



PROSPECTUS
OF
THE RECTORY FUND

This document is the Prospectus of The Rectory Fund and is dated and valid as at 26 February 2024. This document replaces any previous prospectuses issued by the Company.

It has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND) which forms part of the FCA Handbook 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 Depositary.

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IMPORTANT INFORMATION

***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.***

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

The Depositary is not responsible for the information contained in this prospectus and, accordingly does not accept any responsibility for it under COLL, FUND or otherwise.

The Company has been established as a Non-UCITS retail scheme. It is not intended that the Company will be marketed outside the UK. The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. Any person wishing to apply for Shares should inform themselves as to the requirements within their own country for transactions in Shares, any applicable exchange control regulations and the tax consequences of any transaction in Shares.

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

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

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

confer on the investor a right to acquire Shares in respect of any future or subsequent application.

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

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

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

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

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

Data Protection

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

Shareholders have the right to access their personal data processed by the ACD together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons. A copy of the ACD's Privacy Notice relating to investors is available at www.tutman.co.uk 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 and Controls Sourcebook and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check your identity and the source of the money invested. The ACD may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your (or your associated party's) credit rating. They may also use your (or your associated party's) details in the future to assist other companies for verification purposes.

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

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

THE RECTORY FUND PROSPECTUS

1. DEFINITIONS

This document is the Prospectus of **The Rectory Fund (Company)**.

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

"ACD"	the authorised corporate director holding office as such from time to time pursuant to the Rules and the ACD Agreement between the Company and the ACD, being TUTMAN LLP, and its successor or successors as authorised corporate director of the Company;
"Act"	the Financial Services and Markets Act 2000 as amended or replaced from time to time;
"Administrator"	Northern Trust Global Services SE, UK branch, the administrator of the Company;
"AIF"	an alternative investment fund for the purposes of the UK AIFM regime;
"AIFM"	an alternative investment fund manager for the purposes of the UK AIFM regime;
"AIFMD"	the Alternative Investment Fund Managers Directive (2011/61/EU);
"AIFMD Level 2 regulation"	as defined in the FCA Glossary;
"AIFMD UK regulation"	as defined in the FCA Glossary;
"Approved Bank"	(in relation to a bank account opened for the Company): (a) if the account is opened at a branch in the UK: (i) the Bank of England; or (ii) the central bank of a member state of the OECD; or (iii) a bank; or (iv) a building society; or (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or (b) if the account is opened elsewhere:

- (i) a bank in (a); or
- (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or
- (c) a bank supervised by the South African Reserve Bank; or
- (d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator,

as such definition may be updated in the FCA Glossary from time to time;

"Auditor" KPMG LLP, or such other entity as is appointed to act as auditor of the Company from time to time;

"Business Day" any day which is not a Saturday, a Sunday or a public holiday on which banks are ordinarily open for business in the City of London;

"CASS" the requirements relating to holding client assets and client money published by the FCA as part of their FCA Handbook;

"CCP" as defined in the FCA Glossary;

"Class" or "Classes" in relation to Shares, means (according to the context) all of the Shares of a single Sub-fund or a particular class or classes of Share of a single Sub-fund;

"COLL" the Collective Investment Schemes Sourcebook published by the FCA as part of their Handbook of rules made under the Act;

"CCP" as defined in the FCA Glossary;

"Company" The Rectory Fund;

"Custodian" the person who provides custodian services to the Company, being The Northern Trust Company, and its successor or successors as custodian;

"Data Protection Laws" 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:

- 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 final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding);

“Dealing Day”

each Business Day;

“Depositary Agreement”

the agreement between the Company, the ACD and the Depositary regarding the appointment of the Depositary;

“Depositary”

the person to whom is entrusted the safekeeping of all of the Scheme Property of the Company (other than certain Scheme Property designated by the FCA Rules), being NatWest Trustee and Depositary Services Limited and its successor or successors as depositary;

“EEA”

the European Economic Area;

“EEA State”

a member state of the European Union and any other state which is within the EEA;

“Efficient Portfolio Management”

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

- (a) they are economically appropriate in that they are realised in a cost effective way;
- (b) they are entered into for one or more of the following specific aims:
 - (i) reduction of risk;
 - (ii) reduction of cost;
 - (iii) generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL;

“Eligible Institution”	as defined in the FCA Glossary;
“EMIR”	as defined in the FCA Glossary;
“ERISA Plan”	<p>(a) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”);</p> <p>(b) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or</p> <p>(c) an entity whose assets include plan assets by reason of a plan’s investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans);</p>
“EUWA”	the European Union (Withdrawal) Act 2018;
“FCA”	the Financial Conduct Authority or any successor body. The address for the Financial Conduct Authority is set out in Appendix 6;
“FCA Glossary”	the glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time;
“FCA Handbook”	the FCA’s Handbook of rules and guidance, including COLL and FUND, as amended or replaced from time to time;
“FCA Rules”	the rules contained in COLL and FUND but, for the avoidance of doubt, not including guidance or evidential requirements contained in either sourcebook;
“Financial Instruments”	as defined in the FCA Glossary;
“FUND”	the Investment Funds Sourcebook published by the FCA as part of the FCA Handbook made under the Act as it may be 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;
“HMRC”	HM Revenue and Customs;

“Investment Manager”	the Investment Manager retained by the ACD pursuant to the FCA Rules, being Julius Baer International Limited and their respective successor or successors as Investment Manager to the Company;
“Instrument of Incorporation”	the instrument constituting the Company, as amended from time to time;
“International Tax Compliance Regulations”	the International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time;
“Non-UCITS retail scheme”	an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund;
“OECD”	the Organisation for Economic Co-operation and Development;
“OEIC Regulations”	the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended or re-enacted from time to time;
“OTC”	over the counter;
“Register”	the register of Shareholders of the Company;
“Registrar”	the person who maintains the Register, being Northern Trust Global Services SE, UK branch and its successor or successors as registrar;
“Rules”	the FCA Rules and any other regulations that may be made under section 262 of the Act and for the time being in force;
“Scheme Property”	means the property of the Company or a Sub-fund (as appropriate) to be held by the Depositary for safekeeping, as required by the FCA Handbook;
“Share” or “Shares”	a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share);
“Shareholder”	a holder of registered Shares in the Company;
“Sub-fund”	a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated in accordance with the Regulations and which is invested in accordance with the investment objective applicable to such sub-fund;

“Switch”	the exchange where permissible of Shares of one Class or Sub-fund for Shares of another Class or Sub-fund and “Switching” shall be interpreted accordingly;
“UCITS”	an undertaking for collective investment in transferable securities. This will include a UCITS scheme or an EEA UCITS scheme, each as defined in the FCA Glossary;
“UCITS Directive”	the European Parliament and Council Directive of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC) as amended;
“United Kingdom” or “UK”	the United Kingdom of Great Britain & Northern Ireland;
“UK AIF”	as defined in the FCA Glossary;
“UK AIFM”	as defined in the FCA Glossary;
“UK AIFM regime”	means: <ul style="list-style-type: none"> (1) the AIFMD UK Regulation; (2) the AIFMD Level 2 Regulation; and (3) 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 27th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) including as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK’s withdrawal from the European Union;
“UK UCITS”	as defined in the FCA Glossary;
“UK UCITS Directive”	as defined in the FCA Glossary;

“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”	<p>a person who is in either of the following two categories:</p> <ol style="list-style-type: none"> 1. a person included in the definition of “U.S. person” under Rule 902 of Regulation S under the 1933 Act; or; 2. a person excluded from the definition of a “Non-United States person” as used in Commodity Futures Trading Commission (“CFTC”) Rule 4.7; <p>For the avoidance of doubt, a person is excluded from this definition of US Person only if they are outside both the definition of “U.S. person” in Rule 902 and the definition of “Non-United States person” under CFTC Rule 4.7;</p>
“Valuation Point”	the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point is 12.00 noon London time on each Dealing Day, with the exception of a bank holiday in England and Wales, or the last Business Day prior to those days annually where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary;
“VAT”	value added tax;
“1933 Act”	the United States Securities Act of 1933 (as may be amended or re-enacted); and
“1940 Act”	the United States Investment Company Act of 1940 (as may be amended or re-enacted).

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

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

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

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

Prospectus.

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.

2. THE COMPANY

2.1 General

- 2.1.1 The Rectory Fund is an investment company with variable capital incorporated in England and Wales. The Company's registered number is IC001083 and the Financial Conduct Authority product reference number (PRN) is 771036. The Company was authorised by the Financial Conduct Authority with effect from 29 March 2017. The Company has an unlimited duration.
- 2.1.2 Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after they have paid the price on purchase of the Shares.
- 2.1.3 The head office of the Company is at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP. This is the address in the UK for service on the Company of notices or other documents required or authorised to be served on it.
- 2.1.4 The base currency of the Company and each Sub-fund is Pounds Sterling.
- 2.1.5 The maximum share capital of the Company is £500,000,000 and the minimum share capital of the Company is £1.
- 2.1.6 Shares have no par value. The share capital of the Company at all times equals the sum of the net asset values of each of the Sub-funds.
- 2.1.7 The Company has been established as a Non-UCITS retail scheme. It is not intended that the Company will be marketed outside the UK.
- 2.1.8 Each of the Sub-funds of the Company from time to time is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of a Sub-fund may harm performance by disrupting portfolio management strategies and by increasing expenses.

2.1.9 The ACD may at its discretion refuse to accept applications for, or switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to a Sub-fund(s). For these purposes, the ACD may consider an investor's trading history in the Sub-fund(s) or other TUTMAN LLP funds and accounts under common ownership or control.

2.1.10 The circumstances in which the Company may be wound up, and the procedure for winding up the Company, is set out at paragraph 3 below.

2.2 **Investment objectives and policy**

The investment objective and investment policy for each Sub-fund are set out in Appendix 1.

2.3 **The structure of the Company**

The Company is structured as an umbrella company, in that different Sub-funds may be established from time to time by the ACD with the approval of the Financial Conduct Authority. On the introduction of any new Sub-fund or Class, a revised prospectus will be prepared setting out the relevant details of each Sub-fund or Class.

The Company is a Non-UCITS retail scheme, being a category of authorised scheme for the purposes of COLL 1.2.1R. For the purposes of the UK AIFM regime it is a UK AIF.

At the date of this Prospectus, the Company only has one Sub-fund, **The Rectory Investment Fund** available for investment.

Each Sub-fund would be a Non-UCITS retail scheme if it had a separate authorisation order.

Further Sub-funds may be established from time to time. The product reference number (PRN) of each sub-fund is set out in Appendix 1.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-fund.

Details of the Sub-funds, including their investment objectives and policies, are set out in Appendix 1.

Historical performance data for the Sub-fund is set out in Appendix 4.

The eligible securities markets and eligible derivatives markets on which the Sub-funds may invest are set out in Appendix 3. A detailed statement of the general investment and borrowing restrictions in respect of each type of Sub-fund is set out in Appendix 2.

Each Sub-fund is a segregated portfolio of assets and, accordingly, the assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against any other person or body, including the Company and any other Sub-fund and shall not be available for any such purpose.

Subject to the above, each Sub-fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-fund, and within each Sub-fund charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Sub-fund may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the net asset value of the relevant Sub-funds.

Further details are set out in paragraph 17.5 (Liabilities of the Company) below.

Where any changes are proposed to be made to the Company or any Sub-fund the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, Shareholder approval of the Company or relevant Sub-fund will be required. If the change is regarded as significant, 60 days' prior written notice will be given to relevant Shareholders. If the change is regarded as notifiable, relevant Shareholders will receive suitable notice of the change.

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

The manner in which notices or documents will be served on Shareholder is set out at paragraph 26.10 (Notices to Shareholders) below.

3. **WINDING UP OF THE COMPANY OR A SUB-FUND**

The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. A Sub-fund must not be terminated except under the COLL Sourcebook or wound up under Part V of the Insolvency Act 1986 (as modified by regulation 33C of the OEIC Regulations) as an unregistered company. The Company must not be wound up or a Sub-Fund terminated under the COLL Sourcebook if there is a vacancy in the position of authorised fund manager.

Where the Company is to be wound up or a Sub-fund or terminated under the COLL Sourcebook, such winding up or termination may only be commenced provided (a) effect has been given, under regulation 21 of the OEIC Regulations to proposals to wind up the affairs of the Company or proposals to make alterations to the Company's Instrument of Incorporation and Prospectus that would be required if a Sub-Fund is to be terminated and (b) a statement has been prepared and delivered to the FCA under COLL 7.3.5 (solvency statement) and received by the FCA prior to satisfaction of condition (a) above.

Subject to the above the appropriate steps to wind up the Company, or terminate a Sub-Fund must be taken:

- 3.1.1 if an extraordinary resolution to that effect is passed by Shareholders; or

- 3.1.2 when the period (if any) fixed for the duration of the Company or a Sub-fund by the Instrument of Incorporation expires, or any event occurs, for which the Instrument of Incorporation provides that the Company or a Sub-fund is to be wound up or terminated; or
- 3.1.3 on the date stated in any agreement by the FCA to a request by the ACD for the winding up of the Company or request for the termination of a Sub-Fund; or
- 3.1.4 on the effective date of a duly approved scheme of arrangement which is to result in the Company (or a Sub-Fund) ceasing to hold scheme property; or
- 3.1.5 in the case that the Company is an umbrella on the date on which all its Sub-Funds fall within 3.1.4 above or have otherwise ceased to hold scheme property notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Sub-Fund.

On the occurrence of any of the above:

- 3.1.6 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Sub-fund;
- 3.1.7 the Company will cease to issue and cancel Shares in the Company or the relevant Sub-fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-fund;
- 3.1.8 no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- 3.1.9 where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- 3.1.10 the corporate status and powers of the Company, and subject to 3.1.4 to 3.1.7 above, the powers of the Depositary shall continue until the Company is dissolved.

The Company may be wound up or a Sub-fund terminated, at the ACD's discretion, if the Share capital of the Company or (in relation to any Sub-fund) the net asset value of the Sub-fund is below £5 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-fund.

The ACD shall, as soon as practicable after the Company or the Sub-fund falls to be wound up or terminated, realise the assets and meet the liabilities of the Company or the Sub-fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Sub-fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Sub-fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Sub-fund.

As soon as reasonably practicable after completion of the winding up of the Company or the termination of a particular Sub-fund, the Depositary shall notify the FCA that the winding up or termination has been completed.

On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) still standing to the account of the Company, will be paid into court by the ACD within one month of the dissolution.

Following the completion of a winding up of the Company or the termination of a Sub-fund, the ACD must prepare a final account showing how the winding up or termination took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA and to each Shareholder (or the first named of joint Shareholders) on it within four months of the completion of the winding up or termination.

As the Company is an umbrella company, each Sub-fund may be terminated as if it were a separate open-ended investment company. Any liabilities attributable or allocated to a particular Sub-fund under the COLL Sourcebook shall be met out of the Scheme Property attributable or allocated to that particular Sub-fund.

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

4. REPORTING, DISTRIBUTIONS AND ACCOUNTING DATES

4.1 The Company's accounting reference date, accounting periods and income allocation dates are:

Accounting reference date

31 March

Interim accounting reference date	30 September
Annual income allocation date	31 July
Interim income allocation dates	30 November

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

Copies of the annual reports will be published, and made available upon request, within four months after the end of the annual accounting period within two months after the end of the interim accounting period.

4.2 **Income Allocations**

Some Sub-funds may have interim and final income allocations and other Sub-funds may have quarterly income allocations and some Sub-funds may only have final income allocation dates (see Appendix 1). For each of the Sub-funds income is allocated by the ACD in accordance with the Instrument of Incorporation and either paid, reinvested or accumulated to those Shareholders who are entitled to the distribution by evidence of their holding on the Register at the previous accounting date.

In relation to income Shares, distributions of income for each Sub-fund in which income shares are issued are paid by cheque or telegraphic transfer directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in Appendix 1.

For Sub-funds in which accumulation shares are issued, income will become part of the capital property of the Sub-fund and will be reflected in the price of each such accumulation share as at the end of the relevant accounting period.

If a distribution made in relation to any income shares remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-fund.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-fund in respect of that period, and deducting the charges and expenses of the relevant Sub-fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Company's auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

5. **CHARACTERISTICS OF SHARES**

5.1 The Company may issue income and accumulation Shares in respect of each Sub-fund. The Share Classes that may be issued and their criteria for subscription in respect of each Sub-fund are set out in Appendix 1.

- 5.2 Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination Shares to each larger denomination Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.
- 5.3 Shares have no par value and, within each Class in each Sub-fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the Company or termination of a relevant Sub-fund. Shares do not carry preferential or pre-emptive rights to acquire further Shares.
- 5.4 Further Classes of Share may be established from time to time by the ACD with the agreement of the Depositary and in accordance with the Instrument of Incorporation and the Regulations. On the introduction of any new Sub-fund or Class, either a revised prospectus or a supplemental prospectus will be prepared, setting out the details of each Sub-fund or Class.
- 5.5 The base currency in which each new Class of Shares will be denominated will be determined at the date of creation and set out in the prospectus issued in respect of the new Class of Shares.
- 5.6 The net proceeds from subscriptions to a Sub-fund will be invested in the specific pool of assets constituting that Sub-fund. The Company will maintain for each current Sub-fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-fund. The Company as a whole will be responsible for all obligations, whichever Sub-fund such liabilities are attributable to, unless otherwise agreed with specific creditors.
- 5.7 To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-funds in a manner which is fair to all Shareholders of the Company.
- 5.8 Shares in the Company are not currently listed on or dealt in on any investment exchange.
- 5.9 Title to Shares is evidenced by the entry on the Register. Shareholders may, but need not, support an instruction to the ACD by enclosing the contract notice or the most recent annual statement or copies of such documents. Share Certificates are not issued to Shareholders.
- 5.10 Holders of income Shares are entitled to be paid the distributable income attributed to such Shares on any relevant interim and annual allocation dates.
- 5.11 Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Sub-fund on the relevant interim and/or annual accounting dates and is reflected in the price of an accumulation Share.
- 5.12 The Instrument of Incorporation allows income and accumulation Shares to be issued.

- 5.13 Where a Sub-fund has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes within a Sub-fund will be adjusted accordingly.
- 5.14 Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-fund for Shares of another Class within the same Sub-fund or for Shares of the same or another Class within a different Sub-fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 13.5 (Switching).

6. **THE ACD**

- 6.1 The ACD is TUTMAN LLP, a limited liability partnership incorporated in England on 2 November 2011 with registered number OC369415. The ACD is an authorised fund manager (for the purposes of COLL) and a UK AIFM for the purposes of the UK AIFM regime.

Registered and Head Office:

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

Telephone:

01243 531234

LLP members' capital:

£875,000

- 6.2 The members of the ACD are:
- | | |
|--------------------------------------|-------------------|
| Thesis Unit Trust Management Limited | Designated Member |
| Thesis Holdings Limited | Designated Member |
- 6.3 Thesis Unit Trust Management Limited is wholly owned by Thesis Holdings Limited, a private limited company incorporated in Jersey with number 123560.
- 6.4 The ACD is authorised and regulated by the Financial Conduct Authority and is authorised to carry on certain permitted regulated activities in the UK in accordance with the Act.
- 6.5 The ACD is the sole director of the Company and its duties and obligations are governed by the terms of the agreement between the Company and the ACD ("the ACD Agreement"). The ACD Agreement provides that the ACD manage and administer the Company in accordance with the Act and the OEIC Regulations, the Instrument of Incorporation and the contents of this Prospectus.

- 6.6 The ACD Agreement may be terminated by either party on not less than 6 months' written notice. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD other than the matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations.
- 6.7 The ACD 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 ACD 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 ACD 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.
- 6.8 The risks which are specifically covered by this approach include, without being limited to, risks of:
- 6.8.1 loss of documents evidencing title of assets of the Company;
 - 6.8.2 misrepresentations or misleading statements made to the Company or its investors;
 - 6.8.3 acts, errors or omissions resulting in a breach of:
 - (a) legal and regulatory obligations;
 - (b) duty of skill and care towards the Company and its investors;
 - (c) fiduciary duties;
 - (d) obligations of confidentiality;
 - (e) the terms of the Instrument of Incorporation;
 - (f) terms of appointment of the ACD by the Company;
 - 6.8.4 failure to establish, implement and maintain appropriate procedures to prevent dishonest, fraudulent or malicious acts;
 - 6.8.5 improperly carried out valuation of assets or calculation of share prices;
 - 6.8.6 losses arising from business disruption, system failures, failure of transaction processing or process management.
- 6.9 The ACD acts as authorised fund manager to other regulated collective investment schemes. Details of these schemes, as at the date of this Prospectus, are set out in Appendix 5.

- 6.10 Subject to the FCA Rules, the ACD may delegate certain of its functions. Accordingly:
- a) the ACD has delegated the provision of investment management services to the Investment Manager; and
 - b) the ACD has delegated certain administrative functions to the Registrar, the Administrator and the Fund Accountant.

7. **DEPOSITARY**

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

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

7.3 The Depositary's registered office address is 250 Bishopsgate, London EC2M 4AA. The Depositary's head office address is 440 Strand, London WC2R 0QS. The address of its office which handles matters relating to the Company is set out in Appendix 6.

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

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

7.6 **Duties of the Depositary**

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

7.7 **Terms of appointment**

7.7.1 The appointment of the Depositary has been made under the terms of the Depositary Agreement between the Company, the ACD and the Depositary.

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

7.7.3 Under the Depositary Agreement the Depositary has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Depositary has delegated custody of the Scheme Property to The Northern Trust Company (the 'Custodian'). Contact details for the Custodian are set out in Appendix 6. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("sub-custodians")

- 7.7.4 Under the Depositary Agreement the Depositary will be liable to the Company for the loss of any Financial Instruments held in custody or for any liabilities incurred by the Company as a direct result of the Depositary's fraud, negligence or negligent or intentional failure to properly fulfil its obligations under the Depositary Agreement or the UK AIFM regime.
- 7.7.5 However, where the event which led to the loss of a Financial Instrument is not the result of the Depositary's own act or omission (or that of its sub-custodian), the Depositary is discharged of its liability for the loss of a Financial Instrument where the Depositary can prove that the Depositary 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 ACD will inform investors without delay of any changes with respect to the Depositary's liability.
- 7.7.6 The Depositary Agreement provides that the Depositary will be indemnified by the Company in respect of any liabilities suffered or incurred by the Depositary in the proper performance of its obligations and duties under the Depositary Agreement except in the case of fraud or negligent breach of the Depositary Agreement or of any applicable laws.
- 7.7.7 The Depositary Agreement may be terminated on six months' notice by the Company, the Depositary or the ACD or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary has taken place.
- 7.7.8 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 ACD on behalf of the Company, the Depositary shall not be entitled to, and no sub-custodian of the Depositary shall be authorised by the Depositary to transfer or re-use for its own purpose and benefit any of the Scheme Property it has been entrusted with.
- 7.7.9 Details of the fees payable to the Depositary are set out in the "Payments out of Scheme Property" section of this Prospectus at paragraph 12.6.

7.8 **Conflicts of Interest**

- 7.8.1 The Depositary may act as the depositary of other open-ended investment companies or authorised unit trusts and as trustee or custodian of other collective investment schemes.
- 7.8.2 It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company, a

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

7.8.3 As the Depositary operates independently from the Company, Shareholders, the ACD and the Custodian, the Depositary does not anticipate any conflicts of interest arising between it and any of the aforementioned parties 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 Depositary shall notify the ACD and take necessary steps to address the conflict.

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

8. **INVESTMENT MANAGER**

8.1 The ACD is responsible for the overall investment management and administration of the Company. The ACD has delegated its day-to-day responsibility for investment management of the Company to **Julius Baer International Limited** (the "Investment Manager").

8.2 Julius Baer International Limited is a private limited company incorporated in England and Wales on 28 June 1973. Julius Baer International Limited's company number is 01120330. Julius Baer International Limited is authorised to manage investments.

8.3 The address of the Investment Manager's registered office and principal place of business is set out in Appendix 6.

8.4 The Investment Manager may only sub-delegate its functions with the prior consent of the ACD.

8.5 The appointment of the Investment Manager has been made under an agreement between the ACD and the Investment Manager (the "Investment Management Agreement"). The Investment Management Agreement may be terminated immediately by the ACD if it is in the interests of investors. The Investment Management Agreement contain provisions to the following effect:

8.5.1 the ACD will indemnify the Investment Manager against certain losses incurred by the Investment Manager but, in the absence of fraud, the ACD's liability will be limited to the assets of the Company available to meet such a claim;

- 8.5.2 the Investment Manager will be liable for certain losses suffered by the ACD or the Company;
 - 8.5.3 the Investment Manager shall not be liable for any non-performance of its obligations due to causes beyond its control; and
 - 8.5.4 the agreement is governed by English law and the parties submit to the exclusive jurisdiction of the English courts.
- 8.6 The Investment Manager may hold or trade in securities and instruments of 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.
- 8.7 The Investment Manager has discretion to enter into foreign exchange hedging transactions and borrowings on behalf of the Company. 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 Company and/or to implement the currency hedging strategy.
- 8.8 The Investment Manager is required to comply with its own execution policy.
- 8.9 A copy of the Investment Manager's order execution policy may be available on the Investment Manager's website (listed in Appendix 6) or, on request, from the ACD.

9. **THE ADMINISTRATOR AND FUND ACCOUNTANT**

- 9.1 The ACD has delegated the function of Administrator and Fund Accountant to Northern Trust Global Services SE, UK branch.
- 9.2 The address, for the Administrator and Fund Accountant, is detailed in Appendix 6.
- 9.3 The duties of the Registrar (please refer to paragraph 10), Administrator and Fund Accountant include:
- 9.3.1 maintaining the Register;
 - 9.3.2 receiving and processing requests for subscriptions for, or redemptions of, shares in the Company;
 - 9.3.3 administering the payment of distributions to Shareholders in the Company;
 - 9.3.4 dealing with certain regulatory reporting requirements on behalf of the Company and the ACD;
 - 9.3.5 maintaining the accounting records of the Company;

9.3.6 assisting in calculating the net asset value of the Company, as well as to provide fund accounting services in respect of the Company.

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

9.5 There are no conflicts of interest arising through delegation of these functions by the ACD.

10. **THE REGISTRAR AND REGISTER**

10.1 The ACD has delegated the function of Registrar to Northern Trust Global Services SE, UK branch.

10.2 The Register is kept and may be inspected at the Registrar's office located at 50 Bank Street, Canary Wharf, London E14 5NT

11. **THE AUDITORS**

11.1 The Auditors of the Company are KPMG whose address is detailed in Appendix 6.

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

11.2.1 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 of Incorporation;

11.2.2 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 Company for the annual accounting period in question and the financial position of the Company as at the end of that period;

11.2.3 whether the Auditor is of the opinion that proper accounting records for the Company have not been kept or whether the accounts are not in agreement with those records;

11.2.4 whether the Auditor has been given all the information and explanations which, to the best of their knowledge and belief, are necessary for the purposes of this audit; and

11.2.5 whether the Auditor is of the opinion that the information given in the report of the ACD for that period is consistent with the accounts.

12. **PAYMENTS OUT OF SCHEME PROPERTY**

12.1 **Preliminary charge**

The ACD may receive, or waive in part or in whole, a preliminary charge upon the sale or purchase of shares. The current preliminary charge, if any, is set out in Appendix 1 in respect of each Sub-fund. If not waived, the preliminary charge will be charged upon the sale or purchase of shares.

12.2 **Dilution levy**

The actual cost of purchasing or selling investments may be higher or lower than the mid-market value used in calculating the share price. For example, due to dealing charges or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals), this may have an adverse effect on the Shareholders' interest in a Sub-fund. In order to prevent this effect ('dilution'), the ACD has the power to charge a 'dilution levy' on the sale and/or redemption of shares. The ACD currently intends to charge a dilution levy in respect of 'large deals' (which, for these purposes are deals in respect of shares exceeding 5% of the net asset value of the Sub-fund in value and reserves the right to charge a dilution levy based on prevailing market conditions. If the ACD charges a dilution levy it will be calculated by reference to the costs of dealing in the underlying investments of the relevant Sub-fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of sales and redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged where the Scheme Property is in continual decline or in any case where the ACD is of the opinion that the interests of remaining Shareholders require the imposition of a dilution levy. If a dilution levy is not charged in such circumstances, this may have an adverse effect on the future growth of the Scheme Property.

It is not possible to predict accurately whether dilution will occur at any point in time. Based on future projections, the ACD expects that the vast majority of sales and/or redemptions of Shares will be 'large deals' and that a dilution levy may be charged on the majority of deals.

The amount of the dilution levy will not exceed 3% of the value of the transaction before the imposition of the levy. This figure is based on the ACD's future projections of the likely impact of deals to which the dilution levy is applied on remaining Shareholders.

The number of days on which a dilution levy has been applied between 1 July 2022 and 30 June 2023 is nil.

12.3 **Periodic charge**

The ACD receives a periodic charge for managing each Sub-fund at a rate per annum of the value of the property of the relevant Sub-fund accruing daily and payable out of the property of that Sub-fund.

The current rate of the periodic charge in respect of each Sub-fund is set out in Appendix 1.

The ACD is responsible for the payment of the fees of the Investment Managers 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 Company.

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

The periodic charge will be paid monthly in arrears.

12.4 **Redemption charge**

The ACD Agreement contains a provision for the ACD to make a redemption charge but at present, there are no plans to impose such a charge.

The ACD must not introduce a redemption charge, or change the rate or method of calculation of a current redemption charge, unless at least 60 days before the introduction or change, the ACD:

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

12.5 **Charges on Switching**

On the Switching of Shares between Sub-funds or Classes in the Company, the Instrument of Incorporation authorises the Company to impose a charge on Switching. If a redemption charge is payable in respect of the Original Shares, this may become payable instead of, or as well as, the then prevailing preliminary charge for the new shares. The charge on Switching is payable by the Shareholder to the ACD.

The ACD's current policy is to only levy a charge on Switching between Sub-funds that is no more than the excess of the preliminary charge applicable to new shares over the preliminary charge applicable to the Original Shares. There is currently no charge for Switching Shares in one Class of a Sub-fund for Shares in another Class of the same Sub-fund.

12.6 **Depositary Fees**

12.6.1 **Periodic fee**

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

The current fees payable are:

0.0275% p.a.	on the first £50 million in value of the property of the Sub-fund;
0.025% p.a.	on the next £50 million in value of the property of the Sub-fund;
0.020% p.a.	on the next £100 million in value of the property of the Sub-fund;
0.015% p.a.	thereafter.

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

12.6.2 **Transaction and custody charges**

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

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

These charges vary from country to country depending on the markets and the type of 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 ACD and the Depositary. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.

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

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

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

Any value added tax on any fees, charges or expenses payable to the Depositary 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 ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Rules by the Depositary.

12.7 Administration and registration fees

The administration of the Company will be carried out by Northern Trust Global Services SE, UK branch, who also acts as Registrar. Its fees for registration services are charged on a monthly basis and will be paid by the Company, as will the disbursements listed in the 'Other Fees and Expenses' paragraph 12.8 below. The current registration fee is £10 per annum per registered Shareholder, with a minimum of £2,000 per annum. Administration and valuation fees will be paid by the ACD, are accrued daily and are charged to the ACD on a monthly basis. The administration fees are set percentages applied to the value of each Sub-fund's Scheme Property.

The current administration fee is:

0.07% per annum	on the value of the Scheme Property up to £50,000,000
0.05% per annum	on the value of the Scheme Property above £50,000,000 up to £100,000,000
0.03% per annum	on the value of the property thereafter, with a minimum fee of £25,000 per annum*

* The minimum fee of £25,000 (referred to above) applies where there are no more than two Investment Managers. If more than two Investment Managers are appointed, the minimum administration fee will increase by £5,000 per annum for each additional Investment Manager.

12.8 Other Fees and Expenses

The following other expenses may be paid out of the Scheme Property of the Company or a Sub-fund, as applicable:

- 12.8.1 broker's commission (excluding costs for research), fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessary to be incurred in effecting transactions for the Company or a Sub-fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 12.8.2 expenses properly incurred by the ACD in the performance of its duties as ACD of the Company, including without limitation, the costs of preparation and distribution of reports, accounts, and any prospectuses, key investor information documents (or similar) (in the case of the key investor information documents (or similar) only preparation and not distribution may be charged), the Instrument of Incorporation and any costs incurred as a result of changes to any prospectus or the Instrument of Incorporation, periodic updates of any other administrative documents, as well as the cost of maintaining other documentation required to be maintained in respect of the Company or a Sub-fund;
- 12.8.3 any costs incurred by the Company or a Sub-fund in publishing the price of the shares;
- 12.8.4 any costs incurred in producing and dispatching any payments made by the Company or a Sub-fund;
- 12.8.5 any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Company or a Sub-fund, which are currently carried on by the Registrar;
- 12.8.6 any fees or costs associated with any CASS related support activity incurred by the Registrar.
- 12.8.7 any fees, expenses or disbursements of any legal or other professional adviser of the Company or of the ACD in relation to the Company;
- 12.8.8 any costs incurred in taking out and maintaining an insurance policy in relation to the Company or a Sub-fund;
- 12.8.9 any costs incurred in respect of meetings of Shareholders convened for any purpose including those convened on a requisition by Shareholders not including the ACD or an associate of the ACD;
- 12.8.10 liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Company or a Sub-fund in consideration for the issue of shares as more fully detailed in COLL;

- 12.8.11 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 12.8.12 taxation and duties payable in respect of the property of the Company or a Sub-fund or the issue or redemption of shares;
- 12.8.13 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 12.8.14 the fees of the FCA as prescribed in the FEES Manual of the FCA's Handbook of Rules and Guidance together with any corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which shares in the Company or a Sub-fund are or may be marketed;
- 12.8.15 any payments otherwise due by virtue of COLL; and
- 12.8.16 any value added or similar tax relating to any charge or expense set out herein.

12.9 **Allocation of charges**

The ACD and the Depositary have agreed that normally the fees payable to the ACD and the Depositary will be treated as a charge against the income of the Company (except those charges and expenses relating directly to the purchase and sale of investments). If there is insufficient income to meet the fees, then all or part of those fees may be treated, at the request of the ACD, as a charge against the capital of the Company.

It should be noted that this policy may result in capital erosion or constrain capital growth.

13. **VALUATION AND PRICING OF SCHEME PROPERTY**

- 13.1 The Company will be valued daily at 12 noon (the 'Valuation Point') for the purpose of determining the price at which shares in a Sub-fund may be purchased or redeemed. There will only be a single price for any share as determined from time to time by reference to a particular Valuation Point. The shares will be priced in pounds sterling.
- 13.2 Each Sub-fund will be valued on a net asset value basis to determine the price of the shares ('NAV price'). Except in circumstances where the application of a dilution levy applies shares will be redeemed at the NAV price and purchased at a price that includes a preliminary charge at the rate applying to the Sub-fund (see "Payments out of Scheme Property"). Out of the preliminary charge, the ACD may pay commission to qualifying intermediaries, including the Investment Manager and its associates.
- 13.3 Although it is not current policy, if a dilution levy were to apply in the future, the NAV price would be adjusted accordingly to determine the price at which shares can be purchased and redeemed. Details of a dilution levy (if applicable) are set out at paragraph 12.2.
- 13.4 The net asset value of the property of a Sub-fund shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions which are set out in the Instrument of Incorporation.

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

13.4.1 property which is not cash (or other assets dealt with in paragraphs 13.4.1(a) and 13.4.1(b) below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

- (a) units or shares in a collective investment scheme:
 - (i) if a single price for buying and selling units or shares is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by preliminary charge included therein and the selling price has been increased by an exit or redemption charge attributable thereto; or
 - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
- (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; or
 - (iii) Over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
- (c) 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 ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and
- (d) property other than that described in 13.4.1(a), 13.4.1(b) and 13.4.1(c) above shall be valued at an amount which, in the opinion of the ACD, represents a fair and reasonable mid-market price;

- 13.4.2 cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values;
- 13.4.3 in determining the value of the Scheme Property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out (and any cash paid or received) and all consequential action required by the Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken;
- 13.4.4 subject to paragraphs 13.4.5 and 13.4.6 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount;
- 13.4.5 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 13.4.4.
- 13.4.6 all agreements are to be included under paragraph 13.4.4 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement;
- 13.4.7 deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Sub-fund; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty and stamp duty reserve tax.
- 13.4.8 deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day.
- 13.4.9 deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- 13.4.10 add an estimated amount for accrued claims for tax of whatever nature which may be recoverable;
- 13.4.11 add any other credits or amounts due to be paid into the Scheme Property;
- 13.4.12 add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received; and

13.4.13 currencies or values in currencies other than base currency or (as the case may be) the designated currency of the Company shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

13.5 **Hard-to-value assets**

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

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

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

In 13.5.2 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.

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

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

13.6 **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 ACD, these may not necessarily be the current prices. The cancellation price last notified to the Depositary is available from the ACD upon request.

13.7 **Pricing basis**

The ACD currently elects to deal on a forward basis from the beginning of each Business Day until the Valuation Point. The ACD may, subject to certain conditions and with the agreement of the Depositary, change the basis of dealing. In general the rules are as follows:

- 13.7.1 If the ACD's choice is forward, all deals must be at a forward price and the election lasts until the end of the dealing period.
- 13.7.2 The ACD may at any time elect for forward only for the rest of the then current period.
- 13.7.3 Redemptions must be on the same basis as issues.

13.8 **Income Equalisation**

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

13.8.1 Grouping for Equalisation

Grouping periods are consecutive periods within each annual accounting period, being the interim accounting periods (including the period from the end of the last interim accounting period in an annual accounting period to the end of that annual accounting period) as specified in paragraph 4 above. If there are no interim accounting periods the periods for grouping of shares will be annual accounting periods. Grouping is permitted by the Instrument of Incorporation for the purposes of equalisation.

14. **BUYING AND SELLING SHARES**

- 14.1 The dealing office of the ACD is open from 9.00am until 5.00pm each Dealing Day during which the ACD may receive requests for the buying and selling of shares. The ACD's normal basis of dealing is at a forward price plus or minus any applicable dilution levy, which means that transactions will be effected at prices determined at the next following Valuation Point (the 'dealing date').
- 14.2 Shares may be purchased by sending a completed application form or clear written instructions to Tutman 24 HR at the dealing office of the Administrator or through the means of electronic communications (as set out in paragraph 14). Application forms may be obtained by telephoning the ACD's Customer Enquiry Line on 0333 300 0355.

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

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

The minimum initial subscription in respect of each Sub-fund and (where applicable) each Class and any subsequent subscription for Shares which the ACD will accept are set out in Appendix 1. The only restriction on holdings is the value of the holding; there is no minimum number of Shares which any Shareholder need hold. The ACD reserves the right to reduce or waive minimum investment levels.

Investors buy and redeem Shares through the ACD who nets them to reduce the number of Shares issued or cancelled by the Company. When carrying out deals in Shares the ACD acts a principal but does not profit from this activity.

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

14.3 **Issue of shares in exchange for in specie assets**

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

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of shares.

The ACD will not issue shares in the Company in exchange for assets the holding of which would be inconsistent with the investment objective of the Company.

Details of in specie redemptions are set out in paragraph 14.9 below.

14.4 **Redeeming shares**

At any time during a Dealing Day when the ACD is willing to issue shares it must also be prepared to redeem shares. The ACD will buy back shares from registered Shareholders at not less than the price determined at the next Valuation Point following receipt of redemption instructions less any dilution levy.

The ACD may refuse to redeem a certain number of shares if the redemption will mean the Shareholder is left holding shares with a value of less than the minimum holding set out in Appendix 1 in respect of the relevant Sub-fund.

Requests to redeem shares in the Company may be made to the Administrator by telephone on the number stated above, through the means of electronic communications or by sending clear written instructions.

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

When shares are redeemed, a cheque will be sent out within four Business Days of the Valuation Point of the Company immediately following receipt by the ACD of the request to redeem shares or the time when the ACD has received all duly executed instruments and authorisations as will vest to title in the ACD or enable it to arrange to do so, whichever is the later.

The ACD does not intend to make any charge other than possibly a dilution levy on the redemption of the shares.

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

14.5 **Switching**

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Sub-fund may at any time Switch all or some of their Shares of one Class or Sub-fund ("**Original Shares**") for Shares of another Class or Sub-fund ("**New Shares**") in the Company. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

A request to Switch may be made in writing to the dealing office of the ACD. Telephone Switching instructions may be given but Shareholders are required to provide written instructions to the ACD (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) before Switching is effected.

The ACD may at its discretion make a charge on the Switching of Shares between Sub-funds or Classes. Any such charge on Switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any preliminary charge on the New Shares, subject to certain waivers. For details of the charges on switching currently payable, please see paragraph 11.5 (Charges on Switching).

If a partial Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on Switching on such conversion) or refuse to effect any Switch of the Original Shares. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Sub-fund or Sub-funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day in each of the relevant Sub-fund or Sub-funds.

The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on Switching together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

Please note that under UK tax law a Switch of Shares in one Sub-fund for Shares in any other Sub-fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to UK taxation, be a realisation of the Original Shares for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Shareholder's circumstances.

A Shareholder who Switches Shares in one Sub-fund for Shares in any other Sub-fund (or who Switches between Classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.

14.6 **Suspension of dealing**

The ACD may if the Depositary agrees, or shall if the Depositary so requires, at any time, temporarily suspend the issue and redemption of shares if the ACD or Depositary (in the case of any requirement by the Depositary), believes that due to exceptional circumstances it is in the interests of Shareholders or potential Shareholders. The ACD and Depositary must formally review any such suspension at least every 28 days and inform the FCA of the results of their review. Any such suspension may only continue for so long as it is justified having regard to the interest of the Shareholders and must cease as soon as practicable after the exceptional circumstances have ceased.

On suspension the ACD, or the Depositary if it has required the ACD 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 reasons for it, to the FCA.

The ACD must ensure that a notification of the suspension is made to the Shareholders as soon as practicable after the suspension commences drawing the Shareholders' attention to the exceptional circumstances resulting in the suspension. Notifications to Shareholders must be clear, fair and not misleading and Shareholders will be kept informed in writing about the status of the suspension.

The ACD must inform the FCA of the proposed re-start of dealing and, immediately after the re-start, must confirm this in writing to the FCA.

The ACD may agree, during the suspension, to deal in shares, in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first Valuation Point after restart of dealings in shares.

Re-calculation of prices will commence on the Business Day immediately following the end of the suspension, at the relevant Valuation Point.

In addition, the FCA Rules may require the ACD to temporarily suspend the issue, cancellation, sale and redemption of Shares in certain circumstances (for example, where a Sub-fund is invested in other authorised funds which are themselves suspended).

14.7 **Mandatory transfers, redemptions and conversion**

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

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

In addition, where the ACD considers it in the best interests of Shareholders, the ACD may convert a Shareholder's holding in one Share Class to another Share Class in the Company. The ACD shall give at least 60 days' prior written notice to the Shareholders concerned of the proposed conversion, including details of the new Share Class and reminding Shareholders of their rights to redeem.

14.8 **Large deals**

For the purpose of Chapter 6 of COLL a large deal will be a deal in respect of shares exceeding the sum of £100,000 in value.

14.9 **In specie redemptions**

14.10 Where a Shareholder requests redemption or cancellation of shares, the ACD may, at its discretion, give written notice to the Shareholder before the proceeds would otherwise become payable that, in lieu of paying such proceeds in cash, the ACD will transfer to that Shareholder property attributable to the Company having the appropriate value. Where such notice is given, the Shareholder may, by written notice given to the ACD before the relevant property is transferred to the Shareholder, require the ACD to arrange for a sale of that property and the payment to the Shareholder of the net proceeds of that sale. The selection of the property to be transferred (or sold) will be made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the Shareholder requesting cancellation of their shares than to continuing Shareholders. The ACD may retain out of the property to be transferred (or the proceeds of sale) property or cash of a value equivalent to any stamp duty or stamp duty reserve tax to be paid to the redemption or cancellation of the shares.

15. **ELECTRONIC COMMUNICATIONS**

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

15.1.1 prior agreement between the ACD and the person making the communication as to:

- (a) the electronic media by which such communications may be delivered; and
- (b) how such communications will be identified as conveying the necessary authority; and

15.1.2 assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the Shareholder.

16. **CLIENT MONEY RULES**

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

16.1.1 The ACD receives the money from a client in relation to the ACD's obligation to issue shares in the fund in accordance with COLL; or

16.1.2 The money is held in the course of redeeming shares, where the proceeds are paid to the client within the timeframe specified in COLL.

- 16.2 Where money is received in either of the circumstances set out in 23.1.1 or 23.1.2 above, the ACD must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Depositary or the client or, if direct issues and cancellations of Shares by the Company are permitted, to the Company, as applicable.
- 16.3 In order to facilitate management of the Company, the ACD makes use of the delivery versus payment exemption on the issue of shares in respect of money received other than in the form of cheques. Money received in other payment forms for the issue of shares is, therefore, not protected under the Client Money Rules until the delivery versus payment exemption period has expired. Money received by the ACD in the form of redemptions, cheques or other remittances is paid directly into a client money account maintained by the ACD with an Approved Bank, as defined in the FCA Rules, and protected in line with the Client Money Rules. No interest is payable by the ACD on monies credited to this account.
- 16.4 Money deposited into an account with a third party may have a security interest, lien or right of set-off in relation to the money, to the extent permitted by the Client Money Rules.
- 16.5 In certain circumstances, if the ACD has lost touch with an investor, the ACD will be permitted to pay the investor's client money balance to a registered charity after six years. The ACD will not do so until reasonable efforts have been made to contact the investor. The investor will still be entitled to recover this money from the ACD at a later date irrespective of whether the ACD has paid the money to charity. This is subject to the rules in COLL, which require the ACD to transfer any distribution payment which remains unclaimed after a period of six years from the date of payment to the Company's capital property.

17. **RISK FACTORS**

Potential investors should consider the following risk factors before investing in the Company (or in the case of specific risks applying to specific Sub-funds, in those Sub-funds).

17.1 **General**

Collective investment schemes should be regarded as long term investments.

The value of the shares in the Company is based upon the value of the underlying investments.

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of the Sub-funds will actually be achieved and no warranty or representation is given to this effect. The level of any yield for a Sub-fund may be subject to fluctuations and is not guaranteed.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on funds heavily invested in that asset class or region. There will be a variation in performance between funds with similar objectives due to the different assets selected.

17.2 Effect of Preliminary Charge or Redemption Charge

Where a preliminary charge or redemption charge is imposed, an investor who realises their Shares may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares.

The Shares therefore should be viewed as medium to long term investments.

17.3 Dilution

A Sub-fund may suffer a reduction in the value of its Scheme Property due to dealing costs incurred when buying and selling investments. To offset this dilution effect the ACD may require the payment of a dilution levy in addition to the price of Shares when bought or as a deduction when sold.

17.4 Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of Switching) may be suspended.

17.5 Liabilities of the Company

Each Sub-fund is a segregated portfolio of assets and, accordingly, the assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Sub-fund, and shall not be available for any such purpose.

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

Although each Sub-fund will be treated as bearing the liabilities, expenses, costs and charges attributable to it, in the event that assets or liabilities are not attributable to any particular Sub-fund, the Company may allocate such amounts between the Sub-funds of the Company in a manner which it believes is fair to the Shareholders generally.

A Shareholder is not liable to make any further payment to the Company or Sub-fund after they have paid the price on purchase of the Shares.

17.6 Currency Exchange Rates

Currency fluctuations may adversely affect the value of a Sub-fund's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of their investment in Shares.

17.7 Past performance is not necessarily a guide to future performance.

17.8 Derivatives and volatility

The prices of derivative instruments, including futures, options and swap prices, can be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, amongst other things, interest rate fluctuations. The use of these techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the price movements of the derivatives and price movements of related instruments, (3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Company, (4) the possible absence of a liquid market for any particular instrument at any particular time; which may result in possible impediments to effective portfolio management or the ability to meet redemption. The Company may invest in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

The Company may from time to time utilise both exchange-traded and over-the-counter credit derivatives, such as credit default swaps for hedging purposes. These instruments may be volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of the funds actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited. Furthermore, when used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged. Transactions in over-the-counter derivatives, such as credit derivatives, may involve additional risk as there is no exchange market on which to close out an open position.

Unless otherwise stated in Appendix 1 in respect of a Sub-fund, it is intended that each of the Sub-funds can use derivatives in accordance with the Rules for the purpose of Efficient Portfolio Management (including hedging). The use of derivatives and forward transactions for the purpose of Efficient Portfolio Management is not expected to increase the risk profile of that Sub-fund.

17.9 **Derivative Techniques**

The COLL Sourcebook permits the ACD to use certain techniques when investing in derivatives in order to manage a Sub-fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure to over the counter ("OTC") derivatives; for example a Sub-fund may take collateral from counterparties with whom it has an OTC derivative position and use that collateral to net off against the exposure it has to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits a Sub-fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

17.10 **Counterparty and Settlement**

The Company will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. In particular, it should be noted that transactions may not always be settled by delivery versus payment and this may expose the Company to greater counterparty risk and potentially to loss in excess of the counterparty's obligations to the Company.

17.11 **Counterparty Risk in Over-the-Counter Markets**

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

17.12 **Equity swaps**

An equity swap, often referred to as a contract for difference or 'CFD', is a contract between two parties, buyer and seller, stipulating that the seller will pay to the buyer the positive difference between the current value of an asset (a security, instrument, basket or index) and its value when the contract was first entered into. If the difference is negative, then the buyer pays this amount to the seller. Equity swaps allow investors to take synthetic long or synthetic short positions with a variable margin, which, unlike futures contracts, have no fixed expiry date. Unlike shares, with equity swaps, the buyer is potentially liable for more than the amount they paid on margin. The Sub-fund will therefore employ risk management techniques to ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from equity swaps and other techniques and instruments.

17.13 **Short sales**

A short sale involves the sale of a security that the Sub-fund does not physically own in the expectation of purchasing the same security at a later date at a lower price to secure a profit. The COLL Sourcebook prohibits the short selling of physical securities but allow the creation of synthetic-short positions through the use of cash settled derivatives such as equity swaps (or CFDs), as long as any exposure created is covered by the assets of the Sub-fund. The establishment and maintenance of a synthetic short position in equities can involve greater risks than would be the case with a long position. These include the possibility of unlimited loss due to potentially unlimited price appreciation in the securities concerned, problems associated with the cost or availability of stock to borrow for the purposes of short selling and possible difficulties in purchasing stock to cover short positions in certain market conditions.

17.14 **Market risk**

Each Sub-fund will be diversified. However, the underlying investments of a Sub-fund will be subject to normal market fluctuations and to the risks inherent in investments in collective investment schemes.

17.15 **Infectious Diseases**

Infectious diseases that pose significant threats to human health may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious diseases could significantly impact the value of the scheme property of the Company, or a Sub-Fund, and the value of distributions paid to investors.

17.16 **Emerging Markets**

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

The following is a brief summary of some of the more common risks associated with emerging markets investment:

Fraudulent Securities – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.

Currency Fluctuations – Significant changes in the currencies of the countries in which investments are made in respect of the currency of denomination of the relevant Sub-fund may occur following the investment of the Company in these currencies. These changes may impact the total return of the Sub-fund to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.

Settlement and Custody Risks – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement may be delayed and that cash or securities could be disadvantaged.

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

Investment and Remittance Restrictions - In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Sub-fund because the maximum permitted number of or investment by foreign Shareholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval. The Company will only invest in markets in which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.

Accounting - Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

The Company may invest in such markets.

17.17 **Credit and Fixed Interest Securities**

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and *vice versa*. Inflation will also decrease the real value of capital.

The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of interest, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent.

17.18 **Liquidity**

In extreme market conditions it may be difficult for a Sub-fund to realise an investment at short notice without suffering a discount to market value. In such circumstances the investor may suffer a delay in realising their investment or may incur a dilution adjustment.

Depending on the types of assets the Sub-funds invest in, there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

17.19 **Leverage**

A proportion of the capital may be leveraged. While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well. Any event which adversely affects the underlying vehicles would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investment vehicles could result in a substantial loss to capital that would be greater than if capital were not leveraged.

17.20 **Tax**

Tax laws currently in place may change in the future which could affect the value of your investments. See section 10 headed 'Taxation' for further details about taxation of the Sub-funds.

17.21 **Inflation and interest rates**

The real value of any returns that an investor may receive from the Sub-funds could be affected by interest rates and inflation over time.

17.22 **Custody**

Where the assets of the Sub-funds are held in custody, there may be a risk of loss that could result from the insolvency, negligence or fraudulent action of a Custodian or sub-custodian.

17.23 **Investment into a fund which then invests into other funds**

Where a Sub-fund's investment strategy includes making investments into other underlying target funds, fees (including performance fees) are usually charged by the manager of the underlying component funds. The underlying manager's fees are deducted from the underlying fund prior to the assets of the fund being valued. Consequently, any fees deducted by the manager of any chosen underlying fund are excluded from the published fee calculations for the fund of funds.

17.24 **Structured Products**

The Sub-funds may invest in structured products in accordance with COLL. For the purposes of the FCA's rules, structured products may be regarded as either transferable securities, collective investment schemes or derivatives depending on the product in question. The common feature of these products is that they are designed to combine the potential upside of market performance with limited downside. Structured products typically are investments which are linked to the performance of one or more underlying instruments or assets such as market prices, rates, indices, securities, currencies and commodities and other Financial Instruments that may introduce significant risk that may affect the performance of the Sub-funds.

However, in addition to providing exposure to the asset classes described in the investment objective, the intention is that the use of structured products in the context of the Sub-funds should assist with keeping the volatility levels of the Sub-funds relatively low.

17.25 **Unregulated Collective Investment Schemes**

Unregulated collective investment schemes in which the Company may invest up to 20% of its Scheme Property may invest in highly illiquid securities that may be difficult to value. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. Investors should be aware that liquidity constraints, and the extent to which a fund's securities are valued by independent sources, are factors which could have an impact on the Company's valuation.

18. **REGULATORY ISSUES**

18.1 **Regulatory Status**

The ACD, Investment Manager and Depositary are authorised and regulated by the Financial Conduct Authority.

18.2 **Conflicts**

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

18.2.1 the delegate and an investor in a Company 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);

18.2.2 the delegate makes a financial gain, or avoids a financial loss, at the expense of the Company or the investors in the Company;

18.2.3 the delegate has an interest in the outcome of a service or an activity provided to the ACD or the Company;

18.2.4 the delegate has a financial or other incentive to favour the interest of another client over the interests of the Company or the investors in the Company;

18.2.5 the delegate receives or will receive from a person other than the ACD an inducement in relation to the collective portfolio management activities provided to the ACD and the Company in the form of monies, goods or services other than the standard commission or fee for that service.

18.3 The ACD 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 ACD 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.

19. **SHAREHOLDER MEETINGS AND VOTING RIGHTS**

19.1 **Class, Company and Sub-fund Meetings**

The Company has dispensed with the requirement to hold annual general meetings.

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Sub-funds as they apply to general meetings of the Company, but by reference to Shares of the Class or Sub-fund concerned and the Shareholders and value and prices of such Shares.

19.2 **Requisitions of Meetings**

The ACD may requisition a general meeting at any time.

Shareholders may also requisition a general meeting of the Company. A requisition by Shareholders must state the objects of the meeting, be dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one tenth in value of all Shares then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

19.3 **Notice and Quorum**

Shareholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

19.4 **Voting Rights**

At a general meeting, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price of all the Shares in issue at a reasonable date, before the notice of meeting is sent out, such date to be decided by the ACD.

A Shareholder entitled to more than one vote need not, if they vote, use all of their votes or cast all the votes they use in the same way.

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

Except where the COLL Sourcebook or the Instrument of Incorporation require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions.

Where all the Shares in a Sub-fund are registered to, or held by, the ACD or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

“**Shareholders**” in this context means Shareholders entered on the Register at a time to be determined by the ACD and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.

19.5 **Variation of Class or Sub-fund rights**

The rights attached to a Class or Sub-fund may be varied in accordance with the COLL Sourcebook.

Fundamental changes to the Company can only be made with the passing of an extraordinary resolution of Shareholders. A fundamental change is a change or event which:

- 19.5.1 changes the purposes or nature of the Company or the Sub-funds,
- 19.5.2 may materially prejudice a Shareholder,
- 19.5.3 alters the risk profile of the Company or a Sub-fund; or
- 19.5.4 introduces any new type of payment out of the Scheme Property.

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

- (a) affects a Shareholder’s ability to exercise his rights in relation to their investment;
- (b) would reasonably be expected to cause the Shareholder to reconsider their participation in the Company;
- (c) results in any increased payments out of the Scheme Property to the ACD or an associate of the ACD; 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 ACD must inform Shareholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Company. This is a change or event, other than a fundamental or significant change, which a Shareholder must be made aware of unless the ACD concludes the change is insignificant. The appropriate manner and timescale of notification will depend on the nature of the change or event. An

appropriate manner of notification could include the information being included in the next long form report of the Company.

20. **STOCK LENDING**

20.1 The ACD may request the Depositary to enter into stock lending transactions in respect of the Company. The purpose of the stock lending transaction must be for the generation of capital or income for the Company with no, or an acceptably low, degree of risk.

20.2 Briefly, such transactions are those where the Depositary 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 Depositary at the time of delivery of the securities receives assets as collateral to cover the risk that the securities are not returned. Such transactions must always comply with the relevant requirements of the Taxation of Chargeable Gains Act 1992 and the FCA Rules. There is no limit on the value of the Scheme Property which may be the subject of repo contracts or stock lending transactions.

21. **TAXATION**

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

21.2 **Taxation of the Sub-funds**

The Company is an umbrella ICVC and each Sub-fund is treated as a separate authorised investment fund for tax purposes. Income of each Sub-fund is deemed to be distributed for tax purposes, even when it is accumulated. References to distributions include deemed distributions of accumulated income.

Each Sub-fund will make dividend distributions except where over 60% of the Sub-fund'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" for UK tax purposes.

(A) **Income**

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

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

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

(B) Chargeable gains

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

(C) Stamp Duty Reserve Tax

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

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

Taxation of Shareholders

(A) Income

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

The distribution accounts of the Sub-fund for any of its distribution periods may show income available for distribution by the Sub-funds 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 relevant Sub-fund.

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

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

(B) Interest distributions

UK resident individuals

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

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

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

Basic and higher rate taxpayers can re-claim from HMRC the tax withheld which falls within their personal savings allowances. Non-taxpayers may re-claim the basic rate tax withheld from HM Revenue & Customs.

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

UK corporate Shareholders

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

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

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

(C) Dividend distributions

Dividend distributions paid by the Company in respect of a Sub-fund are treated as if they are dividends.

UK Resident Individuals

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

UK Corporate Shareholders

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

(D) Chargeable gains

UK resident individuals

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

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

UK corporate Shareholders

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

Stamp Duty Reserve Tax

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

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

21.3 Income equalisation – tax implications

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

21.4 UK information reporting regime

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

21.5 **Tax Elected Fund (“TEF”) regime**

The ACD may, in the future, seek to elect one or more of the Sub-funds into the TEF regime if it considers that it would be advantageous for the majority of investors in the Sub-funds to do so. If a Sub-fund is elected into the TEF regime, the UK tax treatment of that Sub-fund and its investors would be different to that set out above.

21.6 **International Tax Compliance**

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

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

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

Shareholders should note that:

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

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

22. **RISK PROFILE MANAGEMENT**

- 22.1 The ACD, in consultation with the Investment Manager, has adopted a risk management process in respect of the Company enabling it to monitor and measure the risk of the Company's portfolio and contribution of the underlying investments to the overall risk profile of the Company.
- 22.2 The ACD operates a liquidity risk management policy with a view to ensuring that Shareholders are able to realise their shares 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.
- 22.3 Liquidity risk is the risk that the Company 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 Company'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 Company has sufficient capacity to meet obligations arising from any derivative positions.
- 22.4 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**

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

23.1.1 set a maximum level of leveraging which it may employ on behalf of the Company; and

23.1.2 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.

23.2 For the Company, the ACD 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

Derivative Type	Limits
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%

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

- 23.2.1 the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the Company 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;
 - 23.2.2 derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;
 - 23.2.3 cash borrowings that remain in cash or cash equivalents and where the amounts payable are known are excluded;
 - 23.2.4 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
 - 23.2.5 positions within repurchase or reverse repurchase transactions and securities lending or borrowing or other similar arrangements are included.
- 23.3 The maximum level of leverage for the Company expressed as a ratio of the Company's total exposure to its net asset value current ratio under the gross method is: 300%.

- 23.4 Under the **commitment method**, the exposure of the Company is calculated as follows:
- 23.4.1 derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;
 - 23.4.2 netting and hedging arrangements are applied, subject to specified conditions;
 - 23.4.3 the exposure created through the reinvestment of borrowings where such reinvestment increases the exposure of the Company is calculated;
 - 23.4.4 derivative instruments used for currency hedging purposes are excluded.
- 23.5 The maximum level of leverage for the Company expressed as a ratio of the Company's total exposure to its net asset value current ratio under the commitment method is: 200%.

23.6 Use of Leverage

The Company may use options, forwards and other derivative instruments for hedging against either price or currency fluctuations. The ACD'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 Company; (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 Company's assets segregated to cover its obligations. Hedging strategies necessarily add costs to the Company.

24. FAIR TREATMENT OF INVESTORS

24.1 The ACD 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.

24.2 The ACD is required, under the FCA Handbook, to treat its customers fairly, when they become, remain or as they cease to be Shareholders. The ACD 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.

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

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

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

24.5.1 Disclosure / Reporting:

- (a) notification of (A) certain 'key man' events and/or (B) certain changes to the organisation of the Company and/or (C) the issue of shares 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 Company and/or its service providers (including, but not limited to, the Investment Manager) or the relevant Shareholder's investment in the Company;
- (b) notification if holdings in the Company by the relevant Shareholder exceed specific levels; and/or
- (c) the provision of certain limited information relating to the Investment Managers and/or to the Company's assets, including in order to allow the relevant Shareholder to comply with the laws and regulations to which it is subject.

24.5.2 Investor Liquidity terms:

- (a) ensure that redemptions of shares 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
- (b) permit transferability of shares where there is no change of beneficial ownership.

24.5.3 Fees:

- (a) rebate some or all of the periodic charge payable in respect of the relevant Shareholder's shares.

24.5.4 Side Arrangements:

- (a) The ACD's Risk Management Policy deals with Side Arrangements.
- (b) 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 ACD will give consideration as to whether the nature and scope of the provisions are consistent with treating all investors fairly.
- (c) 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**

- 25.1 The UK AIFM regime requires the ACD 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 Company is established). The laws of England and Wales provide a number of legal mechanisms for the recognition and enforcement of judgments.

26. **LEGAL IMPLICATIONS**

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

26.1.1 By investing in the Company through electronic communications, by telephone or by submitting an application form to the Administrator, the investor makes an offer to subscribe for shares which, once it is accepted by the ACD, or the Administrator on its behalf, has the effect of a binding contract to subscribe for shares.

26.1.2 The provisions of the scheme documents made between the ACD and the Depositary by way of which the Company is constituted, as the same may be amended from time to time are binding on each of the Shareholder (who are taken to have notice of them) as if that Shareholder was a party to it with effect on and from the date that any person has become a Shareholder.

26.1.3 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 Company, the ACD and the Shareholders of the Company 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 Shareholder's investment in the Company or any related matter,

26.1.4 The scheme documents may be amended by agreement between the ACD and the Depositary.

26.1.5 In absence of a direct contractual relationship between a Shareholder and the relevant service provider, Shareholders generally have no direct rights against the relevant service provider. There are only limited circumstances in which a Shareholder 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 Company by the relevant service provider is, *prima facie*, the Company itself or the ACD acting on behalf of the Company, as the case may be.

27. **FURTHER INFORMATION**

- 27.1 Copies of the Instrument of Incorporation, the Prospectus, the ACD Agreement and the most recent annual reports may be inspected at the ACD's head office at the address set out in Appendix 6. Copies of these documents may be obtained free of charge on request from the ACD.

27.2 Telephone calls may be recorded for regulatory, training or monitoring purposes. Refer to paragraph 27 for further details.

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

27.4 The Financial Services Compensation Scheme offers compensation when an authorised firm is unable to pay claims against it, usually because the firm has gone out of business. The ACD is covered by the Financial Services Compensation Scheme. Investors may be entitled to compensation from the scheme if the ACD cannot meet its obligations. Further information is available from the Financial Services Compensation Scheme (FSCS) by contacting the FSCS Limited at 10 Floor Beaufort House, 15 St Botolph Street, London EC3A 7QU or via telephone on 0800 678 1100 or 020 7741 4100.

27.5 **Complaints**

27.5.1 Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD.

27.5.2 If a complaint cannot be resolved satisfactorily with the ACD, it may be referred to the Financial Ombudsman Service, Exchange Tower, London E14 9SR. The website for the Financial Ombudsman service is at www.financialombudsman.org.uk.

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

27.6 **Risk Management**

The ACD will provide upon the request of a Shareholder further information relating to:

27.6.1 the quantitative limits applying in the risk management of any Sub-fund;

27.6.2 the methods used in relation to the foregoing; and

27.6.3 any recent development of the risk and yields of the main categories of investment.

27.7 **Indemnity**

The Instrument of Incorporation contains provisions indemnifying the Directors, other officers and the Company's auditors or the Depositary against liability in certain circumstances otherwise than in respect of their negligence, default, breach of duty or breach of trust, and indemnifying the Depositary against liability in certain circumstances otherwise than in respect of its failure to exercise due care and diligence in the discharge of its functions in respect of the Company.

27.8 **Genuine diversity of ownership**

Shares in the Company are and will continue to be widely available. The intended categories of investors are retail investors and non-retail, professional investors. Different Classes of a Sub-fund are issued to different types of investors.

Shares in the Company are and will continue to be marketed and made available sufficiently widely to reach the intended categories of investors for each Class, and in a manner appropriate to attract those categories of investors.

27.9 **Future disclosures**

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

- 27.9.1 the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- 27.9.2 any new arrangements for managing the liquidity of the Company;
- 27.9.3 the current risk profile of the Company and the risk management systems employed by the ACD to manage those risks; and
- 27.9.4 the total amount of leverage employed by the Company, as applicable.

Shareholders will also be provided with information regarding changes to:

- 27.9.5 the maximum level of leverage that the ACD may employ on behalf of the Company;
- 27.9.6 any rights of re-use of collateral under the Company's leveraging arrangements; and
- 27.9.7 any guarantee granted under the Company's leveraging arrangements.

This information will be made available to Shareholders, 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 Shareholders.

27.10 **Notice to Shareholders**

All notices or other documents to be served upon a Shareholder will be duly served if:

- a) delivered to the Shareholder's address as appearing in the Register;
- b) delivered by using an electronic medium in accordance with paragraph 15 (Electronic Communications).

Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted.

Any document left at a registered address or delivered other than by post is deemed to have been served on that day.

Any document or notice to be served on or information to be given to a Shareholder, must be in legible form. For this purpose, any form is legible form which:

- a) is consistent with the ACD's knowledge of how the recipient of the document wishes or expects to receive the document;
- b) is capable of being provided in hard copy by the ACD;
- c) enables the recipient to know or record the time of receipt; and
- d) is reasonable in the context.

27.11 Documents of the Company

The following documents may be inspected free of charge during normal business hours on any business day at the offices of the ACD at the address set out in Appendix 6:

- 27.11.1 the most recent annual and half yearly reports of the Company;
- 27.11.2 the Instrument of Incorporation (and any amending documents);
- 27.11.3 the material contracts referred to below; and
- 27.11.4 this Prospectus or the most recent version of the Prospectus

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents. The most recent versions of the Prospectus and annual and half yearly long reports of the Company are available (free of charge) to anyone who requests them.

27.12 Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- 27.12.1 the ACD Agreement between the Company, and the ACD; and
- 27.12.2 the Depositary Agreement between the Company, the ACD and the Depositary.

Details of the above contracts are given above.

27.13 Provision of Investment Advice

All information concerning the Company and about investing in shares of the Company is available from the ACD at the address set out in Appendix 6. The ACD is not authorised to give investment advice and persons requiring such advice should consult a professional financial adviser. All applications for shares are made solely on the basis of the current prospectus of the Company, and investors should ensure that they have the most up to date version.

28. **TELEPHONE RECORDINGS**

Please note that the ACD may record telephone calls for training and monitoring purposes.

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

If an investor asks the ACD to send a recording of a particular call the ACD may ask for further information to help identify the exact call which the request relates to.

29. **NON-ACCOUNTABILITY FOR PROFITS**

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

29.1.1 dealings in the shares of the Company; or

29.1.2 any transaction in the Scheme Property; or

29.1.3 the supply of services to the Company.

APPENDIX 1

SUB-FUND DETAILS

Name:	<u>THE RECTORY INVESTMENT FUND</u>
Type of Sub-fund:	Non-UCITS retail Scheme
Investment Objective	The fund aims to achieve capital growth with the potential for some income, net of fees, over a rolling 5 year period.
Investment Policy	<p>The fund will invest in a global portfolio which will typically comprise of equities (at least 80%). The remainder of the fund may be invested in fixed income assets (which may include government and public securities) and other transferable securities, money-market instruments, cash, near cash and deposits.</p> <p>The composition of the Scheme Property as between equities, fixed income assets and other assets, will vary over time in response to the Investment Manager's assessment of market conditions as well as the economic environment. The exposure to equities may fall below 80% during difficult markets.</p> <p>The fund may obtain this exposure directly or through investment in collective investment vehicles (regulated and unregulated including exchange traded vehicles and investment trusts) which may include other schemes managed by the ACD, or the Investment Manager or an associate of the ACD or the Investment Manager.</p> <p>In addition the fund may invest in eligible alternatives (e.g. gold and commodities) indirectly via permitted instruments such as investment trusts or other collective investment vehicles.</p> <p>The fund may use derivatives for the purpose of Efficient Portfolio Management and its use is expected to be limited.</p> <p>The Investment Manager will actively manage the fund. This means that the Investment Manager actively makes decisions about how to invest the Scheme Property (and which investments to buy and sell) instead of simply following a market index.</p> <p>The fund's investment strategy takes account of some environmental, social and governance considerations. This is further described in "Strategy" below.</p>
Performance Comparator	The fund uses the Investment Association Global peer group for performance comparison purposes only.

This peer group is not a target benchmark and the fund is not constrained by it. The peer group has been selected as a comparator for performance because the parameters for this peer group of at least 80% exposure to equities are closely aligned with the parameters set out in the policy of the fund.

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

Strategy

The Investment Manager's investment strategy combines three key elements: (1) a qualitative ESG screening process, (2) a thematic selection process, and (3) quantitative financial analysis. Each of these elements is explained below.

(1) ESG screening process:

The Investment Manager first applies an ESG screening process to determine its universe of potentially eligible investments (the "**investment universe**"). The Investment Manager will exclude companies involved in nuclear and weapons manufacture and companies in violation of the Ten Principles of the UN Global Compact.

In the next stage, the remaining companies (i.e. those companies which have not yet been excluded from investment by the fund) are then evaluated by the Investment Manager in a qualitative manner based on their ESG credentials.

The Investment Manager assesses the company's credentials using the MSCI ESG Intangible Value Assessment ("**IVA**") ratings and the MSCI ESG Controversies ratings.

Any company with a MSCI ESG IVA rating lower than BBB or a red MSCI ESG Controversies flag is automatically excluded from the Investment Manager's investment universe.

For those companies with a MSCI ESG IVA rating of BBB (the lowest rating considered by the Investment Manager) the Investment Manager will only allow the company to be part of the Investment Manager's investment universe if it has a green MSCI ESG Controversies flag.

(2) Thematic selection process:

Once the investment universe has been established the Investment Manager uses a thematic selection process that aims to identify trends into which to invest.

The long-term fundamental themes are split into two main categories, the Environment and Society. These two categories are then sub-divided into three more sub-categories. This results in six themes in total and each company selected has to fall into at least one of these six themes:

Environment

- Low Carbon
- Water
- Resource Efficiency

Society

- Nutrition
- Health
- Economic Empowerment

(3) Quantitative financial analysis:

In the final stage, the Investment Manager undertakes quantitative financial analysis based on fundamental company-specific research that seeks to identify and select equities that can achieve the fund's investment objective. The Investment Manager's company-specific research assesses equity opportunities through an analysis of balance sheet, leverage, profitability, capital allocation, as well as considering these companies' ESG credentials.

PRN:	775156
Final accounting date:	31 March
Interim accounting date:	30 September
Income distribution dates:	31 July (annual) and 30 November (interim)
Shares Classes and type of Shares:	Income and accumulation
Preliminary charge:	5%
Redemption charge:	None

Annual Charge:	Management	1%
Switching charge:		Please refer to paragraph 11.5.
Charges taken from Income or capital:		Income (except those charges and expenses relating directly to the purchase and sale of investments*)
Charges for investment research		Not applicable
Investment minima**:		
Lump sum		£3,000,000 (initial), £10,000 (subsequent)
Holding		£3,000,000
Redemption		£10,000

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

** The ACD may waive the minimum levels at its discretion.

Additional Information for Investors

Past performance of The Rectory Investment Fund is set out in Appendix 4.

Investor profile

The Sub-fund is compatible with long term investors who can afford to set aside the capital for at least five years. Investors should note that the recommended time horizon is a minimum and not a recommendation to sell at the end of that minimum period. If you are uncertain about whether this product is compatible with your needs, please contact an independent financial adviser.

Investors must be comfortable that the value of investments in the Sub-fund can go down as well as up, that capital may be at risk and that performance varies over time and returns are not guaranteed.

Investors should be aware that there is no protection of capital and no guaranteed return and investors can lose the amount invested. Accordingly, shares are not compatible with:

- any investor who does not have sufficient resources to bear any loss resulting from the investment;
- any investor who cannot set aside the capital for at least five years;
- investors who are not prepared to take any risk with their money or put their capital at risk; and/or

- any investor looking for guaranteed income or a guaranteed total return.

APPENDIX 2

INVESTMENT AND BORROWING POWERS OF THE COMPANY

1. LIMITATIONS ON TYPE OF INVESTMENTS

1.1 All the Scheme Property of a Sub-fund must be invested in any or all of the following assets: transferable securities, money market instruments, derivatives, deposits and units in collective investment schemes. Cash or near cash may be held for the pursuit of the Sub-fund's investment objectives or redemption of shares or for the efficient management of the Sub-fund in accordance with its investment objectives or any other purpose reasonably regarded as ancillary to the investment objectives of the Sub-fund. From time to time a Sub-fund may have a higher than usual level of liquidity if the ACD considers that to be in the interests of Shareholders.

1.2 The investment objectives and policy are set out in Appendix 1 are subject to the limits on investment under the FCA Rules and as set out in this Prospectus. These limits are summarised below. Subject to those limits, there is no restriction on the proportion of the assets of the Company which may consist of assets of any of the descriptions set out in paragraph 1.1.

1.3 Neither the Company nor any Sub-fund will maintain an interest in immovable property or tangible movable property.

1.4 The investment policy of a Sub-fund may involve the Investment Manager investing the Scheme Property wholly or principally in scheme units, however this is subject to change from time to time at the discretion of the Investment Manager where a change is believed to be in the best interests of the Shareholders.

1.5 Normally, the Scheme Property will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the Sub-fund both generally and in relation to its investment objectives and policy. This amount will vary depending upon prevailing circumstances and there may be times when the ACD considers stock markets to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased.

1.6 Investments permitted for each Sub-fund are as follows:

1.6.1 **Approved securities**

The Scheme Property may be invested in approved securities. An approved security is a transferable security that is admitted to an official listing in the UK or an EEA State or is traded on or under the rules of an eligible securities market (otherwise than by specific permission of the market authority). An eligible market is a regulated market that is regulated, open to the public and operates regularly; further details are set out in sub-paragraph 1.6.10 below.

1.6.2 **Transferable securities**

Transferable securities are, in general terms, investments in shares, debentures, alternative debentures, government and public securities, warrants or certificates representing certain securities (as such terms defined in the FCA Glossary). Not more than 20% in value of the Scheme Property can be invested in transferable securities which are not approved securities.

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

1.6.3 **Money-market instruments**

The Scheme Property may be invested in money-market instruments which are:

- (a) admitted to or dealt in on an eligible market; or
- (b) subject to a limit of 20% in value of the Scheme Property, liquid and have a value which can be determined accurately at any time.

1.6.4 **Derivatives**

A transaction in derivatives or a forward transaction must not be effected for a Sub-fund unless:

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

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

Where a transferable security or money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with and calculating any limit in this Appendix.

Where a Sub-fund invests in an index-based derivative, provided the relevant index falls within the relevant requirements of COLL, the underlying constituents of the index do not have to be taken into account for the purposes of restrictions spread. The relaxation is subject to the ACD taking account of COLL 5.6.3R in relation to the prudent spread of risk.

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

A transaction in a derivative must not cause a Sub-fund to diverge from its investment objectives as stated in the Instrument of Incorporation and in this Prospectus.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, money-market instruments, units in collective investment schemes, or derivatives.

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

No agreement by or on behalf of a Company or a Sub-fund to dispose of property or rights (except for a deposit) may be made:

- (a) unless the obligation to make the disposal and any other similar obligations could immediately be honoured by the Company or Sub-fund, as the case may be, by delivery of property or the assignment of rights; and
- (b) the property and rights at (a) are owned by the Company or Sub-fund, as the case may be, at the time of the agreement.

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

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

A transaction in an OTC derivative must be:

- (a) with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is:
 - (i) an Eligible Institution or an Approved Bank; or
 - (ii) a person whose permission (including any requirements or limitations), as published in the Financial Services Register provided by the FCA permits it to enter into the transaction as principal off-exchange;
 - (iii) a CCP that is authorised in that capacity for the purposes of EMIR;
 - (iv) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
 - (v) to the extent not already covered above, a CCP supervised in a jurisdiction that:
 - A. has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the UK; and

- B. is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019.
- (b) on approved terms. The terms of the transaction in derivatives are approved only if the ACD:
- (i) carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
 - (ii) can enter into one or more further transactions to sell, liquidate or close out that transactions at any time, at its fair value;
- (c) capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
- (i) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - (ii) if the value referred to in (i) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- (d) subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
- (i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
 - (ii) a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

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

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

Approved derivatives transactions are used for the purpose of Efficient Portfolio Management (including hedging) and, if so specified in relation to a Sub-Fund in Appendix 1, meeting the investment objectives of the relevant Sub-Fund. It is, therefore, anticipated that the outcome of the use of derivatives for the purpose of Efficient Portfolio Management would be principally to hedge against currency risks and to reduce, rather than to increase, the risk profile to the Company. Movements in currencies may, however, render such hedging ineffective. **If derivatives are used for investment purposes, the net asset value of the Company may in consequence be highly volatile at times and the risk profile of the Company may be increased.** This would also be the case if the Company used Warrants as described below. However, it is the ACD's intention that the Company, owing to its portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of its underlying investments.

1.6.5 **Deposits**

A Sub-fund may invest in deposits only with an Approved Bank with a rating of not less than A and which are repayable on demand or have the right to be withdrawn and maturing in no more than 12 months.

1.6.6 **Collective investment schemes**

A Sub-fund may invest up to 100% of its Scheme Property in units in collective investment schemes.

A Sub-fund may invest in units in a regulated or unregulated collective investment scheme (the "second scheme") provided that:

- (a) the second scheme:
 - (i) is a UK UCITS or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
 - (ii) is a recognised scheme (as defined in the FCA Glossary); or
 - (iii) is a Non-UCITS retail scheme; or
 - (iv) is constituted outside the UK and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS retail scheme; or
 - (v) is a scheme not falling within (i) to (iv) and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested;

- (b) the second scheme operates on the principle of the prudent spread of risk; and
- (c) 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 (unless it is a permitted feeder scheme as described in paragraph 1.6.7); and
- (d) 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.
- (e) where the second scheme is an umbrella, the provisions in (b) to (d) and COLL 5.6.7R (Spread: general) apply to each sub-fund as if it were a separate scheme.

Subject to the restrictions above, investment may be made in other collective investment schemes managed by the ACD or an associate of the ACD, provided that the conditions in COLL 5.2.16R are complied with.

Unregulated collective investment schemes in which a Sub-fund may invest up to 20% of its Scheme Property may invest in highly illiquid securities that may be difficult to value. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. Investors should be aware that liquidity constraints, and the extent to which a fund's securities are valued by independent sources, are factors which could have an impact on the Company's valuation.

1.6.7 **Investment in feeder schemes**

A Sub-fund may, if the conditions in (1) to (4) are met, invest in units of:

- (a) a feeder UCITS; or
- (b) a feeder NURS; or
- (c) a scheme dedicated to units in a single property authorised investment fund; or
- (d) a scheme dedicated to units in a recognised scheme.

The conditions are:

- 1 (a) The relevant master UCITS must comply with COLL 5.2.13R(2), (3) and (4) as if it were the second scheme for the purpose of that rule.

- (b) The relevant qualifying master scheme, property authorised investment fund or recognised scheme must comply with COLL 5.6.10R(2) to (5) as if it were the second scheme for the purpose of that rule.
- 2 Not more than 35% in value of the Scheme Property of the Sub-fund may consist of units of one or more schemes permitted under (a) to (d) above.
- 3. The Sub-fund must not invest directly in units of the relevant master UCITS, qualifying master scheme, property authorised investment fund or recognised scheme.
- 4. The ACD must be able to show on reasonable grounds that an investment in one or more schemes permitted under (a) to (d) above is:
 - (a) in the interests of investors; and
 - (b) no less advantageous than if the Sub-fund had held units directly in the relevant:
 - (i) master UCITS; or
 - (ii) qualifying master scheme; or
 - (iii) property authorised investment fund; or
 - (iv) recognised scheme.

When determining whether an investment is no less advantageous for the purpose of paragraph 4(b) above, the ACD shall have regard in particular to:

- 1. the risk profile of the Sub-fund;
- 2. the total costs borne by the Sub-fund; and
- 3. the benefits to investors of investing in units of one or more schemes permitted under paragraphs 1.5.7(a) to (d) above.

1.6.8 **Warrants**

A Sub-fund may invest in warrants but it is not anticipated that extensive use will be made of warrants. The exposure created by the exercise of the rights conferred by those warrants must not exceed the limits set out in "Spread" below.

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be highly volatile.

1.6.9 Spread: General

- (a) This paragraph does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 1.6.10 applies.
- (b) The specific limits are set out as follows:
 - (i) not more than 20% in value of the Scheme Property is to consist of deposits with a single body;
 - (ii) not more than 10% in value of the Scheme Property is to consist of transferable securities or money-market instruments issued by any single body (except that the limit of 10% is raised to 25% in value of the Scheme Property in respect of covered bonds) subject to COLL 5.6.23R;
 - (iii) exposure to any one counterparty in an OTC derivative transaction shall not exceed 10% in value of the Scheme Property; and
 - (iv) not more than 35% in value of the Scheme Property is to consist of the units of any one collective investment scheme.
- (c) In applying the limit under paragraph (b)(ii) above, certificates representing certain securities are to be treated as equivalent to the underlying securities.
- (d) For the purposes of this paragraph 1.6.9 companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards, are regarded as a single body.

1.6.10 Spread: Government and Public Securities

- (a) This paragraph 1.6.10 applies in respect of transferable securities or approved money-market instruments ('such securities') that are issued or guaranteed by:
 - (i) the UK or an EEA State;
 - (ii) a local authority of the UK or an EEA State;
 - (iii) a non-EEA State; or

- (iv) a public international body to which the UK or one or more EEA States belong.
- (b) 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.
- (c) **A Sub-fund may invest more than 35% in value of the Scheme Property in government and public securities issued by any one body, provided that:**
 - (i) **the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Company;**
 - (ii) **no more than 30% in value of the Scheme Property consists of such securities of any one issue;**
 - (iii) **the Scheme Property includes such securities issued by that or another issuer, of at least six different issues; and**
 - (iv) **the disclosures in COLL 4.2.5R(3)(i) have been made in the most recently published version of this Prospectus.**
- (d) In relation to government and public securities:
 - (i) Issue, issuer and guarantor include guarantee, guaranteed and guarantor; and
 - (ii) an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.
- (e) Notwithstanding paragraph 1.6.9(a) and subject to paragraphs 1.6.9(b)(ii) and 1.6.9(d) above, in applying the 20% limit in 1.6.9(b)(ii) with respect to a single body, such securities issued by that body shall be taken into account.
- (f) **More than 35% in value of the Scheme Property may be invested in government and public securities issued by the:**
 - (i) **Government of the United Kingdom;**
 - (ii) **Government of Canada; and**
 - (iii) **Government of the United States of America.**

1.6.11 **Eligible markets**

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

Eligible markets include any market established in the UK or an EEA State on which transferable securities and money market instruments admitted to official listing in the UK or the EEA State are dealt in or traded, and which is regulated, operates regularly and is open to the public.

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

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

The eligible securities markets for the Company are set out in Appendix 3 to this Prospectus.

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

The eligible derivatives markets for the Company are set out in Appendix 3 to this Prospectus.

1.6.12 **General**

- (a) The Company may not acquire any investment which has an actual contingent liability attached unless the maximum amount of such liability is ascertainable at the time of acquisition.
- (b) The restrictions on investment set out above are tighter than those imposed by the FCA Rules in the following respects:
 - for the purposes of paragraph 1.6.5, the FCA Rules do not require a certain rating for an approved bank.

1.6.13 **Borrowing**

The Depositary may, in accordance with the FCA Rules and with the instructions of the ACD, borrow sums of money only from an Eligible Institution or an Approved Bank for the use of the Company on terms that the borrowing is repayable out of the Scheme Property. The power to borrow is subject to the obligation of the Company to comply with any restriction in the Instrument of Incorporation.

Borrowings must not exceed 10% of the value of the Scheme Property.

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

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

1.6.14 **Efficient Portfolio Management**

The ACD may utilise the property of the Company to enter into transactions for the purpose of Efficient Portfolio Management. These are techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

The transactions must be economically appropriate in that they are realised in a cost effective way.

The transactions must be entered into for one or more of the following specific aims, namely:

- (a) the reduction of risk;
- (b) the reduction of cost; or
- (c) the generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL.

The first aim allows for tactical asset allocation; that is a switch in exposure through the use of derivatives rather than through the sale and purchase of underlying property.

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

APPENDIX 3

ELIGIBLE MARKETS

THE COMPANY MAY DEAL ON THE SECURITIES AND DERIVATIVES MARKETS LISTED BELOW.

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

- a) a regulated market (as defined in the FCA Glossary);
- b) 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 ACD, after consultation with the Depositary, determines is appropriate for the purpose of investment of, or dealing in the property of the Company. 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.

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

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 JASDAQ Securities Exchange
Korea	Korea Composite Stock Price Index
Mexico	Bolsa Mexicana de Valores (BMV)
New Zealand	New Zealand Stock Exchange
Singapore	Singapore Exchange (SGX)
South Africa	JSE Limited

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 (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc); any exchange registered with the Securities and Exchange Commission as a national stock exchange, including the NYSE Euronext, Chicago Stock Exchange, NYSE Arca Equities and NASDAQ OMX PHLX; the market in transferable securities issued by or on behalf of the Government of the United States of America conducted through persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealer; the Over-the-Counter Market regulated by the National Association of Securities Dealers Inc.

ELIGIBLE DERIVATIVES MARKETS

Italy	Italy Equities Derivatives Market (IDEM) Futures Market for Government Securities (MIF)
Japan	Tokyo Financial Exchange Inc
New Zealand	New Zealand Futures and Options Exchange
Spain	Spanish Exchanges BME
South Africa	South African Futures Exchange (SAFEX)
Switzerland	Eurex Zurich
United Kingdom	NYSE Euronext London International Financial Futures and Options Exchange (LIFFE) London Securities & Derivatives Exchange Ltd (OMLX)
United States of America	Chicago Board Options, CME Group Inc, NASDAQ OMX Futures

APPENDIX 4

PAST PERFORMANCE

THE RECTORY INVESTMENT FUND

The comparisons are representative of **income shares** for the Sub-Fund over a five year period. The performance table shows the total annual return up to 31 December in each year listed.

There is not a complete 5 year record for the Sub-Fund, as it was launched on 29 March 2017. Where data is not available for a five year period the table is marked 'N/A'.

This performance information shows the post-tax position and is net of charges (subscription and redemption fees) but does not include the effect of any preliminary charge that may be paid on the purchase of an investment and assumes that the investor pays no taxes.

Share Class	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)
Income Shares (GBP)	-6.68	21.79	19.61	23.72	-16.64

Source of performance data - Morningstar

NOTES:

Investors should note that the figures for historical performance data refer to the past and past performance is not a reliable indicator of results.

APPENDIX 5

LIST OF REGULATED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD

Authorised Investment Companies with Variable Capital

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

Authorised Unit Trusts

The Mishka Fund

APPENDIX 6

DIRECTORY OF CONTACT DETAILS

ACD	TUTMAN LLP 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
<i>Dealing Office</i>	Tutman LLP Sunderland SR43 4BN Tel: 0333 300 0355
Auditors	KPMG LLP 15 Canada Square Canary Wharf, London E14 5GL
Custodian <i>Principal place of business</i> <i>Who may also act under this power through its London branch:</i>	Northern Trust Company 50 South LaSalle Street, Chicago, Illinois, USA 50 Bank Street, Canary Wharf, London E14 5NT
Depository	NatWest Trustee and Depository Services Limited House A, Floor 0 Gogarburn 175 Glasgow Road Edinburgh EH12 1HQ
Financial Conduct Authority (FCA)	12 Endeavour Square London E20 1JN
Investment Manager	Julius Baer International Limited 20-23 Greville Street London EC1N 8SS www.juliusbaer.com