The Manager must ensure that the Trust's borrowing does not, on any Business Day, exceed 10 % of the value of the Trust's property.

10. **Efficient Management**

10.1 **The property of the Trust may be used to enter into derivatives transactions and would do so for the purposes of efficient portfolio management ("EPM").**

Permitted EPM transactions are transactions in derivatives and forward transactions e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. The Manager must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with an acceptably low level of risk. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.

10.2 Permitted transactions are those that the Manager reasonably regards as economically appropriate to EPM, that is:

- (a) transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the Manager reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
- (b) transactions with a risk level which is consistent with the risk profile of the Trust and the risk diversification rules laid down in COLL for the generation of additional capital growth or income for the Trust by taking advantage of gains which the Manager reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of;
 - (i) pricing imperfections in the market as regards the property which the Trust holds or may hold; or
 - (ii) receiving a premium for the writing of a covered call option or a covered put option on property of the Trust which the Manager is willing to buy or sell at the exercise price on behalf of the Trust.

10.3 Transactions may take the form of "derivatives transactions" (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in COLL, or be a "synthetic future" (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy COLL. A permitted transaction may at any time be closed out.

11. **Derivatives**

11.1 Only certain types of derivatives and forward transactions can be effected for a Non-UCITS retail scheme, namely:

- (a) transactions in approved derivatives (i.e. traded or dealt in on an eligible derivatives market); and
- (b) permitted over-the-counter transactions in derivatives.

11.2 The underlying must consist of any or all of the following: transferable securities; permitted money-market instruments; permitted deposits; permitted derivatives; permitted collective investment scheme units; financial indices; interest rates; foreign exchange rates and currencies; permitted immovables and gold. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A derivatives transaction must not cause

the Trust to diverge from its stated investment objective and must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money-market instruments, collective investment scheme units or derivatives.

- 11.3 The exposure to the underlying assets must not exceed the limits set out in rules 5.6.7 and 5.6.8 of COLL. Where a transferable security or money-market instrument embeds a derivative, this must be taken into account for the purposes of calculating any limit. Where the Trust invests in an index-based derivative, provided the relevant index falls within rules 5.6.23 of COLL the underlying constituents of the index do not have to be taken into account for the purposes of rule 5.6.7 (Spread: general) and rule 5.6.8 of COLL (Spread: government and public securities).
- 11.4 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 11.5 A derivative or forward transaction which will or could lead to the delivery of property for the account of a Non-UCITS retail scheme may be entered into only if such property can be held for the account of the Trust and the Manager having taken reasonable care determines that delivery of the property under the transaction will not occur and will not lead to a breach of the rules in COLL.
- 11.6 Subject to 11.7 below no agreement by the Manager on behalf of the Trust to dispose of property or rights (except for a deposit) may be made unless the obligation (and any other similar obligation) could immediately be honoured by delivery of the property or the assignment of rights and the property and rights are owned on behalf of the Trust at the time of the agreement.
- 11.7 Paragraph 11.6 does not apply where:
- (a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or
 - (b) the Manager or the Trustee has the right to settle the derivative in cash, and cover exists within the Scheme Property which falls within one of the following asset classes: cash; liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircut where relevant).

In the asset classes referred to above, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market.

- 11.8 A transaction in an over-the-counter derivative must be:

- (a) with an approved counterparty (namely an Eligible Institution, an Approved Bank, a person whose FCA permission permits it to enter into the transaction as principal off-exchange, a CCP that is authorised in that capacity for the purposes of EMIR, a CCP that is recognised in the capacity in accordance with the process set out in article 25 of EMIR, or, to the extent not already covered above, a CCP supervised in a jurisdiction that (a) has implemented the relevant G20 reforms on over-the-counter derivative to at least the same extent as the UK, and (b) is identified as having done so by the Financial Stability Board on its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019);
- (b) on approved terms (i.e. before the transaction is entered into) the Manager carries out daily a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely on market quotations by the counterparty and can enter into a further transaction to close out that transaction at any time, at a fair value arrived at under the agreed pricing model or other reliable market value basis;
- (c) capable of reliable valuation (i.e. if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy on the basis of an up to date market value which the Manager and the Trustee have agreed is reliable; or if this is not available on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology;
- (d) subject to verifiable valuation (i.e. if throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and is such a way that the Manager is able to check it or a department within the Manager which is independent from the department in charge of managing the Trust property and which is adequately equipped for such purpose.

11.9 A transaction in a derivative or forward transaction may be entered into only if the maximum exposure (in terms of the principal or notional principal created by the transaction to which the Trust is or may be committed by another person) is covered globally. Exposure is covered globally if adequate cover from the property of the Trust is available to meet the Trust's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk and the time available to liquidate any positions. Cash not yet received into the property of the Trust, but which is due to be received within one month, is available as cover as is property subject to a permitted stock lending transaction if the Manager has taken reasonable care to determine that it is obtainable in time to meet the obligation for which cover is

required. Total exposure relating to derivatives held within the Trust may not exceed the net value of the Scheme Property.

12. Stock Lending

- 12.1 The Manager may request the Trustee to enter into stock lending transactions in respect of the Trust. However, this is only if the purpose of the stock lending transaction is in accordance with the rules in COLL and if the arrangement is for the account of, or benefit, of the Trust, and in the interest of unitholders. Such an arrangement will not be in the interest of unitholders unless it reasonably appears to the Manager appropriate to do so with a view to generating additional income for the Trust with an acceptable degree of risk.
- 12.2 Briefly, stock lending transactions are those where the Trustee delivers the securities which are the subject of the transaction, in return for which it is agreed that securities of the same kind and amount should be re-delivered at a later date. The Trustee at the time of delivery of the securities, receives assets as collateral to cover against the risk that the securities are not returned. Such transactions must always comply with the relevant requirements of the Taxation of Chargeable Gains Act 1992 and the specific rules in COLL on stock lending.

There is no limit on the value of the property of the Trust which may be the subject of stock lending transactions.

Schedule 2

Eligible Markets

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

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

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

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

- a. operates regularly;
- b. is regulated;
- c. is recognised; and
- d. is open to the public.

The Manager, after consultation with the Trustee has also decided that the following securities exchanges (and their successor exchanges, provided they meet the criteria set out above) are eligible markets in the context of the investment policy of the Trust.

Australia	ASX Group
Canada	Toronto Stock Exchange
	TSX Venture Exchange
	Montreal Exchange
Hong Kong	Hong Kong Stock Exchange
Japan	Nagoya Stock Exchange
	Osaka Securities Exchange

	Tokyo Stock Exchange
Korea	Korea Composite Stock Price Index
Mexico	Mexican Stock Exchange
New Zealand	New Zealand Stock Exchange (NZX)
Singapore	Singapore Exchange (SGX)
South Africa	JSE Limited
	South African Futures Exchange (SAFEX)
Switzerland	SIX Swiss Exchange AG
Thailand	Stock Exchange of Thailand (SET)
United Kingdom	Alternative Investment Market of the London Stock Exchange (AIM)
United States of America	NASDAQ
	Any exchange registered with the Securities and Exchange Commission as a national stock exchange including the NYSE Euronext and the stock exchanges of Chicago.
	The market in transferable securities issued by or on behalf of the Government of the United States of America conducted through those persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers.
	The Over-the-Counter market regulated by the National Association of Securities Dealers Inc.

Eligible Derivatives Markets

Set out below are the derivative markets through which the Trust may invest, or deal in derivatives, on account of the Trust (subject to the investment objective and policy of the Trust):

- a) A Regulated Market;
 - b) A securities markets established in an EEA State which is regulated, operates regularly and is open to the public; or
 - c) The below listed derivatives markets:
- | | |
|-----------|--|
| Austria | Vienna Stock Exchange |
| Australia | The Australian Securities Exchange Limited |
| Belgium | Euronext Brussels |
| Canada | The Montreal Exchange |
| Colombia | Bolsa de Valores de Colombia |

Denmark	NASDAQ OMX Copenhagen AS
Europe	EUREX
Finland	NASDAQ OMX Helsinki
France	Euronext Paris
Hong Kong	Hong Kong Stock Exchange
India	National Stock Exchange
Ireland	Irish Stock Exchange
Italy	Italy Equities Derivatives Market (IDEM)
	Futures Market for Government Securities (MIF)
Japan	Tokyo Financial Exchange
	Osaka Securities Exchange
	Tokyo Stock Exchange
Malaysia	Bursa Malaysia
Netherlands	Euronext Amsterdam
New Zealand	New Zealand Futures and Options Exchange
Peru	Lima Stock Exchange
Singapore	Singapore Exchange (SGX)
Spain	Spanish Exchanges BME
	BME
South Africa	South African Futures Exchange (SAFEX)
	JSE Securities Exchange
Sweden	NASDAQ OMX Stockholm AB
United Kingdom	London International Financial Futures and Options Exchange (LIFFE);
	EDX London
	Euroenext
	OMLX
USA	Chicago Board Options Exchange (CBOE)
	CME Group Inc
	NASDAQ OMX Futures Exchange
	New York Futures Exchange
	New York Mercantile Exchange (NYMEX)
	Kansas City Board of Trade
	NYSE Arca

	NASDA OMX PHLX
Others	The International Stock Exchange (ISE)

Schedule 3

Determination of Net Asset Value

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

of the two prices; or

- (iii) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the Manager, is fair and reasonable; and
 - (e) property other than that described in (a), (b), (c) and (d) above shall be valued at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.
- 3. Cash and amounts held in current, deposit and margin accounts and in other time related deposits shall be valued at their nominal values.
- 4. In determining the value of the property of the Trust all instructions given to issue or cancel units shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by COLL or shall be assumed to have been taken.
- 5. Subject to paragraphs 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the Manager, their omission will not materially affect the final net asset amount.
- 6. Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised, written or purchased options shall not be included under paragraph 5.
- 7. All agreements are to be included under paragraph 5 which are, or ought reasonably to have been, known to the person valuing the property.
- 8. There shall be deducted an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty and stamp duty reserve tax.
- 9. There shall be deducted an estimated amount for any liabilities payable out of the property of the Trust and any tax thereon treating periodic items as accruing from day to day.
- 10. There shall be deducted the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- 11. There shall be added an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 12. There shall be added any other credits or amounts due to be paid in to the

property of the Trust.

13. There shall be added a sum representing any interest of any income accrued due or deemed to have accrued but not received.
14. Currencies or values in currencies other than the base currency shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the unit holders or potential unit holders.
15. Hard-to-value Assets
 - 15.1 Where the Manager has reasonable grounds to believe that the price obtained is unreliable or the most recent price available does not reflect the Manager's best estimate of the value of the relevant investment at the relevant Valuation Point or no price or no recent price exists, the Manager may use a price which, in the opinion of the Manager, reflects a fair and reasonable price for that investment (the fair value price). In calculating any value, the Manager shall be entitled to rely on any valuations provided or attributed to any asset or liability by the Investment Manager.
 - 15.2 The circumstances which may give rise to a fair value price being used include:
 - 15.2.1 no recent trade in the security concerned; or
 - 15.2.2 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.
 - 15.3 In 15.2.2, a significant event is one that means the most recent price of a security or a basket of securities is materially different to the price that it is reasonably believed would exist at the Valuation Point had the relevant market been open.
 - 15.4 In determining whether to use such a fair value price, the Manager will include in its consideration:
 - 15.4.1 the type of authorised fund concerned;
 - 15.4.2 the securities involved;
 - 15.4.3 the basis and reliability of the alternative price used; and
 - 15.4.4 the Manager's policy on the valuation of Scheme Property as disclosed in the Prospectus.

Schedule 4

Past Performance

The comparisons set out below are based on **income units** for performance information over a five year period. The 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 an investment. A basic rate of tax deduction is applied to the performance figures before 6 April 2016 and no tax deduction is applied for performance figures on and after 6 April 2016.

Performance Target

The performance table displays historical performance compared against the **performance target** (see paragraph 4 in the main Prospectus for details).

Benchmark	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)
UK CPI +3%	6.06	5.17	4.34	3.61	8.54

Palfrey Fund: Income units	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)
Income units	9.71	-4.74	15.15	2.55	8.40

Source: These performance figures have been derived from information extracted from MorningStar.

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

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

Schedule 5

Regulated Collective Investment Schemes managed by the Manager:

Authorised Investment Companies with Variable Capital

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

Authorised Unit Trusts

BPM Trust
Eden Investment Fund
Elfyenn International Trust
Glenhuntley Portfolio Trust
Hawthorn Portfolio Trust
KES Diversified Trust
KES Equity Fund
KES Growth Fund
KES Income and Growth Fund
KES Strategic Investment Fund
Latour Growth Fund
Lavaud Fund
Mossylea Fund
Pippin Return Fund
The Darin Fund
The Delta Growth Fund
The Eldon Fund
The Hall Fund
The HoundStar Fund
The Iceberg Trust
The Maiden Fund
The Norfolk Trust
The Notts Trust
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 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 Cresswell Fund
TM CRUX Funds ICVC
TM CRUX OEIC
TM First Arrow Investment Funds
TM Hearthstone ICVC
TM Investment Exposures Fund
TM Investment Funds
TM Lime Fund
TM Neuberger Berman Investment Funds
TM Oak Fund
TM Optimal Funds
TM P1 Investment Funds
TM Redwheel Funds
TM Ruffer Portfolio
TM Stonehage Fleming Global Multi-Asset Umbrella Fund
TM Stonehage Fleming Investments Funds
TM Tellworth Investments Funds
TM Total Return Fund
TM UBS (UK) Fund
Trowbridge Investment Funds

Authorised Unit Trusts

Schedule 6

Establishment of Collective Investment Schemes

Any second schemes in which the Trust may invest are established in the locations listed below. This list is not restrictive and may be amended from time to time where the Trust invests in second schemes established in new locations.

Ireland

United Kingdom

Schedule 7

Directory of Contact Details

Manager	Thesis Unit Trust Management Limited Exchange Building St John's Street, Chichester, West Sussex PO19 1UP
Administrator, Registrar and Fund Accountant	Northern Trust Global Services SE (UK branch) 50 Bank Street Canary Wharf, London E14 5NT
<u>Dealing Office</u>	Thesis Unit Trust Management Limited Sunderland SR43 4AZ Tel: 0333 300 0375
Auditors	Grant Thornton UK LLP 30 Finsbury Square, London EC2P 2YU
Custodian <i>Principal place of business:</i>	The Northern Trust Company 50 South LaSalle Street Chicago, Illinois, USA
<i>Who may also act under this power through its London branch:</i>	50 Bank Street Canary Wharf, London E14 5NT
Trustee	NatWest Trustee and Depositary Services Limited House A, Floor 0 Gogarburn, 175 Glasgow Road Edinburgh EH12 1HQ

Investment Manager

Sarasin & Partners LLP

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12 Endeavour Square
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