



# The Saint Martins Fund

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## PROSPECTUS

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**This document is the Prospectus of THE SAINT MARTINS FUND and is dated and valid as at 19 September 2023. This document replaces any previous prospectuses issued by the Company.**

**It has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook (COLL), which forms part of the FCA Handbook of rules and guidance, and complies with the requirements of COLL 4.2.5R and FUND 3.2.2R.**

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

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## **THE SAINT MARTINS FUND**

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

***The authorised corporate director of the Company, Thesis Unit Trust Management Limited, (the "ACD") 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 and FUND to be included in it. The ACD accepts responsibility accordingly.***

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

***The distribution of this Prospectus and supplementary documentation and the offering of shares may be restricted in certain countries. Any person wishing to apply for shares should inform themselves as to the requirements within 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 Saint Martins 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 will be held by the ACD and/or the Administrator as its agent in accordance with the Data Protection Laws for the purposes of carrying out the ACD's agreement with each shareholder. This may include the transfer of such data to other members of the ACD's group and to other businesses providing services to the ACD (including their offices outside the UK), where the transfer is necessary for the provision of services in relation to the ACD's role as operator of the Company. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances the ACD will take steps to ensure that your privacy rights are respected.***

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

#### **Electronic Verification**

***The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, the Senior Management Arrangements, Systems and Controls Source book 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 your 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 the Data Protection Laws. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the ACD with your application.***

## **RISK FACTORS**

- **Collective investment schemes should be regarded as long term investments.**
- **The value of the shares in the Company is based upon the value of the underlying investments.**
- **The value of those investments and the income from them and consequently the value of the shares and the income from them, can go down as well as up and are not guaranteed.**
- **Past performance is not a reliable indicator of future results or performance.**
- **The Company may invest in currencies other than sterling. As a result, exchange rate changes may cause the value of overseas investments to rise or fall, and the value of the shares to go up or down.**
- **Investors may not get back the amount originally invested.**
- **Approved derivatives transactions are used for the purpose of Efficient Portfolio Management (including hedging). It is, therefore, anticipated that the outcome of the use of derivatives for Efficient Portfolio Management would be principally to hedge against currency risks and to reduce, rather than to increase, the risk profile to the Company. Movements in currencies may, however, render such hedging ineffective.**
- **The Company may invest in warrants. A warrant is a time-limited right to subscribe for shares, derivatives, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be highly volatile.**
- **The Company may, subject to FCA Rules, invest in unregulated (also known as 'non-registered' or 'non-authorized' collective investment schemes). These types of schemes are not subject to the same restrictions on investment powers or on how they are run as regulated schemes and therefore may be considered higher risk.**
- **These unregulated schemes may include hedge funds which may be illiquid, i.e. difficult to sell, and may also borrow to meet their objectives. This borrowing is likely to lead to volatility in the value of the scheme, meaning that a relatively small movement either down or up in the value of the scheme's total assets will result in a magnified movement in the same direction of the scheme's net asset value.**

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

## THE SAINT MARTINS FUND PROSPECTUS

### 1. INTRODUCTION

1.1 This document is the Prospectus of **The Saint Martins Fund** (the "Company").

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

"ACD"	the authorised corporate director holding office as such from time to time pursuant to the Rules and the ACD Agreement between the Company and the ACD, being Thesis Unit Trust Management Limited, and its successor or successors as authorised corporate director of the Company;
"Act"	the Financial Services and Markets Act 2000 as amended or replaced from time to time;
"AIF"	an alternative investment fund within the scope of the UK AIFM regime;
"AIFM"	an alternative investment fund manager for the purposes of the UK AIFM regime;
"AIFMD"	as defined in the FCA Glossary;
"AIFMD Level 2 Regulation"	as defined in the FCA Glossary;
"AIFMD UK regulation"	the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773);
"Approved Bank"	(in relation to a bank account opened for the Company):  a) if the account is opened at a branch in the United Kingdom:  i) the Bank of England; or  ii) the central bank of a member state of the OECD; or  iii) a bank; or  iv) a building society; or  v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or  b) if the account is opened elsewhere:  i) a bank in a); or  ii) a bank which is regulated in the Isle of Man or the Channel Islands; or  c) a bank supervised by the South African Reserve Bank; or  d) a credit institution established in an EEA State and duly



	authorised by the relevant Home State regulator,
	as such definition may be updated in the FCA Glossary from time to time;
"Business Day"	any day (or part of a day) which is not a Saturday, a Sunday or a public holiday in England on which banks or London Stock Exchange 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 the FCA Handbook, as amended, supplemented or replaced from time to time;
"CCP"	as defined in the FCA Glossary;
"COLL"	the Collective Investment Schemes Sourcebook published by the FCA as part of their Handbook made under the Act as may be amended, supplemented, or replaced, from time to time;
"Custodian"	the person who provides custodian services to the Company, being The Northern Trust Company, and its successor or successors as custodian;
"Data Protection Laws"	all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances: <ul style="list-style-type: none"> <li>(a) the UK GDPR;</li> <li>(b) the Data Protection Act 2018;</li> <li>(c) any laws which implement any such laws; and</li> <li>(d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Agreement); and</li> <li>(e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding);</li> </ul>
"Depository"	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 Depository Services Limited and its successor or successors as depository;
"Depository Agreement"	the agreement between the Company, the ACD and the Depository regarding the appointment of the Depository;
"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"	<p>techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:</p> <p>they are economically appropriate in that they are realised in a cost effective way;</p> <p>they are entered into for one or more of the following specific aims:</p> <p>(i) reduction of risk;</p> <p>(ii) reduction of cost;</p> <p>(iii) generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL;</p>
"Eligible Institution"	as defined in the FCA Glossary;
"EMIR"	as defined in the FCA Glossary;
"ERISA Plan"	(i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan's investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans);
"EUWA"	the European Union (Withdrawal) Act 2018;
"FATCA"	the Foreign Account Tax Compliance Act (US);
"FCA"	the Financial Conduct Authority or any successor regulatory body. The address for the Financial Conduct Authority is set out in Appendix F;
"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 Handbook of rules and guidance, including COLL and FUND, as amended 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, supplemented or replaced from time to time;
"Fund"	the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch and its

Accountant"	successor or successors as fund accountant;
"Home State"	as defined in the FCA Glossary;
"Instrument of Incorporation"	the instrument dated 23 January 2012 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;
"Investment Manager"	an investment manager retained by the ACD pursuant to the FCA Rules, being Stanhope Capital LLP and its successor or successors as investment manager to the Company;
"Non-UCITS retail scheme"	an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund;
"OECD"	the Organisation for Economic Co-operation and Development;
"OEIC Regulations"	the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended or re-enacted from time to time"
"OTC derivative"	over the counter derivative (in relation to a transaction in an investment)"
"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"	as defined in the FCA Glossary;
"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 and Northern Ireland;
"UK AIF"	as defined in the FCA Glossary;
"UK AIFM"	the alternative investment fund manager for the purpose of the UK AIFM regime;
"UK AIFM regime"	means:

- 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" means Regulation 2016/679 of the European Parliament and of the Council of 27th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) including as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK's withdrawal from the European Union;

"UK UCITS" 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" A person who is in either of the following two categories:

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

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

"VAT" value added tax;

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

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

- 1.3 Headings used in this Prospectus are for convenience only and shall not affect their meaning or legal effect.
- 1.4 References in the main body of this Prospectus to paragraphs mean paragraphs in the main body of this Prospectus unless otherwise stated. Similarly, references in an Appendix to paragraphs mean paragraphs in the relevant appendix unless otherwise stated.
- 1.5 References to the plural shall include the singular and vice versa.
- 1.6 Unless otherwise defined in paragraph 1.2 above or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the OEIC Regulations, the Act or the FCA Handbook shall bear the same meanings in this Prospectus.

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

## **2. THE COMPANY**

- 2.1 The Company is an investment company with variable capital for the purposes of the Act.
- 2.2 The Company is a non-UCITS retail scheme, being a category of authorised scheme for the purposes of COLL 1.2.1R and is an AIF for the purposes of the UK AIFM regime and FUND.
- 2.3 The Company was authorised by the Financial Services Authority pursuant to an authorisation order dated 23 January 2012 and was launched on 5 March 2012.
- 2.4 The Company registration number is IC000930 and the FCA product reference number is 573345. The Financial Services Authority was superseded by the FCA and the Prudential Regulation Authority ("PRA").
- 2.5 The base currency of the Company is pounds sterling.
- 2.6 The minimum share capital of the Company is £1,000 (one thousand pounds sterling) and the maximum share capital is £1,000,000,000 (one billion pounds sterling).
- 2.7 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.
- 2.8 Historical performance figures for the Company are set out in Appendix D.
- 2.9 Shareholders are not liable for the debts of the Company.
- 2.10 The Company will continue until wound up in accordance with the Rules.
- 2.11 The Company is a collective investment scheme in which each investor's funds are pooled with all other investors' funds. The ACD takes reasonable steps to ensure that each investment transaction carried out within the Company is suitable for the Company, having regard to the investment objective and policy of the Company. This Prospectus is intended to provide information to potential investors about the Company.
- 2.12 **Winding-up the Company**
- 2.12.1 The Company may be wound up under chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. Winding up of the Company under COLL is only permitted unless effect (a) under regulation 21 of the OEIC Regulations, to proposals to wind up the Company may be given and (b) a statement has been prepared and delivered to the FCA under COLL 7.3.5 R, prior to satisfaction of condition (a).
- 2.12.2 Subject to the foregoing, the Company will be wound up under COLL:
- (a) if an extraordinary resolution of shareholders of the Company to that effect is passed; or
  - (b) when the period fixed for the duration of the Company by the instrument

of incorporation expires or any event occurs for which the instrument of incorporation provides that the Company is to be wound up; or

- (c) on the effective date of a duly approved scheme of arrangement which is to result in the Company (or a sub-fund of the scheme), ceasing to hold any Scheme Property; or
- (d) on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company.

2.12.13 If any of the events set out in paragraph (a) and (e) above occur, the FCA Rules concerning pricing, dealing, investment and borrowing powers respectively, will cease to apply. The Company must cease to issue, cancel, sell or redeem shares except in respect of final calculation under COLL 7.3.7R.

2.12.14 The winding up of the Company under COLL is carried out by the ACD which will, as soon as practicable, cause the property of the Company to be realised and the liabilities to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company the ACD may arrange for interim distribution(s) to be made to shareholders. When all liabilities have been met, the balance (net of a provision for any further expenses) will be distributed to shareholders.

2.12.15 Shareholders will be notified of any proposal to wind up the Company. On commencement of such winding up the Company will cease to issue and cancel shares and transfers of such shares shall cease to be registered.

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

### **3 INVESTMENT OBJECTIVE**

3.1 The investment objective of the Company is to provide capital growth and income, net of fees, over the longer term (on a 5 year rolling basis).

### **4. INVESTMENT POLICY**

4.1 The Company will aim to achieve its objective through a diversified portfolio spread across global markets. There will be no emphasis placed on any particular economic, industrial or geographical sector.

4.2 The Company's exposure will be mainly to equities (at least 60%).

4.3 The Company will usually obtain this exposure through investment in collective investment vehicles (regulated and unregulated which may include other schemes managed by the ACD, an associate, or the Investment Manager). At least 85% will be invested in collective investment vehicles but this figure may be higher (up to 100%) depending on the Investment Manager's current views.

4.4 The Company may also invest (directly or indirectly) in other transferable securities, such as bonds, money market instruments, deposits and cash or near cash investments. It may also gain exposure to alternative investments (i.e. commodities) via permitted investments (i.e. equities, bonds and collective investment vehicles).

4.5 Normally, the Company will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the Company both generally and in relation to its strategic objectives. This amount will vary depending upon prevailing circumstances and although it would normally not

exceed 10% of the total value of the Company, there may be times when the Investment Manager considers stock markets to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased beyond the limits described above.

4.6 **In addition, the Company may enter into derivative transactions for Efficient Portfolio Management (including hedging).**

4.7 The Company is actively managed, which means the Investment Manager decides which investments to buy and sell and when.

**5. PERFORMANCE COMPARATOR**

5.1 The Company uses the ARC Sterling Steady Growth PCI (GBP) benchmark for performance comparison purposes only. This benchmark is not a target benchmark and the Company is not constrained by it.

5.2 The ARC Sterling Steady Growth PCI Peer group is a risk based index that is designed to provide an accurate reflection of the actual returns an investor can expect for a given risk appetite. For the ARC Sterling Steady Growth PCI Peer group the relative risk to equity markets is 60-80%. This peer group has been selected as a comparator because this risk is aligned with the Company's equity exposure as defined in the Company's investment policy.

5.3 The ACD reserves the right to change the benchmarks 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.

**6. INVESTOR PROFILE**

6.1 The Company is available for investment by any type of investor.

6.2 The investor must be able to accept the risk of losses, thus the Company may be appropriate for investors who can afford to set aside capital for at least five years. It may also be appropriate for investors holding a well-diversified portfolio of investments, where it can play the role of a core position.

**7. REPORTING, DISTRIBUTIONS AND ACCOUNTING DATES**

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

Accounting reference date	31 January
Interim accounting reference date	31 July
Annual income allocation date	31 May
Interim income allocation date	30 November

7.2 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.

7.3 Long reports will be published, and made available, within four months after the end of the annual accounting period and within two months after the end of the interim accounting period. Alternatively, long reports will be made available (free of charge) on request from the ACD or for inspection by the public during normal working hours

at the ACD's place of business. The address for the ACD's place of business is set out in Appendix F.

#### **7.4 Payment of Distributions**

- 4.4.1 The income available for distribution is determined in accordance with COLL. It comprises all income received or receivable for the account of the Company in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the ACD considers appropriate, after consulting with the Company's Auditors, in accordance with COLL, in relation to taxation and other matters.
- 4.4.2 Each holder of income shares is entitled, on the interim income allocation date and the annual income allocation date, to the income attributable to their holding.
- 4.4.3 Income on accumulation shares is not distributed but is accumulated, being automatically reinvested after the annual accounting reference date and half yearly accounting dates, and is reflected in the price of an accumulation share.
- 4.4.4 The ACD reserves the right to change or create additional accounting and income distribution dates, usually as a result of accounting or taxation changes.
- 4.4.5 On the income allocation dates, an amount, as determined by the ACD in accordance with the Instrument of Incorporation, is either paid, reinvested or accumulated to those shareholders who are entitled to the distribution by evidence of their holding on the Register at the previous accounting date. Payments will be made by means of direct credit to the shareholder's nominated bank account. If a nominated bank account is not provided, a cheque will be sent out, within four Business Days, to the shareholder's address as appearing in the Register. If the income allocation date is not a Business Day, payment will be made on the next Business Day.
- 4.4.6 Any distribution that remains unclaimed for a period of 6 years after the distribution became due for payment will be forfeited and shall revert to the Company.

#### **5. CHARACTERISTICS OF SHARES**

- 8.1 The Company will issue income and accumulation shares of each class.
- 8.2 Income receivable in respect of income shares is distributed to shareholders. Holders of accumulation shares are not entitled to be paid the income attributable to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Company at the end of the relevant distribution period and is reflected in the price of an accumulation share.
- 8.3 Where the Company has different classes of shares, each class may attract different charges and so monies may be deducted from classes in unequal proportions. In these circumstances the proportionate interests of the classes within the Company will be adjusted accordingly.
- 8.4 The price of the shares is expressed in pounds sterling and the shares themselves have no nominal value.
- 8.5 The rights attaching to the shares may be expressed in two denominations and the proportion of a larger denomination share represented by a smaller denomination share shall be one thousandth of the larger denomination share.
- 8.6 No certificates are issued to shareholders.
- 8.7 Title to shares is evidenced by the entry on the Register; shareholders may but need not support an instruction to the ACD by enclosing the contract note or the most recent



annual statement or copies of such documents.

8.8 Shares in the Company are not listed or dealt in on any investment exchange.

## **9. DEALING IN SHARES**

### **9.1 Buying Shares**

9.1.1 The dealing office of the ACD is open from 9.00 a.m. until 5.00 p.m. each Business Day during which the ACD may receive requests for the buying and selling of shares.

9.1.2 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 Valuation Point next following the ACD's agreement to sell, or as the case may be, to redeem the shares in question (the '**dealing date**').

9.1.3 Shares may be purchased by sending a completed application form, by clear written instructions to Thesis Unit Trust Management Limited at the dealing office of the Administrator by post, or by obtaining an application form by telephoning the ACD's Customer Enquiry Line on 0333 300 0375. Alternatively, shares may be purchased through the means of electronic communication (as set out in paragraph 9.8). The Administrator's address is set out in Appendix F.

9.1.4 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 instrumented 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.

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

9.1.6 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 as principal but does not profit from this activity.

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

9.2.1 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 material prejudice to the interests of shareholders, or potential shareholders.

9.2.2 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.

### **9.3 Minimum initial subscription and Minimum shareholding**

9.3.1 The minimum initial subscription shall be not less than £100,000 and any subsequent subscription for shares which the ACD will accept shall be not less than £100,000 in each case. 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.

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

#### 9.4 **Redeeming shares**

- 9.4.1 At any time during a dealing day when the ACD is willing to issue shares it must also be prepared to redeem shares. The ACD will buy back shares from registered holders at not less than the price determined at the next Valuation Point following receipt of redemption instructions less any dilution levy.
- 9.4.2 The ACD may refuse to redeem a certain number of shares if the redemption will mean the shareholder is left holding shares with a value of less than the minimum initial subscription of £100,000.
- 9.4.3 Requests to redeem shares in the Company may be made to the ACD (by calling the telephone number stated in sub-paragraph 9.1.3 above) or through the means of electronic communication (as set out in paragraph 9.8). Alternatively clear written instructions may be sent by post to the dealing office; please refer to Appendix F for the Administrator's address.
- 9.4.4 A contract note giving details of the number and price of the shares sold back to the ACD will be sent to shareholders no later than the next Business Day after the shares were sold. In the event that the ACD requires a signed Form of Renunciation, e.g. in respect of joint holders, corporate holders or redemptions dealt through an agent, a Form of Renunciation will be attached.
- 9.4.5 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.
- 9.4.6 The ACD does not intend to make any charge other than possibly a dilution levy on the redemption of the shares.
- 9.4.7 The ACD is not required to issue a cheque in respect of the redemption of shares where it has not yet received the money due on the earlier issue of those shares.
- 9.4.8 Where a shareholder requests redemption or cancellation of shares, the ACD may, at its discretion, give written notice to the shareholder before the proceeds would otherwise become payable that, in lieu of paying such proceeds in cash, the ACD will transfer to that shareholder property attributable to the Company having the appropriate value. The selection of the property to be transferred will be made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the shareholder requesting cancellation of their shares than to continuing shareholders. The ACD may retain out of the property to be transferred property or cash of a value equivalent to any stamp duty or stamp duty reserve tax to be paid to the redemption or cancellation of the shares.

#### 9.5 **Suspension of dealing**

- 9.5.1 The ACD may if the Depositary agrees, or shall if the Depositary so requires, at any time, temporarily suspend the issue, cancellation, sale and redemption of shares if the ACD or Depositary (in the case of any requirement by the Depositary), believes that due to exceptional circumstances it is in the interests of shareholders or potential shareholders. The ACD, or the Depositary, if it has

required the ACD to suspend dealing, must immediately inform the FCA stating the reasons for the suspension and, as soon as practicable, give written confirmation of the suspension, and the reason for it, to the FCA.

- 9.5.2 The ACD must ensure that a notification of the suspension is made to the shareholders as soon as practicable after the suspension commences, drawing shareholders' attention to the exceptional circumstances resulting in the suspension. Notification to shareholders must be clear, fair and not misleading. Shareholders will be kept informed in writing about updates on the suspension.
- 9.5.3 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.
- 9.5.4 The ACD must inform the FCA of the proposed re-start of dealing and, immediately after the re-start, must confirm in writing to the FCA.
- 9.5.5 The ACD may agree, during the suspension, to deal in shares, in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first Valuation Point after restart of dealings in shares.
- 9.5.6 Re-calculation of prices will commence on the Business Day immediately following the end of the suspension, at the relevant Valuation Point.
- 9.5.7 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 the Company is invested in other authorised funds which are themselves suspended).

## 9.6 **Mandatory transfers, redemptions and conversions**

- 9.6.1 If it comes to the notice of the ACD that any shares ("affected shares") are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or by virtue of which the holder or holders in question is/are not qualified and entitled to hold such shares or if it reasonably believes this to be the case, the ACD may give notice to the holder(s) of the affected shares requiring either transfer of such shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or cancellation of such shares in accordance with COLL. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer 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 he or the beneficial owner is qualified and entitled to own the affected shares, he shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption of all the affected shares pursuant to COLL.
- 9.6.2 A person who becomes aware that he has acquired or is holding affected shares in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory, or by virtue of which he is not qualified to hold such affected shares, shall forthwith, unless he has already received a notice as aforesaid, either transfer or procure the transfer of all 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 their affected shares pursuant to COLL.
- 9.6.3 In addition, where the ACD considers it is in the best interests of shareholders,

the ACD may convert a shareholder's holding in one class of shares to another class of shares in the 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 class of shares and reminding shareholders of their rights to redeem.

## 9.7 **In specie redemptions**

9.7.1 Where a shareholder requests the redemption 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.

9.7.2 The ACD will select the property to be transferred in consultation with the Depositary. The Depositary must take reasonable care to ensure that the property transferred would not be likely to result in any material prejudice to the interests of shareholders. The ACD may retain out of the property to be transferred property or cash of a value equivalent to any stamp duty or stamp duty reserve tax to be paid to the redemption of the shares.

## 9.8 **Electronic communications**

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

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

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

9.8.2 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.

## 9.9 **Client Money Rules**

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

- (i) 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
- (ii) The money is held in the course of redeeming shares, where the proceeds are paid to the client within the timeframe specified in COLL.

9.9.2 Where money is received in either of the circumstances set out in (i) or (ii) 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.

- 9.9.3 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, and protected in line with the Client Money Rules. No interest is payable by the ACD on moneys credited to this account.
- 9.9.4 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.
- 9.9.5 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.

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

- 10.1 The Company will not hold annual general meetings. Resolutions will be voted upon at Extraordinary General Meetings.
- 10.2 Copies of the service contracts between the Company and the ACD will be provided to shareholders on request.
- 10.3 A meeting of shareholders duly convened and held shall be competent by extraordinary resolution to require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the relevant regulations.
- 10.4 An extraordinary resolution is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for the resolution at a general meeting, or, as the case may be, a class meeting, of shareholders.
- 10.5 Except where an extraordinary resolution is specifically required or permitted, any resolution of shareholders is passed by a simple majority of the votes validly cast at a general meeting of the shareholders.
- 10.6 A meeting of shareholders has no powers other than those contemplated by the Rules.
- 10.7 Shareholders must receive at least 14 days-notice of any meeting of shareholders and are entitled to be counted in the quorum and vote at any such meeting either in person or by proxy.
- 10.8 The quorum at a meeting of shareholders shall be two shareholders present in person or by proxy.
- 10.9 At any meeting of shareholders, on a show of hands every shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, shall have one vote.

- 10.10 On a poll, every shareholder who is present in person or by proxy shall have one vote for every share in the Company. A shareholder entitled to more than one vote need not, if he votes, use all their votes or cast all the votes he uses in the same way.
- 10.11 In the context of despatch of notice, "shareholders" means the persons who were entered in the Register seven days before the notice of meeting was given but excluding persons who are known not to be entered on the Register at the date of despatch of the notice.
- 10.12 In the context of voting, "shareholders" means the persons who were entered on the Register seven days before the notice of meeting was given but excluding any persons who are known not to be entered on the Register at the date of the meeting.
- 10.13 The ACD is not entitled to vote at or be counted in a quorum at a meeting of shareholders in respect of shares held or deemed to be held by the ACD, except where the ACD holds shares on behalf of, or jointly with, a person who, if himself the sole registered shareholder would be entitled to vote, and from whom the ACD has received voting instructions. Associates of the ACD are entitled to be counted in a quorum and, if they hold shares on behalf of a person who would have been entitled to vote if he had been a registered shareholder and they have received voting instructions from that person, may vote in respect of such shares pursuant to such instructions.
- 10.14 Any notice or document to be served upon a shareholder will be duly served if it is:
- 10.14.1 delivered to the shareholder's address as appearing in the Register; or
  - 10.14.2 delivered by using an electronic medium in accordance with paragraph 9.8.
- 10.15 Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted.
- 10.16 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.
- 10.17 Any document or notice to be served on or information to be given to a shareholder, must be in legible form. For this purpose, any form is legible form which:
- 10.17.1 is consistent with the ACD's knowledge of how the recipient of the document wishes or expects to receive the document;
  - 10.17.2 is capable of being provided in hard copy by the ACD;
  - 10.17.3 enables the recipient to know or record the time of receipt; and
  - 10.17.4 is reasonable in the context.
- 10.18 The ACD must obtain the prior approval of shareholders by extraordinary resolution for any proposed change to the Company that is a fundamental change. This is a change or event which:
- 10.18.1 changes the purpose or nature of the Company;
  - 10.18.2 may materially prejudice a shareholder;
  - 10.18.3 alters the risk profile of the Company; or
  - 10.18.4 introduces a new type of payment out of the Company property.
- 10.19 The ACD must give prior written notice to shareholders of any proposed change which constitutes a significant change. This is a change or event which is not fundamental,

but which:

- 10.19.1 affects a shareholder's ability to exercise their rights in relation to their investment;
  - 10.19.2 would reasonably be expected to cause the shareholder to reconsider their participation in the Company;
  - 10.19.3 results in any increased payments out of the Company property to the ACD or an associate of the ACD; or
  - 10.19.4 materially increase other types of payment out of the Company property.
  - 10.19.5 the notice period must be of reasonable length, and must not be less than 60 days.
- 10.20 The ACD must inform shareholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Company. This is a change or event, other than a fundamental or significant change, which a shareholder must be made aware of unless the ACD concludes the change is insignificant. The appropriate manner and timescale of notification will depend on the nature of the change or event. An appropriate manner of notification could include the information being included in the next long form report of the Company.
- 10.21 Changes to the investment objective and policy of the Company will normally require approval by shareholders at an extraordinary general meeting if the change alters the nature or risk profile of the Company, or on giving 60 days' notice to shareholders where the changes do not alter the nature or risk profile of the Company. In exceptional circumstances, changes may be made to the investment objective and policy of the Company with no minimum period of notice where these are for clarification purposes only. Usually, changes may only be made to the investment objective and policy following notification to the FCA pursuant to the OEIC Regulations and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Company.

## **11. ACD**

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

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

Registered and Head Office: Exchange Building, St John's Street, Chichester, PO19 1UP

Telephone: 01243 531234

### Share Capital

Issued and paid up: £5,673,167

11.1 The directors of the ACD and their business occupations are as follows:

S R Mugford	Finance Director
D W Tyerman	Chief Executive Officer
S E Noone	Client Service Director

D K Mytnik	Non-Executive Director
V R Smith	Non-Executive Director
G Stewart	Independent Non-Executive Director
C J Willson	Independent Non-Executive Director
N C Palios	Non-Executive Chair

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

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

- 11.2 The ACD is authorised and regulated by the FCA and is authorised to carry on certain permitted regulated activities in the United Kingdom in accordance with the Act.
- 11.3 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, FUND and the OEIC Regulations, the Instrument of Incorporation and the contents of this Prospectus. The ACD also acts as an authorised fund manager to other regulated collective investment schemes. Details of these schemes, as at the date of this Prospectus, are set out in Appendix C.
- 11.4 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.
- 11.5 The risks which are specifically covered by this approach include, without being limited to, risks of:
- 11.5.1 loss of documents evidencing title of assets of the Company;
  - 11.5.2 misrepresentations or misleading statements made to the Company or its investors;
  - 11.5.3 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;

11.5.4 failure to establish, implement and maintain appropriate procedures to prevent dishonest, fraudulent or malicious acts;

11.5.5 improperly carried out valuation of assets or calculation of share prices;

11.5.6 losses arising from business disruption, system failures, failure of transaction processing or process management.

## 11.6 **Conflicts of Interest**

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

(a) 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);

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

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

(d) 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; or

(e) 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.

11.7 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.

11.8 The ACD has delegated the function of:

11.8.1 registrar, administrator and fund accountancy to Northern Trust Global Services SE, UK branch (paragraph 13); and

11.8.2 investment management to Stanhope Capital LLP (paragraph 15).

## 12. **THE DEPOSITARY**

12.1 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.

12.2 The ultimate holding company of the Depositary is NatWest Group plc, which is

incorporated with limited liability in Scotland.

- 12.3 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 F.
- 12.4 The Depositary's principal activity is the provision of trustee and depositary services.
- 12.5 The Depositary is established in the UK and is authorised and regulated by the FCA to act as a depositary of a UK UCITS or a UK AIF.

#### *12.6 Duties of the Depositary*

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.

#### *12.7 Terms of Appointment*

- 12.7.1 The appointment of the Depositary has been made under the terms of the Depositary Agreement between the Company, the ACD and the Depositary.
- 12.7.2 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, FUND and COLL.
- 12.7.3 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 services of the Scheme Property to The Northern Trust Company (the 'Custodian'). Contact details for the Custodian are set out in Appendix F. 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").
- 12.7.4 Under the Depositary Agreement the Depositary will be liable to the Company for any loss of a Financial Instrument 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.
- 12.7.5 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.
- 12.7.6 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.
- 12.7.7 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.

- 12.7.8 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.
- 12.7.9 Details of the fees payable to the Depositary are set out in this Prospectus at paragraph 17.3.

## **12.8 Conflicts of Interest**

- 12.8.1 The Depositary may act as the depositary of other authorised unit trusts or open-ended investment companies and as trustee or custodian of other collective investment schemes.
- 12.8.2 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, one or more shareholders, the ACD and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of shareholders collectively so far as practicable, having regard to its obligations to other clients.
- 12.8.3 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.
- 12.8.4 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.

## **13. THE REGISTRAR, ADMINISTRATOR AND FUND ACCOUNTANT**

- 13.1 The ACD has delegated the function of registrar, administrator and fund accountancy to Northern Trust Global Services SE, UK branch as the 'Administrator' and the 'Registrar' to the Company.
- 13.2 The address for Northern Trust Global Services SE, UK branch is set out in Appendix F.
- 13.3 The duties of the Registrar and Administrator include:
- 13.3.1 maintaining the Register;
  - 13.3.2 receiving and processing requests for subscriptions for, or redemptions of, shares in the Company;
  - 13.3.3 administering the payment of distributions to shareholders in the

Company;

- 13.3.4 dealing with certain regulatory reporting requirements on behalf of the Company and the ACD;
- 13.3.5 maintaining the accounting records of the Company;
- 13.3.6 assisting in calculating the net asset value of the Company, as well as to provide fund accounting services in respect of the Company.

13.4 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.

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

#### **14. THE REGISTER**

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

#### **15. INVESTMENT MANAGER**

The ACD is responsible for the overall investment management and administration of the Company.

The ACD has delegated its day-to-day responsibility for investment management to the Company to **Stanhope Capital LLP**, a limited liability partnership. Stanhope Capital LLP was incorporated in England on 20 April 2004 with number OC307719. The registered office and principal place of business for Stanhope Capital LLP is set out in Appendix F.

Stanhope Capital LLP is authorised to carry on investment business by virtue of its authorisation and regulation by the FCA.

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

15.2 The appointment of the Investment Manager has been made under an investment management agreement between the ACD and the Investment Manager (the "Investment Management Agreement"). The ACD may terminate the Investment Management Agreement with immediate effect if it is in the interests of Shareholders.

15.3 The Investment Management Agreement contains provisions to the following effect:

- 15.3.1 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;
- 15.3.2 the Investment Manager will be liable for certain losses suffered by the ACD or the Company;
- 15.3.3 the Investment Manager shall not be liable for any non-performance of its obligations due to causes beyond its control; and
- 15.3.4 the agreement is governed by English law and the parties submit to the exclusive jurisdiction of the English courts.

15.4 The main legal implications of the contractual relationship entered into for the purpose

of investment in the Company are as follows:

- 15.4.1 By investing in the Company through the means of electronic communications (as detailed in paragraph 9.8), 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.
  - 15.4.2 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.
  - 15.4.3 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.
  - 15.4.4 The scheme documents may be amended by agreement between the ACD and the Depositary.
  - 15.4.5 Absent a direct contractual relationship between a shareholder and the relevant service provider, shareholders generally have no direct rights against the relevant service provider and 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.
  - 15.4.6 The Investment Manager may hold or trade in securities and instruments of the same type as the securities and instruments held or traded in by the funds and fund managers; they may also utilise the same or similar strategies as those adopted by the fund managers. The Investment Manager may therefore trade and compete with fund managers and funds on an arm's length basis. In addition, the Investment Manager may make investments in other funds managed or advised by it.
- 15.5 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.

The principal activity of the Investment Manager is acting as an investment manager and adviser. The Investment Manager is authorised to deal on behalf of the Company. The Investment Manager is required to comply with its own execution policy. A copy of the Investment Manager's execution policy is available on request from the ACD, or may be available on the Investment Manager's website (listed in Appendix F).

## **16. AUDITORS**

- 16.1 The Auditors of the Company are Grant Thornton UK LLP whose address is set out in Appendix F.
- 16.2 The duties of the Auditors are to carry out an annual audit of the Company and to issue a report including the following statements:
- 16.2.1 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;
  - 16.2.2 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;
  - 16.2.3 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;
  - 16.2.4 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
  - 16.2.5 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.

## **17. CHARGES AND EXPENSES**

### **17.1 ACD's preliminary charge**

The ACD may receive, or waive in part or in whole, a preliminary charge upon the issue or sale of shares. The current preliminary charge is 5% in respect of all classes of shares. If not waived, the preliminary charge will be charged upon the issue or sale of shares.

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

The ACD receives a periodic charge for managing the Company at a rate per annum of the value of the property of the Company accruing daily and payable out of the property of the Company. The current rate of the periodic charge is 0.7% per annum and is the same in respect of all classes of shares.

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

The periodic charge in respect of the Company may, at the discretion of the ACD, be treated as an income charge or a charge against capital (or a combination of both) and will be paid monthly in arrears.

**Investors should note that, where there is a charge against capital, this policy may result in capital erosion or constrain capital growth.**

### **Investment Manager fees**

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

### **17.1 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 the Company. In order to prevent this effect ('**dilution**'), the ACD has the power to charge a '**dilution levy**' on the sale and/or redemption of shares.

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 the sum of £500,000 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 Company, including any dealing spreads, commission and transfer taxes.

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

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.

## 17.2 **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:

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

## 17.3 **Depositary's fees**

### **Periodic fee**

The Depositary is paid a monthly periodic fee (plus VAT) from the Scheme Property of the Company in remuneration for its services.

The Depositary's fee is calculated on the value of the Scheme Property of the Company in accordance with the Depositary Agreement and the FCA Rules, and payable by the Company in accordance with the FCA Rules. For this purpose, the value of the Company

is inclusive of the issues and cancellations which take effect as at the relevant Valuation Point.

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 value of the property of the Company;
0.025% p.a.	on the next £50 million value of the property of the Company;
0.020% p.a.	on the next £100 million value of the property of the Company;
0.015% p.a.	thereafter

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

### **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:

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

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

Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the 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 or derivative 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 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.

#### 17.4 **Administration, Registration and Valuation fees**

The administration of the Company will be carried out by Northern Trust Global Services SE, UK branch (the "Administrator"), 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 Expenses' paragraph 17.7 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 Company, are calculated and accrued daily and are charged to the Company on a monthly basis. The administration fees are set percentages applied to the value of the Company's Scheme Property. Subject to a minimum fee of £25,000 per annum, 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 Scheme Property thereafter

#### 17.5 **Other Expenses**

17.5.1 The following other expenses may be paid out of the Scheme Property of the Company:

- (a) broker's commission (excluding costs for research), fiscal charges (including stamp duty and/or stamp duty reserve tax) and other costs or disbursements which are necessary to be incurred in effecting transactions for the Company and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- (b) expenses properly incurred by the ACD in the performance of its duties as ACD of the Company, including without limitation, the costs of preparation and distribution of reports, accounts, and any prospectuses, key investor information documents, or equivalent documents, (in the case of the key investor information documents only preparation and not distribution may be charged), the Instrument of Incorporation and any costs incurred as a result of changes to any prospectus or the Instrument of Incorporation, key investor information documents, or equivalent documents and 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;
- (c) all reasonable fees for the services of establishing and maintaining the Register and any associated reasonably and properly incurred expenses whether they are provided by the ACD, its associates or any other person;

- (d) the reasonable cost of preparing, printing and distributing promotional material in respect of the Company in so far as such costs may properly be paid in accordance with COLL;
- (e) the reasonable charges and expenses payable to the Depositary, any charge reasonably imposed by and reasonably and properly incurred expenses of any agents appointed by the Depositary (other than the Custodian) to assist in the discharge of its duties, any reasonable charges and reasonable expenses properly incurred in connection with the collection and the distribution of income;
- (f) any reasonable charges and expenses properly incurred in relation to the preparation of the Depositary's annual report to shareholders and any charges and expenses incurred in relation to stock lending;
- (g) any costs incurred by the Company in publishing and despatching the price of the shares;
- (h) any costs incurred in producing and despatching any payments made by the Company, or the periodic reports of the Company;
- (i) any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Company, which are currently carried on by the Registrar;
- (j) any fees or costs associated with any CASS related support activity incurred by the Registrar;
- (k) any fees, expenses or disbursements of any legal or other professional adviser of the Company or of the ACD in relation to the Company;
- (l) any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- (m) 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;
- (n) the reasonable cost of minute books and other documentation required to be maintained by the Company;
- (o) any reasonable expenses properly incurred in relation to company secretarial duties for the Company;
- (p) all reasonable fees and expenses properly incurred in relation to the addition and initial organisation of any funds in the Company, the listing of shares on any stock exchange, any offer of shares (including the preparation and printing of any prospectus) and the creation, conversion and cancellation of shares;
- (q) liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Company in consideration for the issue of shares as more fully detailed in COLL;
- (r) interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- (s) taxation and duties payable in respect of the property of the Company

or the issue or redemption of shares, including stamp or other duties or taxes in relation to the transfer to the Company of assets taken in exchange for the issue of shares;

- (t) the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- (u) the fees of the FCA as prescribed in the FEES Manual of the FCA's Handbook together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;
- (v) the total amount of any cost relating to the application for authorisation and incorporation of the Company and of its initial offer or issue of shares;
- (w) any payments otherwise due by virtue of COLL; and
- (x) any value added or similar tax relating to any charge or expense set out herein.

#### 17.5.2 **Allocation of charges and expenses**

The ACD and the Depositary have agreed that all expenses and charges are normally allocated 80% to capital and 20% to income, including fees payable to the ACD and the Depositary (except those charges and expenses relating directly to the purchase and sale of investments). However, if there is insufficient income to meet that part of the fees which would normally be charged to the income of the Company, 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. The ACD may vary the proportions of the expenses and charges which are charged to capital, subject to FCA approval.

**It should be noted that, where fees are charged to capital, this policy may result in capital erosion or constrain capital growth. Please refer to paragraph 17.5.2 above.**

### **18. VALUATION AND PRICING OF SCHEME PROPERTY**

- 18.1 The Company will be valued on a daily basis on each Business Day at 12 noon (the '**Valuation Point**') for the purpose of determining the price at which shares in the Company may be purchased or redeemed.
- 18.2 There will only be a single price for any share as determined from time to time by reference to a particular Valuation Point.
- 18.3 The shares will be priced in pounds sterling.
- 18.4 The Company 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 Company (see "**Charges and Expenses**").
- 18.5 Out of the preliminary charge, the ACD may pay commission to qualifying intermediaries, including the Investment Manager and its associates.
- 18.6 The net asset value of the property of the Company shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions which are set out in the Instrument of Incorporation.

- 18.7 All the property of the Company (including receivables) is to be included when valuing the Company, subject to the following provisions:
- 18.7.1 property which is not cash (or other assets dealt with in paragraphs 18.7.2 and 18.7.3 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
- (a) units or shares in a collective investment scheme:
  - (b) if a single price for buying and selling units or shares is quoted, at that price; or
  - (c) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by a preliminary charge included therein and the selling price has been increased by an exit or redemption charge attributable thereto; or
  - (d) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
- 18.7.2 exchange-traded derivative contracts:
- (a) If a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
  - (b) If separate buying and selling prices are quoted, at the average of the two prices;
- 18.7.3 over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
- 18.7.4 any other investment:
- (a) if a single price for buying and selling the security is quoted, at that price; or
  - (b) if separate buying and selling prices are quoted, at the average of the two prices; or
  - (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and
- 18.7.5 property other than that described in 18.1, 18.7.2, 18.7.3 and 18.7.4 above shall be valued at an amount which, in the opinion of the ACD, represents a fair and reasonable mid-market price;
- 18.7.6 cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values;
- 18.7.7 in determining the value of the Scheme Property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out (and any cash paid or received) and all consequential action required by the Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken;
- 18.7.8 subject to paragraphs 18.7.9 and 18.7.10 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential

action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount;

- 18.7.9 futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 16.7.8;
- 18.7.10 all agreements are to be included under paragraph 18.7.8 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement;
- 18.7.11 deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Company; 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;
- 18.7.12 deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day;
- 18.7.13 deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings;
- 18.7.14 add an estimated amount for accrued claims for tax of whatever nature which may be recoverable;
- 18.7.15 add any other credits or amounts due to be paid into the Scheme Property;
- 18.7.16 add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to the received; and
- 18.7.17 currencies or values in currencies other than base currency (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.

## 18.8 **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:

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

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

In determining whether to use such a fair value price, the 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.

## 18.9 Pricing Basis

The ACD currently elects to deal on a forward basis.

## 18.10 Publication of Prices

- 18.10.1 The most recent prices will appear daily on the Trustnet website at [www.trustnet.com](http://www.trustnet.com) and can also be obtained by telephone on 01483 783 900.
- 18.10.2 For reasons beyond the control of the ACD, these may not necessarily be the current prices.
- 18.10.3 The cancellation price last notified to the Depositary is available from the ACD upon request.

## 18.11 Income Equalisation

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

### *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 section 7 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.

## 19. TAXATION

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

**professional tax adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.**

## **19.1 Taxation of the Company**

The Company is an ICVC and is treated as an Authorised Investment Fund for tax purposes.

Income of the Company is deemed to be distributed for tax purposes, even when it is accumulated. References to distributions include deemed distributions of accumulated income.

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

### **(A) Income**

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

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

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

### **(B) Chargeable gains**

Capital gains realised by the Company on a disposal of its investments are exempt from corporation tax on chargeable gains. In the unlikely event that the Company 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 Company (rather than cash) which are not in proportion to each investor's share of the total assets held by the Company.

## **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 actually distributed or accumulated

by the fund. Distributions may be made as interest distributions or dividend distributions as set out below.

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

Where more than 60% of the Company 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 Company (save in respect of distributions to certain qualifying shareholders) are treated as yearly interest and, as such, are subject to income tax.

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

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

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

### UK corporate shareholders

If, at any point in an accounting period of a UK corporate shareholder, the Company fails to satisfy the "qualifying investment" test, shares held by the UK corporate shareholder in respect of the Company 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).

The Company 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 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. 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).

## **(E) 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.**

## **(A) Income equalisation – tax implications**

The price of a share of a particular class is based on the value of that class' entitlement in the Company, including the income of the Company 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.

## **(B) 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.

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

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

### **(D) 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.**

## **20. RISK PROFILE MANAGEMENT**

- 20.1 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.
- 20.2 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.

- 20.3 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.
- 20.4 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.

## 21. LEVERAGE (as defined by the UK AIFM regime)

- 21.1 The Company may invest in instruments which are subject to leverage from time to time. Under the UK AIFM regime, the ACD must:
- 21.1.1 set a maximum level of leveraging which it may employ on behalf of the Company; and
- 21.1.2 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.
- 21.2 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
Futures contracts	Not permitted
Total return swaps	Not permitted
Forward agreements	Only as required; No greater than 40% of the net asset value of the portfolio.
Options	Only as required; No greater than 30% of the net asset value of the portfolio.
Repurchase arrangements	Not permitted
Reverse repurchase arrangements	Not permitted
Securities lending arrangements	Not permitted

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

Notes:

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

1. the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the 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;
2. derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;
3. cash borrowings that remain in cash or cash equivalents and where the amounts payable are known are excluded;
4. exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed are included; and
5. positions within repurchase or reverse repurchase transactions and securities lending or borrowing or other similar arrangements are included.

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

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

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

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: **2:1**.

### 21.3 Use of Leverage

#### 21.3.1 The Company may use options, forwards and other derivative

**instruments for the purpose of 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.**

## **22. FAIR TREATMENT OF INVESTORS**

- 22.1 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.
- 22.2 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.
- 22.3 The ACD and the Investment Manager may in certain circumstances grant preferential treatment to investors. This may include, for example, access to certain unit classes, a waiver or reduction of certain charges, the payment of rebates, or access to individuals within the ACD or the Investment Manager. 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.
- 22.4 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.
- 22.5 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:
- 22.5.1 **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 Manager 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.

#### 22.5.2 **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.

#### 22.5.3 **Fees:**

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

#### 22.5.4 **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.

22.5.5 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.

### **23. RECOGNITION AND ENFORCEMENT OF JUDGMENTS**

23.1 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.

### **24. GENERAL INFORMATION**

#### **24.1 Prospectus and Instrument of Incorporation**

Copies of the most recent Instrument of Incorporation, the Prospectus and the most recent annual and half-yearly reports may be inspected at the head office of the ACD. Copies of these documents may be obtained, free of charge, on request from the ACD. The ACD Agreement may be inspected at the head office of the ACD.

Please refer to Appendix F for the address for the ACD.

#### **24.2 Telephone calls**

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

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

### 24.3 **Future disclosures**

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

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

Shareholders will also be provided with information regarding changes to:

- a) the maximum level of leverage that the ACD may employ on behalf of the Company; or
- b) any rights of re-use of collateral under the Company's leveraging arrangements; and
- c) any guarantee granted under the Company's leveraging arrangements.
- d) 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.

### 24.4 **Address for service**

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

### 24.5 **Complaints**

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

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

### 24.6 **Non-accountability for profits**

Neither the Company, the ACD, the Depositary, the Investment Manager (or any associate of the same) nor 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:

- a) dealings in the shares of the Company; or
- b) any transaction in the Scheme Property; or
- c) the supply of services to the Company.

## APPENDIX A

### Management and borrowing powers of the Company

#### 1. LIMITATIONS ON TYPE OF INVESTMENTS

- 1.1. All the Scheme Property of the Company must be invested in any or all of the following assets: transferable securities, money-market instruments, deposits and units in collective investment schemes (regulated and unregulated).
- 1.2. Cash or near cash may be held for the pursuit of the Company's investment objective or redemption of shares or for the efficient management of the Company in accordance with its investment objectives or any other purpose reasonably regarded as ancillary to the investment objectives of the Company. From time to time the Company may have a higher than usual level of liquidity if the ACD considers that to be in the interests of shareholders. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased.
- 1.3. The investment objective and policy set out in paragraphs 3 and 4 of the main Prospectus are subject to the limits on investment under the FCA Rules and as set out in this Prospectus. These limits are summarised below.
- 1.4. The Company will not invest in immovable property or tangible movable property, or gold.
- 1.5. **The Company may enter into derivative transactions for Efficient Portfolio Management (including hedging).**
- 1.6. **Permitted types of Scheme Property**

Investments permitted for the Company 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 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. 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 Company may invest in approved money-market instruments. An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

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

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

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

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

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

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

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

Not more than 20% in value of the Scheme Property is to consist of money-market instruments, which are not:

- (a) listed on or normally dealt on an eligible market; or
- (b) liquid and whose value can accurately be determined at any time, provided the money-market instrument is:
  - (i) issued or guaranteed by a central, regional or local authority of the UK or an EEA State, the Bank of England, a central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which the UK or one or more EEA States belong; or

- (ii) issued by a body, any securities of which are dealt on an eligible market; or
- (iii) issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by UK or European Union law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

#### **1.6.4. Derivatives**

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

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

Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the limits specified under the heading "Spread" below, except for index-based derivatives where the paragraph below applies.

Where the Company 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, subject to the ACD taking account of COLL 5.6.3R in relation to prudent spread of risk.

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.

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 the Company to diverge from its investment objectives as stated in the Instrument constituting the scheme and the most recently published version of the 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 Eligible Institution or an Approved Bank.

No agreement by or on behalf of the Company to dispose of property or rights may be made unless:

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

This requirement does not apply to a deposit.

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

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

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

A transaction in an OTC derivative must be:

(a) with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is:

- i. an Eligible Institution or an Approved Bank;
- ii. a person whose permission (including any requirements or limitations), as published in the Financial Services Register, permits it to enter into the transaction as principal off-exchange;
- iii. a CCP that is authorised in that capacity for the purposes of EMIR;
- iv. a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
- v. to the extent not already covered above, a CCP supervised in a jurisdiction that:

(1) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom; and

(2) is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019.

(b) on approved terms. The terms of the transaction in derivatives are approved only if the ACD:

- i. carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
- ii. can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;

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

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

The jurisdictions that fall within paragraph 1.6.4 are Australia, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Singapore, Spain, Switzerland, and the United States of America.

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

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

**Movements in currencies may, however, render such hedging ineffective.**

#### **1.6.5. Deposits**

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

#### **1.6.6. Collective investment schemes**

The Company may invest up to 100% of its Scheme Property in units in collective investment schemes.

The Company may invest in units in a 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 United Kingdom 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

COLL 5.6.10AR applies);

- (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; and
- (e) where the second scheme is an umbrella, the provisions in (b) to (d) and COLL 5.6.7 R (Spread: general) apply to each sub-fund as if it were a separate scheme.

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

Subject to the restrictions above, investment may be made in (and the Scheme Property of the Company may include) units of other collective investment schemes managed or operated by the ACD or an associate of the ACD, provided that the conditions in COLL 5.2.16R are complied with.

**The Company may, subject to the FCA Rules, invest in unregulated (also known as 'non-registered' or 'non-authorised') collective investment schemes. These types of schemes are not subject to the same restrictions on investment powers or how they are run, and therefore may be considered high risk.**

**These unregulated schemes may include hedge funds which may be illiquid, i.e. difficult to sell, and may also borrow to meet their objectives. This borrowing is likely to lead to volatility in the value of the scheme, meaning that a relatively small movement either down or up in the value of the scheme's total assets will result in a magnified movement in the same direction of the scheme's net asset value.**

#### **1.6.7. Warrants**

The Company may invest in warrants but the exposure created by the exercise of the rights conferred by those warrants must not exceed the limits set out in paragraphs 1.6.8 and 1.6.9 below. It is not anticipated that extensive use will be made of warrants, and in any event no more than 15% of the value of the Company's property will be invested in them.

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

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

#### **1.6.8. Spread: General**

- (a) This paragraph 1.6.8 does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 1.6.9 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 a 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 Company; and
  - iv. not more than 35% in value of the Company is to consist of the units of any one collective investment scheme.
- (c) In applying the limit under paragraph 1.6.8(b)ii above, certificates representing certain securities are to be treated as equivalent to the underlying securities.
- (d) For the purposes of this paragraph 1.6.8 a single body is: (a) in relation to transferable securities and money-market instruments, the person by whom they are issued; and (b) in relation to deposits, the person with whom they are placed.

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

- (a) The following 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) **The Company may invest more than 35% in value of the Scheme Property in such 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 such securities:

- (i) issue, issued and issuer 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 1.6.8(a) and subject to paragraphs 1.6.8(b) i and 1.6.8(d) above, in applying the 20% limit in paragraph 1.6.8(b) i 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 such securities issued by:**
- i. the Government of the United Kingdom;**
  - ii. the Government of Canada; and**
  - iii. the Government of the United States of America.**

#### **1.6.10. 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 United Kingdom or an EEA State on which transferable securities and money-market instruments admitted to official listing in the UK or 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 B to this Prospectus.

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

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

### **1.6.11. General**

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

The restrictions on investment set out above are tighter than those imposed by the FCA Rules in the following respects:

- (a) for the purposes of paragraph 1.6.5, the FCA Rules do not require a certain rating for an Approved Bank.

## **2. BORROWING**

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

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.

## **3. EFFICIENT PORTFOLIO MANAGEMENT**

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

- 3.1.1. they are **economically appropriate** in that they are realised in a cost effective way.

- 3.1.2. they are entered into for one or more of the following specific aims, namely:

- a) The reduction of risk;

- b) The reduction of cost; or

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

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

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

- 3.2. Economically appropriate

- 3.2.1. The guidelines adopted by the ACD, under which the Company will operate are:



- (a) Any transaction must be one which (alone or in combination with one or more of others) is reasonably believed by the Company to be economically appropriate to the Efficient Portfolio Management of the Company.

3.2.2. This means that the ACD reasonably believes that:

- (a) For transactions undertaken to reduce risk or cost (or both), the transaction (alone or combination) will diminish a risk or cost of a kind or level which it is sensible to reduce;
- (b) For transactions undertaken to generate additional capital or income, the Company is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction; and
- (c) The transaction may not be entered into if its purpose could reasonably be regarded as speculative.
- (d) Where the transaction relates to the actual or potential acquisition of transferable securities, the ACD must intend that the Company should invest in transferable securities within a reasonable time and must ensure thereafter that, unless the position has itself been closed out, that intention is realised within a reasonable time.

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

## APPENDIX B

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

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

#### Eligible Securities Markets

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

Germany	Deutsche Borse (Euronext)
Hong Kong	Hong Kong Stock Exchange
India	National Stock Exchange of India Bombay Stock Exchange (BSE)
Indonesia	Indonesia Stock Exchange (IDX)
Israel	Tel Aviv SE (TASE)
Japan	Tokyo Stock Exchange Osaka Securities Exchange Nagoya Stock Exchange JASDAQ Securities Exchange (Hercules Exchange) Sapporo Securities Exchange Fukuoka Stock Exchange Tokyo Financial Exchange
Korea	Korea Composite Stock Price Index
Kuwait	Kuwait Stock Exchange
Malaysia	Bursa Malaysia Securities
Mexico	Bolsa Mexicana de Valores (BMV)
Morocco	Casablanca Stock Exchange
New Zealand	New Zealand Stock Exchange (NZX)
Norway	Oslo Stock Exchange (KSE)
Oman	Muscat Securities Market
Pakistan	Karachi Stock Exchange
Peru	Bolsa de Valores de Lima (BVL)
Philippines	Philippines Stock Exchange
Singapore	Singapore Exchange (SGX)
South Africa	JSE Limited South African Futures Exchange (SAFEX)
Spain	MEFF (Renta Variable & Fija) Spanish Exchanges BME
Sri Lanka	Colombo Stock Exchange
Sweden	NASDAQ OMX Stockholm AB
Switzerland	SIX Swiss Exchange AG
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand (SET)

Tunisia	Tunis Stock Exchange
Turkey	Istanbul SE (ISE)
United Arab Emirates	Abu Dhabi Securities Exchange NASDAQ Dubai
USA	<ol style="list-style-type: none"> <li>1. NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc);</li> <li>2. any exchange registered with the Securities and Exchange Commission as a national stock exchange, including NYSE Euronext and the stock exchanges of Chicago, NYSC Arca Equities and NASDAQ OMX PHLX;</li> <li>3. the market in transferable securities issued by or on behalf of the Government of the United States of America conducted through persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealer;</li> <li>4. the Over-the-Counter Market regulated by the National Association of Securities Dealers Inc.</li> </ol>

### **Eligible Derivatives Markets**

Bolsa Mexicana de Valores (BMV)

ASX Group

Chicago Board Options Exchange

CME Group Inc

EDX London

Eurex Deutschland

Hong Kong Stock Exchange

MEFF Renta Fija

MEFF Renta Variable

Montreal Exchange

NASDAQ OMX BX

NASDAQ OMX Nordic

NASDAQ OMX PHLX

NASDAQ Stock Market

NYSE Amex Equities

NYSE Arca Equities

NYSE Euronext LIFFE

NYSE Euronext New York

NYSE Euronext Paris

Osaka Securities Exchange

South African Futures Exchange (SAFEX)

Sydney Futures Exchange

Tokyo Stock Exchange

Turquoise London Stock Exchange Group

## APPENDIX C

### Other Authorised Collective Investment Schemes under management

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

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

#### **Authorised Unit Trusts**

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

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

## APPENDIX D

### Historical Performance Data

The comparisons have been based on **income shares**. The performance table shows the total annual return up to 31 December in each year listed for performance information over a five year period.

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

<b>Share Class</b>	<b>2018</b> (%)	<b>2019</b> (%)	<b>2020</b> (%)	<b>2021</b> (%)	<b>2022</b> (%)
<b>Income shares</b> (GBP)	-8.77	21.57	9.53	10.85	-15.54

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

These performance figures are presented as a matter of record and should be regarded as such.

Performance is determined by many factors including the general direction and volatility of markets and may not be repeatable.

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



## **APPENDIX E**

### **Establishment of Collective Investment Schemes**

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

**France**

**Ireland**

**Luxembourg**

**Switzerland**

**United Kingdom**

## APPENDIX F

### Directory of Contact Details

<b>ACD</b>	<b>Thesis Unit Trust Management Limited</b> Exchange Building St John's Street, Chichester, PO19 1UP
<b>Administrator, Registrar and Fund Accountant</b>	<b>Northern Trust Global Services SE, UK branch</b> 50 Bank Street Canary Wharf, London E14 5NT
<i>Dealing office:</i>	<b>Thesis Unit Trust Management Limited</b> Sunderland SR43 4AZ  Telephone 0333 300 0375
<b>Auditors</b>	<b>Grant Thornton UK LLP</b> 30 Finsbury Square London EC2P 2YU
<b>Custodian</b> <i>Principal place of business:</i>	<b>The Northern Trust Company</b> 50 South LaSalle Street, Chicago, Illinois USA
<i>Who may also act under this power through its London branch:</i>	50 Bank Street, Canary Wharf, London E14 5NT
<b>Depository</b>	<b>NatWest Trustee and Depository Services Limited</b> House A, Floor 0, Gogarburn, 175 Glasgow Road Edinburgh EH12 1HQ
<b>Investment Manager</b>	<b>Stanhope Capital LLP</b> 35 Portman Square London W1H 6LR <a href="http://www.stanhopecapital.com">www.stanhopecapital.com</a>
<b>Financial Conduct Authority</b>	12 Endeavour Square London E20 1JN