



The Sun Portfolio Fund

Prospectus

This document is the Prospectus of THE SUN PORTFOLIO FUND. It is dated and valid as at 16 May 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.

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

DIRECTORY

Authorised Corporate Director	Thesis Unit Trust Management Limited Exchange Building St Johns Street, Chichester, PO19 1UP
<i>Registered and Head Office of the Company</i>	c/o Thesis Unit Trust Management Limited Exchange Building St Johns Street, Chichester, PO19 1UP
Depository	NatWest Trustee and Depository Services Limited House A, Floor 0 Gogarburn, 175 Glasgow Road, Edinburgh EH12 1HQ
Investment Manager	Quilter Cheviot Limited Senator House, 85 Queen Victoria Street, London, EC4V 4AB www.quiltercheviot.com
Auditors	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
Administrator, Registrar & Fund Accountant	Northern Trust Global Services SE, UK branch 50 Bank Street Canary Wharf, London E14 5NT
<i>Dealing Office</i>	Thesis Unit Trust Management Limited Sunderland SR43 4AZ Telephone number: 0333 300 0375
Custodian <i>Principal place of business</i>	The Northern Trust Company 50 South LaSalle Street, Chicago, Illinois, USA
<i>Who may also act under this power through its London branch</i>	50 Bank Street Canary Wharf, London E14 5NT
The Financial Conduct Authority ("FCA")	12 Endeavour Square London E20 1JN

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1 INTERPRETATION

This is the Prospectus for **The Sun Portfolio Fund** (the "**Company**").

In this Prospectus the words and expressions set out in the first column below shall have the meanings set opposite them unless the context requires otherwise.

The definitions are as follows:

"ACD" the Authorised Corporate Director holding office from time to time pursuant to the FCA Rules being Thesis Unit Trust Management Limited at the date of this Prospectus;

"Act" the Financial Services and Markets Act 2000;

"Administrator" Northern Trust Global Services SE, UK branch, or such other person appointed from time to time to be the administrator of the Company;

"AML" Anti-money laundering;

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

- a) if the account is opened at a branch in the UK:
 - i. the Bank of England; or
 - ii. the central bank of a member state of the OECD; or
 - iii. a bank; or
 - iv. a building society; or
 - v. a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
- b) if the account is opened elsewhere:
 - i. a bank in a); or
 - ii. a bank which is regulated in the Isle of Man or the Channel Islands; or
- c) a bank supervised by the South African Reserve Bank; or
- d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator;

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

"Business Day" Monday to Friday excluding public and bank holidays in the United Kingdom, or any day on which the London Stock Exchange is not open for the normal duration of its trading hours, except for any day on which the ACD has notified the Depositary that it is not open for normal business due to a concessionary company holiday or otherwise agreed between the ACD and the Depositary;

"CASS"	the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook, as amended or replaced from time to time;
"CCP"	as defined in the FCA Glossary;
"COLL"	the Collective Investment Schemes Sourcebook issued by the FCA as amended or replaced from time to time;
"Company"	The Sun Portfolio Fund;
"Custodian"	the person who provides custodian services to the Company, being The Northern Trust Company, and its successor or successors as custodian;
"Data Protection Laws"	<p>means all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances:</p> <ul style="list-style-type: none"> a) the UK GDPR; b) the Data Protection Act 2018; c) any laws which implement any such laws; and d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); and e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding);
"Dealing Day"	means, in respect of all Funds, a Business Day which does not fall within a period of suspension of calculation of the net asset value (unless stated otherwise in this Prospectus or the FCA Rules) and any such other day as the ACD may decide from time to time;
"Depositary"	the person appointed from time to time by the Company or otherwise pursuant to the Regulations being NatWest Trustee and Depositary Services Limited at the date of this Prospectus;
"Depositary Agreement"	the agreement between the Company, the ACD and the Depositary regarding the appointment of the Depositary;
"Directors"	the directors of the Company for the time being (including the ACD) or, as the case may be, the directors of the Company for the time being assembled as a board including any committee of such board;
"EEA"	the European Economic Area;
"EEA State"	a member state of the European Union and any other state which is within the EEA;
"Eligible Institution"	as defined in the FCA Glossary;

"EMIR"	as defined in the FCA Glossary;
"EUWA"	the European Union (Withdrawal) Act 2018;
"FCA"	the Financial Conduct Authority and any successor regulatory entity;
"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, as amended from time to time;
"FCA Rules"	the rules contained in COLL but, for the avoidance of doubt, not including guidance or evidential requirements contained in COLL;
"Financial Instruments"	as defined in the FCA Glossary;
"Funds"	the sub-funds from time to time of the Company and "Fund" shall mean one of the sub-funds;
"Fund Accountant"	the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch, and its successor or successors as fund accountant;
"Home State"	as defined in the FCA Glossary;
"Instrument"	the instrument of incorporation 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"	Quilter Cheviot Limited appointed by the ACD as investment manager to the Company;
"KIID"	the key investor information document containing the key information concerning each Fund in accordance with the Regulations;
"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;
"Office Hours"	from 9am to 5pm on any Business Day;
"recognised scheme"	a collective investment scheme recognised for the purposes of sections 264 or 272 of the Act;
"Register"	the register of Shareholders of the Company;
"Registrar"	Northern Trust Global Services SE, UK branch, or such other person appointed from time to time to be the registrar of the Company;

"Regulations"	the OEIC Regulations and COLL;
"Scheme Property"	the property of the Company or a Fund (as appropriate) to be held by the Depositary for safekeeping, as required by the FCA Handbook;
"Share" or "Shares"	a share or shares in the Company (including larger denomination shares and smaller denomination shares);
"Shareholder(s)"	holder(s) of registered Shares in the Company;
"Sterling"	pounds sterling of the United Kingdom;
"UCITS Directive"	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC), as amended;
"UK" or "United Kingdom"	the United Kingdom of Great Britain & Northern Ireland;
"UK AIF"	as defined in the FCA Glossary
"UK GDPR"	Regulation 2016/679 of the European Parliament and of the Council of 27 th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK's withdrawal from the European Union;
"UK UCITS"	as defined in the FCA Glossary;
"UK UCITS Regulations"	the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK's withdrawal from the European Union; and
"US Person"	a person who is in either of the following two categories: <ul style="list-style-type: none"> a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the United States Securities Act of 1933; or b) a person excluded from the definition of a "Non-United States person" as used in Commodity Futures Trading Commission ("CFTC") Rule 4.7;

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

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

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

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

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

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

IMPORTANT INFORMATION**THE SUN PORTFOLIO FUND**

THIS PROSPECTUS IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE MEANING OF ANY INFORMATION CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSULT THE ACD OR YOUR FINANCIAL ADVISER.

INVESTORS SHOULD CHECK WITH THE ACD THAT THIS IS THE LATEST VERSION OF THE PROSPECTUS AND THAT THERE HAVE BEEN NO REVISIONS OR UPDATES BEFORE DECIDING TO PURCHASE SHARES IN THE COMPANY.

PLEASE NOTE THAT NOTIFIABLE CHANGES WHICH ARE IN THE PROCESS OF BEING IMPLEMENTED OR WHICH HAVE ALREADY BEEN IMPLEMENTED MAY NOT BE DISCLOSED IN THE CURRENT PROSPECTUS.

This Prospectus is intended for distribution in the UK. Its distribution may be restricted in other countries. It does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is unlawful or in which the person making such offer or solicitation is not qualified so to do, or to anyone to whom it is unlawful to make such an offer or solicitation. Intending investors should investigate and observe the legal requirements within their own countries for the acquisition of Shares of the Company and any taxation or exchange control legislation affecting them personally, including the obtaining of any necessary governmental or other consents and the observation of any other formalities.

Data Protection

The personal details of each applicant for Shares and each Shareholder will be held by the ACD and/or the Administrator as its agent in accordance with the Data Protection Laws for the purposes of carrying out the ACD's agreement with each Shareholder. This may include the transfer of such data to other members of the ACD's group and to other businesses providing services to the ACD (including their offices outside the UK), where the transfer is necessary for the provision of services in relation to the ACD's role as operator of the Company. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances the ACD will take steps to ensure that your privacy rights are respected. Shareholders have the right to access their personal data processed by the ACD together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons. A copy of the ACD's Privacy Notice relating to investors is available at www.tutman.co.uk or on request from compliance@tutman.co.uk.

Electronic Verification

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

associated party's) details in the future to assist other companies for verification purposes.

If you apply for Shares you are giving the ACD permission to ask for this information in line with 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.

Information for US Persons

Shareholders, and intermediaries acting for Shareholders, should note that it is the existing policy of the ACD that Shares in a fund are not being offered or sold for the account of US persons and that subsequent transfers of Shares to such US persons are prohibited. If Shares in a fund are beneficially owned by any such US person, the ACD may in its discretion compulsorily redeem such Shares.

Shares have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia or offered or sold to US Persons (as defined below). The Funds have not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been and will not be registered under the United States Investment Advisers Act of 1940.

This Prospectus

This Prospectus describes the constitution and operation of the Company at the date of this Prospectus. In the event of any materially significant change in the matters stated herein or any materially significant new matter arising which ought to be stated herein this Prospectus will be revised.

Investors should check with the ACD that this is the latest version and that there have been no revisions or updates.

2 CONSTITUTION AND REGULATORY STATUS

The Company is an investment company with variable capital incorporated under the OEIC Regulations. It is a UK UCITS (as defined in the FCA Glossary) and an umbrella company for the purposes of the OEIC Regulations. Details of the Company's Funds are below.

The Company was authorised by the Financial Services Authority, the predecessor to the FCA and the Prudential Regulation Authority, in all matters arising prior to 1 April 2013.

Details of the Company are below:

Authorised with effect from:	16 September 2009
Company launched on:	1 February 2010
Company registration number	IC000782
Company FCA product reference number:	504474
Company registered office and head office*:	c/o Thesis Unit Trust Management Limited Exchange Building, St Johns Street, Chichester, PO19 1UP

*This is the address for the service on the Company of notices or other documents required or authorised to be served on it.

The Company will continue until wound up in accordance with the Rules. Details of the procedure to wind the Company up are set out under the paragraph 'Winding up the Company'.

Company's Funds

The Company, as at the date of this Prospectus, has two Funds: the **Climate Assets Balanced Fund** and the **Climate Assets Growth Fund**. The FCA's product reference number for the **Climate Assets Balanced Fund** is 635038 and the FCA's product reference number for the **Climate Assets Growth Fund** is 982835.

Further Funds may be added in the future in accordance with the Company's Instrument and the Regulations. This Prospectus will be revised on the introduction of a new Fund or class of Shares within a Fund.

The property attributable to each Fund is managed as if each Fund belonged to the "UCITS scheme" category as specified in Chapter 5 of COLL.

Subject to the terms set out in this Prospectus, holders of Shares in each Fund are entitled to receive the income derived from that Fund and to redeem their Shares at a price linked to the value of the property of that Fund. Shareholders do not have any proprietary interest in the underlying assets of the relevant Fund.

The Shareholders of the Company will not be liable for the debts of the Company.

The base currency for the Company is pounds sterling. The maximum size of the Company's capital is £100,000,000,000 and the minimum size is £1.

Historical performance data for the Funds are set out in Schedule 5.

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

The investment objectives and policies of the Funds are set out at paragraph 6 below.

Segregated Liability

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

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

Typical Investor – investor profile

The ACD considers the typical investor in the Funds will be a client of a discretionary fund manager or advisory firm or a retail client taking their own investment decisions.

The ACD considers that the Climate Assets Balanced Fund is suitable for investors seeking a return from both capital growth and income who can bear investment loss. Investors should be prepared to hold their investment for at least 5 years.

The ACD considers that the Climate Assets Growth Fund is suitable for investors seeking a return from capital growth who can bear investment loss. Investors should be prepared to hold their investment for at least 5 years.

In general, however, the ACD recommends that investors seek suitable advice from an authorised independent intermediary before investing.

Attention is also drawn to the ‘Risk Factors’ paragraph below.

Marketing

The Company is classed as a UK UCITS and may be marketed to the public in the UK. The Company cannot apply to the regulatory authorities in member states in the European Union to be marketed under the UCITS Directive in those states.

It is not intended that the Funds will be marketed outside the UK.

3 RISK FACTORS

Investors should bear in mind that all investment carries risk and in particular should be aware of the following:

- (a) Past performance is not a guide to the future. The value of Shares and the income derived from them can go down as well as up and as a result the investor may not get back the amount originally invested. This can be as a result of market movements and also of variations in the exchange rates between currencies. The ACD's preliminary charge (as set out under the heading "**The Authorised Corporate Director's Charges**") is deducted from an investment at the outset and various other charges accrue daily, therefore an equivalent rise in the value of the Shares is required before the original investment can be recovered;

- (b) **In certain circumstances, for the purpose of efficient portfolio management including hedging, the Company may enter into certain derivatives transactions, including, without limitation, forward transactions, futures and options.** The value of these investments may fluctuate significantly. By holding these types of investments there is a risk of capital depreciation in relation to certain Fund assets. There is also the potential for capital appreciation of such assets. On giving 60 days' notice to Shareholders, each Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. **It is not intended that the use of derivatives in this way will change the risk profile of the relevant Fund.**
- (c) The summary of tax treatment in paragraph 18 of this Prospectus is based on current law and practice which may change. The levels of relief from taxation will depend upon individual circumstances. Please note current tax levels and reliefs may change and their value will depend on the investor's individual circumstances;
- (d) The levels of income generated by each Fund will fluctuate and are not guaranteed;
- (e) Where a Fund invests in emerging markets, such investment may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities. There may also be a lack of liquidity and increased volatility in the underlying securities of companies domiciled in emerging markets;
- (f) A Fund may invest in other currencies. As a result, changes in the rates of exchange between currencies may cause the value of the Shares to go up or down. Accordingly, investors may not receive back the amount invested;
- (g) The charges and expenses attributable to the Company may be treated as a capital expense in accordance with the Regulations, which may have the effect of eroding capital or constraining capital growth;
- (h) Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended (as explained in paragraph 12);
- (i) Funds which invest in growth-orientated sectors such as new technologies benefit from investor optimism about the future of such sectors, and their value may fall if sentiment deteriorates. New technologies are also more susceptible to changes in law and regulation. Funds which invest in specialised sectors of industry are more likely to experience volatility than more diversified funds.

- (j) **Counterparty risk in over-the-counter markets:** a Fund may enter into transactions in over-the-counter markets, which will expose that Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, a Fund may enter into agreements or use other derivative techniques, each of which expose that Fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to recover any losses incurred.
- (k) **Legal and Regulatory Risks:** legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as the Company is subject to change. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.
- (l) **Exchange-Traded Funds:** exchange traded funds (or ETFs) are usually open-ended collective investment schemes, the units of which track an index, a commodity or a basket of assets like an index, but are traded like a stock on regulated markets and investment exchanges.

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

- i. a discount of the ETF's Shares to its net asset value;
- ii. failure to develop an active or liquid trading market for the ETF's Shares. The lack of a liquid secondary market, in particular, may make it very difficult for the Company to sell the ETFs it holds and there can be no guarantee that a secondary trading market will develop;
- iii. the listing / relevant exchange halting trading of the ETF's Shares;
- iv. failure of the ETF's Shares to track the quoted reference index;
- v. the re-weighting of and the holding of troubled or illiquid securities in the quoted reference index.

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

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

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

ETNs are subject to credit risk, including the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark of strategy remaining unchanged. The general credit market environment can also affect the creditworthiness of the issuer, causing the value of the ETN to fluctuate significantly. Changes in interest rate conditions can also affect the value of the ETN. Generally, if interest rates fall, the value of these investments rises. Conversely, if interest rates rise, their value falls.

The value of an ETN may also be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in tracked assets, and economic, legal, political, or geographic events that affect the underlying asset that is tracked (or referenced) in the ETN.

Although most ETNs will quote an annual management charge ratio, this may not include all of the costs involved in running the investment and they do not always quote a total expense ratio figure.

- (n) **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.
- (o) **Infectious diseases:** infectious diseases that pose significant threats to human health may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious diseases could significantly impact the value of the Scheme Property of the Company or relevant Fund and the value of distributions paid to Shareholders.
- (p) **Risk Management:** the ACD uses a risk management process (including a risk management policy) in accordance with COLL 6.12 (as reviewed by the Depositary and filed with the FCA) to enable it to monitor and measure at any time the risk of the Company's positions and their contribution to the overall risk profile of the Company:
- (i) The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:

- (A) a true and fair view of the types of derivatives and forward transactions to be used within the Company together with their underlying risks and any relevant quantitative limits;
 - (B) the methods for estimating risks in derivative and forward transactions.
- (ii) The ACD must assess, monitor and periodically review:
- (A) the adequacy and effectiveness of the risk management policy and of the arrangements, processes and techniques referred to in COLL 6.12.5 R;
 - (B) the level of compliance by the ACD with the risk management policy and with those arrangements, processes and techniques referred to in COLL 6.12.5 R; and
 - (C) the adequacy and effectiveness of measures taken to address any deficiencies in the performance of the risk management process.
- (iii) The ACD must notify the FCA of any material changes to the risk management process.

4 MANAGEMENT AND ADMINISTRATION OF THE COMPANY

4.1 The Authorised Corporate Director ("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 with company number 3508646. The ACD, for the purposes of COLL, is an authorised fund manager.

The registered office and head office of the ACD is at Exchange Building, St Johns Street, Chichester, PO19 1UP. The amount of the ACD's issued share capital is £5,673,167 fully paid.

The ACD is authorised and regulated by the Financial Conduct Authority. (The contact details of the Financial Conduct Authority are set out under the Directory at the front of this Prospectus).

The ACD also acts as authorised fund manager to other regulated collective investment schemes. Details of these schemes, as at the date of this Prospectus, are set out in Schedule 4.

The ACD may provide investment services to other clients and funds and to companies in which the Company may invest in accordance with the Regulations.

When managing investments of the Company, the ACD will not be obliged to make use of information which in doing so would be a breach of duty or confidence to any other person or which comes to the notice of an employee or agent of the ACD but properly does not come to the notice of an individual managing the assets of the Company.

The directors of the ACD are:

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

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

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

The ACD provides its services to the Company under the terms of a service agreement (the "**ACD Agreement**"). The material provisions of the ACD Agreement are as follows:

The ACD Agreement provides that the appointment may be terminated by either party after the expiry of 6 months written notice or forthwith by the Company in the case of fraud, wilful default or gross negligence on the part of the ACD. The ACD Agreement will also terminate on expiry of notice given by the Depositary in accordance with Rule 6.5.4(3) of COLL (liquidation, receivership or an administration order in respect of the ACD). The ACD is entitled to payment of its fees to the date of termination but no additional compensation.

The ACD Agreement provides that the Company will indemnify the ACD against any liability incurred by it in managing the Company and carrying out its duties as authorised corporate director of the Company except to the extent such liability arises from the gross negligence, wilful default or fraud of the ACD or its breach of the Act or the regulatory system under the Act.

The ACD has delegated the following functions to third-parties:

General Administration – the fund valuation and fund accounting functions have been delegated to the Administrator.

Investment Management – the management of the investments held by each Fund from time-to-time has been delegated to the Investment Manager. Details of the Investment Manager’s appointment are set out below.

The ACD remains responsible for ensuring that the parties to whom it delegates such functions, perform those delegated functions in compliance with the Regulations.

4.2 The Depositary

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.

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

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 under the Directory at the front of this Prospectus.

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

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.

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.

Terms of Appointment

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

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

The powers, duties, rights and obligations of the Depositary, the Company and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

Under the Depositary Agreement the Depositary has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Depositary has delegated custody of the Scheme Property to The Northern Trust Company (the "**Custodian**"). Contact details for the Custodian are set out in the Directory at the front of this Prospectus. 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**").

A list of sub-custodians is set out in Schedule 3. Investors should note that the list of sub-custodians is updated only at each Prospectus review.

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

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.

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.

Details of the fees payable to the Depositary are set out in paragraph 16.

Conflicts of interest

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.

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

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.

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.

Updated Information

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

4.3 The Investment Manager

Quilter Cheviot Limited (the "**Investment Manager**") is the Investment Manager to the ACD in relation to the Company. The Investment Manager is authorised and regulated by the FCA. The Investment Manager's principal activity is the provision of investment management services.

The Investment Manager is required to comply with its own execution policy. A copy of the Investment Manager's execution policy is available on request from the ACD, or may be available from the Investment Manager's website, listed in the Directory.

Under the terms of an agreement dated 31 January 2014, between the Investment Manager and the ACD, the Investment Manager has the authority of the ACD to make decisions on behalf of the ACD in respect of the investments of the Funds, subject always to the provisions of the Instrument, the Prospectus, the Regulations, and the investment objectives and policies of the Funds. The Investment Manager is also authorised to deal on behalf of the Funds. This agreement may be terminated by the ACD giving 14 days' notice or by the Investment Manager giving 30 days' notice. This agreement may also be terminated immediately by the ACD if it is in the interests of investors.

Under the terms of the investment advisory agreement, the Investment Manager may delegate to any person the performance of its duties and services required to be performed by it under the agreement with the consent of the ACD.

4.4 The Registrar

Northern Trust Global Services SE, UK branch, acts as Registrar to the Company. The Register (including the plan register which is a record of persons who subscribe for Shares through Individual Savings Accounts ("**ISAs**")) is kept, and will be available for inspection on any Business Day during normal Office Hours, at the office of the Registrar at 50 Bank Street, Canary Wharf, London E14 5NT.

No certificates will be issued in respect of a holding of Shares and should any Shareholder require evidence of title to Shares the Registrar will, upon such proof of identity and the payment of such fee (if any) as the ACD may reasonably require, supply the Shareholder with a certified copy of the relevant entry in the Register relating to the Shareholder's holding of Shares.

Shareholders should notify the Registrar in writing of any change to their name or address and provide such evidence as the Registrar may reasonably request.

4.5 The Auditors

The auditors to the Company are Grant Thornton UK LLP. The address for Grant Thornton UK LLP is set out in the Directory at the front of this Prospectus.

5 SHARES IN THE COMPANY

The Instrument allows the Company to issue income and accumulation Shares.

The following share classes are available in respect of the Company:

- B Sterling Accumulation
- B Sterling Income
- C Sterling Accumulation
- C Sterling Income
- X Sterling Accumulation
- X Sterling Income

X Shares are only available for subscription by Quilter Cheviot Limited, the Investment

Manager.

Further classes of Shares may be established from time to time by the ACD with the approval of the FCA (where required by the Regulations), the agreement of the Depositary, and in accordance with the Instrument and the applicable Regulations. On the introduction of a new class of share a revised Prospectus will be prepared setting out the details of the share class.

The base currency for each new class of share will be determined at the date of creation and set out in the Prospectus.

Each share is deemed to represent one undivided unit of entitlement in the property of the relevant Fund.

Holders of income Shares are entitled to be paid the distributable income attributable to such Shares on any relevant interim or annual allocation dates.

Holders of accumulation Shares are not entitled to be paid the income attributed to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Company on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

If both income and accumulation Shares are in existence, the income of that Fund is allocated as between income Shares and accumulation Shares according to the respective units of entitlement in the property of the relevant Fund represented by the accumulation Shares and income Shares in existence at the end of the relevant accounting period.

Where a Fund has different share classes, each class may attract different charges and so monies may be deducted from the Scheme Property attributable to such classes in unequal proportions.

The rights attaching to the Shares of all classes may be expressed in two denominations and, in each of these classes, the proportion of a larger denomination share represented by a smaller denomination share shall be one thousandth of the larger denomination.

No certificates will be issued in respect of a holding of Shares. Ownership of Shares will be evidenced by an entry in the Company's Register. Should any Shareholder require evidence of title to Shares the ACD will, upon such proof of identity and the payment of such fee (if any) as the ACD may reasonably require, supply the Shareholder with a certified copy of the relevant entry in the Register relating to the Shareholder's holding of Shares.

6 INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUNDS

Investment of the assets of each Fund must comply with the COLL rules as they apply to a UK UCITS and in accordance with the investment objective and policy of the Funds of the Company as set out below.

The eligible securities markets and eligible derivatives markets on which the Company may invest are set out in Schedule 2.

A detailed statement of the general investment and borrowing restrictions and the extent to which the Company may invest are set out in Schedule 1.

The Company may invest in derivative instruments and forward transactions for limited purposes as explained in Schedule 1.

CLIMATE ASSETS BALANCED FUND

Investment Objective

The investment objective of the Fund is to provide a balance of capital growth and income, net of fees, over the longer term (rolling 5 year periods). The Fund focuses on sustainable investment.

Investment Policy

The Fund will aim to achieve the investment objective by investing in a global portfolio which is comprised of:

- Equity securities (60% to 75%)
- Corporate bonds and government bonds (5% to 25%)
- Alternatives (up to 25%) – alternatives would be defined as assets that have historically (over 5 years or more) had a low correlation to equity markets, such as investment trusts focusing on social or green infrastructure
- Permitted closed-ended funds, including investment trusts and real estate investment trusts (up to 20%)
- Warrants (up to 5%)
- Cash (up to 10%)

Investments other than sovereign debt will be invested in line with the thematic investment criteria outlined below.

Sovereign debt will not be expected to exceed 15% of the portfolio.

There may be times when the Fund may invest outside these parameters. For example, during times of market stress (including a market crash/unforeseen event or circumstance).

The Fund may achieve indirect exposure to the above asset classes by holding units in other collective investment schemes (including those managed or operated by the ACD and/or advised or managed by the Investment Manager, or an associate of the ACD or Investment Manager), but these will be limited to a maximum of 10% of the total value of the Fund's portfolio.

The use of derivatives and/or hedging transactions is permitted in connection with the efficient portfolio management of the Fund. However, the use of derivatives in this manner is expected to be limited.

Borrowing will be permitted on a temporary basis in accordance the Regulations.

On giving 60 days' notice to Shareholders, the Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. It is not intended that the use of derivatives in this way will change the risk profile of the Fund.

Companies we invest in

At the heart of the stock selection there are five investment themes. Each investment theme is aligned to one or more of the UN Sustainable Development Goals (SDG¹). This is explained below.

Each company that the Fund invests in has:

¹ Details of the SDG categories can be found on the UN website, <https://sdgs.un.org/goals>, or supplied on request from the Investment Manager.

- some revenue derived from activities which contribute towards meeting one or more of the SDG goals in line with the investment themes and/or;
- been judged by the Investment Manager as making a positive impact to improve resilience to climate change.

Typically, all of the investment themes are represented in the investments of the Fund. Market valuations and economic conditions determine if any one of these themes takes precedence.

Companies in which the Fund invests, in aggregate generate at least 50% or more of their revenue from at least one of the five investment themes and all make a positive impact to improve resilience to climate change and healthcare.

The five investment themes are as follows:

Low carbon energy: (SDG category 7, 13 and 15) Companies that provide solutions to the problems of using fossil fuels and energy scarcity and security, such as those involved in renewable energy generation, green transport, products and technologies for green building design and construction and energy efficiency.

Food: (SDG category 1, 2 and 12) Companies providing solutions to food supply or demand imbalance such as those companies involved in grain production and harvesting, food testing, food processing, measurement and control and high-tech agriculture supplies.

Health: (SDG category 3, 4, 5 and 10) Companies providing products and solutions to improve healthcare that align to the objectives of the Fund such as companies involved in medical supplies and devices, vaccines and products for infectious disease, medical analysis and testing.

Resource efficiency: (SDG category 8,9,11,16 and 17) Companies providing solutions to the problems of resource scarcity such as those involved in waste management, production and processing of environmentally friendly materials, waste-to-energy, coastal protection, productivity and efficiency gains and process control.

Water (SDG category 6 and 14) Companies providing solutions to water scarcity such as those involved in water supply and distribution, water analysis, monitoring and purification, water metering and efficient methods of crop irrigation.

When deciding whether an investment derives *revenue from activities in line with the investment themes*, the Investment Manager will take the following factors into account:

- The business activity and end markets of the investment as a whole, and how significant the “aligned” revenue stream is to that investment.
- Whether the investment provides products or services that enable people or businesses to use fewer resources or increase productivity and/or to lower their carbon footprint.
- The investment’s own carbon footprint may be considered, including whether investments with higher emissions have set, or committed to, science-based emissions targets, measured using external derived data on their carbon emissions.

When judging whether an investment makes *a positive impact to improve resilience to climate change*, the Investment Manager will take the following factors into account:

- Whether the investment’s principal business lines consist of products or services which provide solutions to any of the environmental or economic challenges of climate change.

- The investment's own carbon footprint, including whether investments with higher emissions have set, or committed to, science-based emissions targets, measured using external derived data on their carbon emissions.

Data from one or more third party data providers will be used to ensure that the investment's business activity is suitably aligned to one or more of the relevant UN SDGs and fund themes such that the investment is likely to make a positive impact. However, the Investment Manager will not rely exclusively on such data.

The Investment Manager undertakes regular monitoring reviews to ensure that the companies in which the Fund invests continue to meet these criteria.

Activities that are avoided

The Fund does not invest in companies that generate revenue from controversial sectors of the economy, even if they would otherwise meet the investment criteria above. Both strategic revenue and materiality criteria are considered.

The Fund's exclusions are as follows:

Alcohol – Companies whose primary activity is the manufacture or sale of alcoholic drinks.

Environment – Companies will be excluded where their activities have a significant negative environmental impact, such as mining, chemical manufacture and oil production.

Factory Farming– Companies involved in the rearing of animals in intensive conditions.

Gambling – Companies whose primary activity is the operation of gambling facilities.

Human Rights – Companies with operations in countries regarded as having oppressive regimes where evidence is held of their involvement, either by collusion or complacency, in abuses of human rights.

Military– Companies that manufacture or sell weapons or weapon systems, or provide strategic components or services specifically for military use.

Nuclear – Companies that are involved in the generation of nuclear power, or provide nuclear services to the military.

Pornography – Companies involved in the production or distribution of pornographic material.

Tobacco – Companies whose primary activity is the production or manufacture of tobacco products.

Engagement with companies

The environmental, social and governance (ESG) factors which could impact shareholder returns are considered with any investment.

The Investment Manager will, where feasible, use the voting rights to express their view and engage with companies to support the creation of wealth to the benefit of holders and other stakeholders.

The Investment Manager's engagement activity falls into three areas:

- **Reactive** – where the Investment Manager will initiate engagements in reaction to a controversy or to an Annual General Meeting or Special General Meeting resolution.

- **Proactive** – the Investment Manager will undertake thematic engagement, for example, engagement on issues that compromise the investment themes of the Fund, and will actively exercise its voting rights.
- **Monitoring** – regular engagement with companies to ensure that they continue to meet the Fund’s investment criteria. If a company is found to no longer meet the criteria, and change is not forthcoming, the Fund’s investment would be sold.

The Investment Manager is a member of a number of industry groups and, its parent company, Quilter plc, is a signatory to the UN backed Principles for Responsible Investment.

Further information can be found in the Investment Manager’s Engagement Policy which is available upon request.

Measurement of the effectiveness of the Fund’s investment policy

The Fund’s financial comparator benchmark is the Investment Association Mixed Investment 40-85% shares peer group. The Fund uses this benchmark for performance comparison purposes only. This benchmark is not a target benchmark and the Fund is not constrained by it.

The Investment Association Mixed Investment 40-85% shares peer group is a risk-based peer group that is designed to provide a reflection of the returns an investor can expect for a given risk appetite. For this peer group, the relative risk to equity markets is 40-85%. This peer group has been selected as a comparator because this risk is broadly aligned with the Fund’s equity exposure as defined in the Fund’s investment policy.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate or a benchmark administrator has given notification of discontinuance of the benchmark. Shareholders will be notified of such a change, FCA approval will be applied for and the Prospectus updated and the change noted in the subsequent annual and half yearly reports.

The Fund’s effectiveness to meet the investment themes will be measured by monitoring the percentage of company revenues, at Fund level, that support the five investment themes aligned to the UN Sustainable Development Goals Framework. This is reported in the quarterly investment reports.

The overall carbon footprint and total emission of the portfolio will be reported in the Fund’s annual report, using available information from a comparable index for comparison purposes. The reporting will be aligned with the Taskforce on Climate related Financial Disclosure (TCFD) reporting framework.

Investment Style

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

CLIMATE ASSETS GROWTH FUND

Investment Objective

The investment objective of the Fund is to provide capital growth, net of fees, over the longer term (rolling 5 year periods). The Fund focuses on sustainable investment.

Investment Policy

The Fund will aim to achieve the investment objective by investing in a global portfolio which is comprised of:

- Equity securities (75% to 95%)
- Corporate bonds and government bonds (5% to 15%)
- Alternatives (up to 20%) – alternatives would be defined as assets that have historically (over 5 years or more) had a low correlation to equity markets, such as investment trusts focusing on social or green infrastructure
- Permitted closed-ended funds, including investment trusts and real estate investment trusts (up to 20%)
- Warrants (up to 5%)
- Cash (up to 10%)

The Fund is expected to have a concentrated portfolio, typically comprising between 45 and 80 holdings. Investments other than sovereign debt will be invested in line with the thematic investment criteria outlined below.

Exposure to alternatives will be via indirect investment.

Sovereign debt will not be expected to exceed 10% of the portfolio.

There may be times when the Fund may invest outside these parameters. For example, during times of market stress (including a market crash/unforeseen event or circumstance).

The Fund may achieve indirect exposure to the above asset classes by holding units in other collective investment schemes (including those managed or operated by the ACD and/or advised or managed by the Investment Manager, or an associate of the ACD or Investment Manager), but these will be limited to a maximum of 10% of the total value of the Fund's portfolio.

The use of derivatives and/or hedging transactions is permitted in connection with the efficient portfolio management of the Fund. However, the use of derivatives in this manner is expected to be limited.

Borrowing will be permitted on a temporary basis in accordance with the Regulations.

On giving 60 days' notice to Shareholders, the Fund may, in addition to its other investment powers, use derivatives and forward transactions for investment purposes. It is not intended that the use of derivatives in this way will change the risk profile of the Fund.

Companies we invest in

At the heart of the stock selection there are five investment themes. Each investment theme is aligned to one or more of the UN Sustainable Development Goals (SDG²). This is explained below.

² Details of the SDG categories can be found on the UN website, <https://sdgs.un.org/goals>, or supplied on request from the Investment Manager.

Each company that the Fund invests in has:

- some revenue derived from activities which contribute towards meeting one or more of the SDG goals in line with the investment themes and/or;
- been judged by the Investment Manager as making a positive impact to improve resilience to climate change.

Typically, all of the investment themes are represented in the investments of the Fund. Market valuations and economic conditions determine if any one of these themes takes precedence.

Companies in which the Fund invests, in aggregate generate at least 50% or more of their revenue from at least one of the five investment themes and all make a positive impact to improve resilience to climate change and healthcare.

The five investment themes are as follows:

Low carbon energy: (SDG category 7, 13 and 15) Companies that provide solutions to the problems of using fossil fuels and energy scarcity and security, such as those involved in renewable energy generation, green transport, products and technologies for green building design and construction and energy efficiency.

Food: (SDG category 1, 2 and 12) Companies providing solutions to food supply or demand imbalance such as those companies involved in grain production and harvesting, food testing, food processing, measurement and control and high-tech agriculture supplies.

Health: (SDG category 3, 4, 5 and 10) Companies providing products and solutions to improve healthcare that align to the objectives of the Fund such as companies involved in medical supplies and devices, vaccines and products for infectious disease, medical analysis and testing.

Resource efficiency: (SDG category 8,9,11,16 and 17) Companies providing solutions to the problems of resource scarcity such as those involved in waste management, production and processing of environmentally friendly materials, waste-to-energy, coastal protection, productivity and efficiency gains and process control.

Water (SDG category 6 and 14) Companies providing solutions to water scarcity such as those involved in water supply and distribution, water analysis, monitoring and purification, water metering and efficient methods of crop irrigation.

When deciding whether an investment derives *revenue from activities in line with the investment themes*, the Investment Manager will take the following factors into account:

- The business activity and end markets of the investment as a whole, and how significant the “aligned” revenue stream is to that investment.
- Whether the investment provides products or services that enable people or businesses to use fewer resources or increase productivity and/or to lower their carbon footprint.
- The investment’s own carbon footprint may be considered, including whether investments with higher emissions have set, or committed to, science-based emissions targets, measured using external derived data on their carbon emissions.

When judging whether an investment makes *a positive impact to improve resilience to climate change*, the Investment Manager will take the following factors into account:

- Whether the investment’s principal business lines consist of products or services which provide solutions to any of the environmental or economic challenges of climate change.

- The investment's own carbon footprint, including whether investments with higher emissions have set, or committed to, science-based emissions targets, measured using external derived data on their carbon emissions.

Data from one or more third party data providers will be used to ensure that the investment's business activity is suitably aligned to one or more of the relevant UN SDGs and fund themes such that the investment is likely to make a positive impact. However, the Investment Manager will not rely exclusively on such data.

The Investment Manager undertakes regular monitoring reviews to ensure that the companies in which the Fund invests continue to meet these criteria.

Activities that are avoided

The Fund does not invest in companies that generate revenue from controversial sectors of the economy, even if they would otherwise meet the investment criteria above. Both strategic revenue and materiality criteria are considered.

The Fund's exclusions are as follows:

Alcohol – Companies whose primary activity is the manufacture or sale of alcoholic drinks.

Environment – Companies will be excluded where their activities have a significant negative environmental impact, such as mining, chemical manufacture and oil production.

Factory Farming– Companies involved in the rearing of animals in intensive conditions.

Gambling – Companies whose primary activity is the operation of gambling facilities.

Human Rights – Companies with operations in countries regarded as having oppressive regimes where evidence is held of their involvement, either by collusion or complacency, in abuses of human rights.

Military– Companies that manufacture or sell weapons or weapon systems, or provide strategic components or services specifically for military use.

Nuclear – Companies that are involved in the generation of nuclear power, or provide nuclear services to the military.

Pornography – Companies involved in the production or distribution of pornographic material.

Tobacco – Companies whose primary activity is the production or manufacture of tobacco products.

Engagement with companies

The environmental, social and governance (ESG) factors which could impact shareholder returns are considered with any investment.

The Investment Manager will, where feasible, use the voting rights to express their view and engage with companies to support the creation of wealth to the benefit of holders and other stakeholders.

The Investment Manager's engagement activity falls into three areas:

- **Reactive** – where the Investment Manager will initiate engagements in reaction to a controversy or to an Annual General Meeting or Special General Meeting resolution.

- **Proactive** – the Investment Manager will undertake thematic engagement, for example, engagement on issues that compromise the investment themes of the Fund, and will actively exercise its voting rights.
- **Monitoring** – regular engagement with companies to ensure that they continue to meet the Fund’s investment criteria. If a company is found to no longer meet the criteria, and change is not forthcoming, the Fund’s investment would be sold.

The Investment Manager is a member of a number of industry groups and, its parent company, Quilter plc, is a signatory to the UN backed Principles for Responsible Investment.

Further information can be found in the Investment Manager’s Engagement Policy which is available upon request.

Measurement of the effectiveness of the Fund’s investment policy

The Fund’s financial comparator benchmark is the Investment Association Global peer group. The Fund uses this benchmark for performance comparison purposes only. This benchmark is not a target benchmark and the Fund is not constrained by it.

This peer group has been selected as a comparator because it is broadly aligned with the Fund’s equity exposure and geographic focus, as defined in the Fund’s investment policy.

The ACD reserves the right to change the benchmark following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate or a benchmark administrator has given notification of discontinuance of the benchmark. Shareholders will be notified of such a change, FCA approval will be applied for and the Prospectus updated and the change noted in the subsequent annual and half yearly reports.

The Fund’s effectiveness to meet the investment themes will be measured by monitoring the percentage of company revenues, at Fund level, that support the five investment themes aligned to the UN Sustainable Development Goals Framework. This is reported in the quarterly investment reports.

The overall carbon footprint and total emission of the portfolio will be reported in the Fund’s annual report, using available information from a comparable index for comparison purposes. The reporting will be aligned with the Taskforce on Climate related Financial Disclosure (TCFD) reporting framework.

Investment Style

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

7 VALUATIONS

Each share linked to a Fund represents a proportional share of the overall property attributable to that Fund. Therefore, the value of a share attributable to a Fund will be calculated, in broad outline, by calculating the net value of the property attributable to that Fund, and dividing that value (or that part of that value attributed to Shares of the class in question) by the number of Shares (of the class in question) in issue.

Valuations will normally be carried out on each Dealing Day. The valuation point for the Funds is 12 noon on each Dealing Day.

The ACD may carry out additional valuations if it considers it desirable to do so. Valuations will not be made during a period of suspension of dealings (see "**Suspension of Dealings**" below). The ACD is required to notify the Depositary if it carries out an additional valuation.

The property attributable to a Fund will, for all purposes, be valued on the following basis (which is set out in full in the Instrument):

- 1 All the Scheme Property (including receivables) is to be included, subject to the following provisions.
- 2 Property which is not cash (or other assets dealt with in points 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
 - (a) units or Shares in a collective investment scheme:
 - (i) if a single price for buying and selling units or Shares is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
 - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
 - (b) exchange-traded derivative contracts:
 - (i) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices;

- (c) 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;
 - (d) any other investment:
 - (i) if a single price for buying and selling the security is quoted, at that price; or
 - (ii) if separate buying and selling prices are quoted, at the average of the two prices; or
 - (iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available 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;
 - (e) property other than that described in (a), (b), (c) and (d) above: at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 3 Cash and amounts held in current, margin and deposit accounts and in other time-related deposits shall be valued at their nominal values.
 - 4 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 payment made or received and all consequential action required by the Regulations or the Instrument shall be assumed (unless the contrary has been shown) to have taken place.
 - 5 Subject to points 6 and 7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission shall not materially affect the final net asset amount.
 - 6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under point 5 above.
 - 7 All agreements are to be included under point 5 above 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.
 - 8 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 Scheme; on realised capital gains in respect of previously completed and current accounting periods, and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax shall be deducted.
 - 9 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 shall be deducted.
 - 10 The principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings shall be deducted.

- 11 An estimated amount for accrued claims for tax of whatever nature which may be recoverable shall be added.
- 12 Any other credits or amounts due to be paid into the Scheme Property shall be added.
- 13 A sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received shall be added.
- 14 Currencies or values in currencies other than base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

Each Fund will have credited to it the proceeds of all Shares attributed to it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits, or assets deriving from such investments. All liabilities and expenses attributable to a Fund will be charged to it.

In the event Shares in more than one Fund are in issue, the Company is required to allocate (and the ACD may from time to time reallocate) any assets, costs, charges or expenses which are not attributable to a particular Fund against all the Funds in a manner which is fair to the Shareholders of the Company generally.

Where the ACD has reasonable grounds to believe that:

- no reasonable price exists for a security at a valuation point; or
- the most recent price available does not reflect the ACD's best estimate of the value of a security at a valuation point,

it will value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

The circumstance which may give rise to a fair value price being used includes where there has been no recent trade in the security concerned or where there has been the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

8 PRICES OF SHARES

Shares in the Company are "single priced". This means that subject to the dilution levy referred to below and the preliminary charge (as set out in paragraph 15 under the heading "**The Authorised Corporate Director's Charges**"), the price of a share for both buying and selling purposes will be the same and determined by reference to a particular valuation point. The price of a share will be calculated at or about the valuation point each Dealing Day (to at least four significant figures) by:

- taking the value of the property attributable to a Fund and therefore all Shares (of the relevant class) in issue (on the basis of the units of entitlement in the property of that Fund attributable to that class at the most recent valuation of that Fund);
- dividing the result by the number of Shares of the relevant class in issue immediately before the valuation concerned;
- in relation to classes of Shares which are denominated in a currency other than the designated currency of the relevant Fund, applying a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

Publication of Prices

The most recent prices of Shares for each class of share in the Company will appear daily on the Trustnet website at www.trustnet.com and can also be obtained by telephone on 01483 783 900.

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

The cancellation price last notified to the Depositary is available from the ACD upon request.

9 DILUTION LEVY

What is 'dilution'? - Where a Fund buys or sells underlying investments in response to a request for the issue or redemption of Shares, it will generally incur a cost, made up of dealing costs and any spread between the bid and offer prices of the investments concerned, which is not reflected in the issue or redemption price paid by or to the Shareholder and which is referred to as "dilution".

To mitigate the effects of dilution the ACD has discretion to charge a dilution levy on the purchase or redemption of Shares in each Fund. A dilution levy is a separate charge of such amount or rate as determined by the ACD.

The ACD's policy regarding the Dilution Levy – At its absolute discretion, the ACD may charge a dilution levy on the price of Shares in the following circumstances:

- Where a Fund experiences a large level of net redemptions on any Dealing Day, relative to its size (i.e. net redemptions equivalent to greater than 5% of the net asset value of that Fund);
- Where a Fund is in continuing decline, in terms of net asset value, as a result of poor market conditions or continual net redemptions;
- On large deals, which for this purpose, is defined as a single purchase or redemption of Shares equivalent to more than 5% of the net asset value of that Fund.

The amount is not retained by the ACD but is paid into the relevant Fund.

How will it affect investors? - On the occasions when the dilution levy is not applied there may be an adverse impact on the total assets of a Fund. As dilution is directly related to the inflows and outflows of monies from a Fund it is not possible to predict accurately whether dilution is likely to occur. However, the ACD believes that the likely effect of not charging a dilution levy, excluding such cases referred to in "***The ACD's policy regarding the Dilution Levy***" above, will be negligible.

Based on the types of transactions that have historically incurred in the Funds since their launch, the ACD anticipates applying a dilution on very few occasions as it is unlikely that any single holder will have control of greater than 5% of any single Fund. However, where it is applied, based on historical data the ACD believes that the amount will not normally exceed 5% of the net asset value of Shares being bought or sold.

For illustrative purposes, the table below shows historic information on dilution levies to the Share price:

Name	Estimated Dilution Levy (%) Applicable for Purchases as at 31 March 2023	Estimated Dilution Levy (%) Applicable for Sales as at 31 March 2023	Number of Days on which a Dilution Levy has been applied over the period 1 April

			2022 to 31 March 2023
Climate Assets Growth Fund	0.080%	0.164%	4
Climate Assets Balanced Fund	0.112%	0.191%	0

10 ISSUE, REDEMPTION AND EXCHANGE OF SHARES

Issue - Applications

The ACD is required to procure the issue or cancellation of Shares by the Company where necessary to meet any obligations to sell or redeem Shares. Applications for Shares linked to each Fund may be made by any eligible person.

Following the expiry of the initial offer period of the relevant Fund (if any), dealings shall be effected at forward prices i.e. at prices calculated by reference to the next valuation following acceptance of the application (see "**Valuations**" for details of the valuation points).

Applications may be made by completing an application form and delivering it to Thesis Unit Trust Management Limited at the dealing office of the Administrator or by obtaining an application form by telephoning the ACD's Customer Enquiry Line on 0333 300 0375 during Office Hours on each Dealing Day. Applications for Shares must be received by the ACD before the valuation point on a Dealing Day in the relevant Fund or Funds concerned to be dealt with at the prices at the valuation point on that Dealing Day. Subscription requests received after a valuation point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds.

The address for the Administrator and the Dealing Office is set out in the Directory. Applications, however made, are irrevocable (except where cancellation rights apply – see below). Subject to its obligations under COLL, the ACD reserves the right to reject any application in whole or in part. In that event application monies or any balance will be returned to the applicant by post at the applicant's risk.

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 or in another jurisdiction by an equivalent supervisory authority, subject to:

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

The Company is subject to the UK's AML regulations and associated legislation and the ACD will always require verification of identity and address from any person(s) applying for Shares (the "**Applicant**") including, without limitation, any Applicant who:

- a) tenders payment by way of cheque or banker's draft on an account in the name of a person or persons other than the Applicant; or
- b) appears to the ACD to be acting on behalf of some other person.

In the former case verification of the identity of the Applicant may be required. In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required. Please refer to the paragraph headed 'Electronic Verification' for details of specific resources we may access to verify information on you.

Applications will not be acknowledged but a contract note giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the later of receipt of the application to buy Shares and the valuation point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel. Certificates will not be issued. Where the total price payable for all Shares for which the application is made would include a fraction of one penny it will be rounded up or down to the nearest penny.

Payment in respect of applications must be received in cleared funds no later than the fourth Business Day after the relevant Dealing Day. However, the ACD reserves the right to request that payment in respect of applications be received prior to that date.

If an Applicant defaults in making any payment in money, or by way of a transfer of property, due to the ACD in respect of the sale or issue of Shares, the Company is entitled to make any necessary amendment to the Register and the ACD will become entitled to the Shares in place of the Applicant, subject, in the case of an issue of Shares, to the ACD's payment of the purchase price to the Company. The ACD reserves the right to cancel investments for which settlement is not received, or fails to clear, and to recover from an Applicant, the amount of any decrease in value of the investment if this occurs.

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested.

In Specie Applications

Where the application for issue of Shares is equivalent to 5% or more of the net asset value of a Fund, the ACD may at its discretion, in consultation with the Depositary, accept assets other than cash as payment for the issue of Shares. The acceptance of the assets will be on the basis that the receipt of the property should not adversely affect the interests of the existing Shareholders of the relevant fund and subject to the investment restrictions of the relevant Fund.

Minimum Purchase

In respect of Shares in a Fund, the minimum value of Shares which any one person may purchase initially is £1,000 in respect of B Shares, £5,000,000 in respect of C Shares and £100 in respect of X Shares.

The minimum value of Shares which may be the subject of any subsequent purchase is £100 in respect of B Shares, £5,000,000 in respect of C Shares and £100 in respect of X Shares. However, the ACD may, by special arrangement and at its discretion, agree on an individual basis a lower amount in relation to the minimum transaction sizes.

Redemption

Shares in a Fund may be redeemed on any Dealing Day. Dealings are on a forward price basis as explained in the paragraph headed "**Issue**" above.

Written redemption instructions may be given, on any Dealing Day, by delivery to the Administrator at the address set out in the Directory at the front of this Prospectus.

The ACD may also, at its sole discretion, accept instructions by telephone on 0333 300 0375 on such terms as it may specify. A request to redeem must be received by the ACD before the valuation point on a Dealing Day in the relevant Fund or Funds concerned to be dealt with at the prices at the valuation point on that Dealing Day. Redemption requests received after a valuation point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds. Unless a coverall renunciation is in place, redemption instructions given by telephone must be confirmed in writing to the ACD prior to redemption proceeds being remitted. Redemption instructions are irrevocable.

The ACD may also accept redemption instructions on the authority of electronic communications received from Shareholders. Refer to the paragraph 10 above ('Electronic Communications') for details.

A redemption contract note giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first-named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the valuation point by reference to which the price is determined. Where the total consideration for the transaction would include a fraction of one penny it will be rounded up or down to the nearest penny. There may also be deducted, if the consideration is to be remitted outside the UK, the cost of remitting the proceeds (if any). If a redeeming Shareholder wishes to be paid other than by cheque, the ACD will endeavour to arrange this but at the cost of the Shareholder. The redemption proceeds will be paid not later than the close of business on the fourth Business Day after the later of the following times:

- (a) the valuation point immediately following the receipt by the ACD of the request to redeem the Shares; or
- (b) the time when the ACD has received all duly executed instruments and authorisations which effect (or enable the ACD to effect) transfer of title to the Shares.

However, neither the Company nor the ACD is required to make payment in respect of a redemption of Shares where the money due on the earlier issue of those Shares has not yet been received or where the ACD considers it necessary to carry out or complete identification procedures in relation to the holder or another person pursuant to a statutory or regulatory obligation (such as the UK's AML regulations).

In Specie Redemption

Where a Shareholder requests redemption of a number of Shares, the ACD at its discretion may, by serving a notice of election on the Shareholder not later than the close of business on the second Business Day following the day of receipt of the request, elect that the Shareholder shall not be paid the redemption price of his Shares but instead there shall be a transfer to that holder of property of the relevant Fund having the appropriate value. Where such a notice is so served on a Shareholder, the Shareholder may serve a further notice on the ACD not later than the close of business on the fourth Business Day following the day of receipt by the Shareholder of the first mentioned notice requiring the ACD, instead of arranging for a transfer of property, to arrange for a sale of that property and the payment to the Shareholder of the net proceeds of that sale. The selection of Scheme Property to be transferred (or sold) is made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the Shareholder requesting redemption of his Shares than to continuing Shareholders.

The Company may retain out of the property to be transferred (or the proceeds of sale) property or cash of value or amount equivalent to any SDRT to be paid in relation to the cancellation of the Shares.

Minimum Redemption and Holding

In respect of each class of share in a Fund, and subject to the minimum holding requirements, if the redemption request is in respect of some only of the Shares held the minimum value of Shares which may be the subject of one act of redemption is £100 in respect of B Shares and C Shares and £100 in respect of X Shares (calculated by reference to their current price net of any preliminary charge and before any dilution levy). Where the value of an individual holding of Shares would, in consequence of a request for redemption/cancellation, fall below £1,000 in respect of B Shares, £5,000,000 in respect of C Shares and £100 in respect of X Shares (or the equivalent value in the currency available to the relevant Fund) such request may be treated as a request for redemption/cancellation of all the Shares of such class held by such Shareholder. The value of Shares for this purpose is calculated by reference to the current price, net of any preliminary charge and before any application of a dilution levy. However the ACD may, by special arrangement and at its discretion, agree on an individual basis a lower amount in relation to the minimum redemption size.

Please refer to paragraph 15 for details of preliminary charges.

Client Money Rules

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

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

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

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.

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.

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.

11 SWITCHING BETWEEN CLASSES / BETWEEN FUNDS

A Shareholder is entitled to exchange Shares of one class in a Fund for the appropriate number of Shares of another class, whether linked to the same or a different Fund. Where two or more Funds are available in the Company, Shareholders are entitled to exchange Shares in one Fund for Shares in a different Fund. The appropriate number of Shares is determined by the following formula:

$$N = \frac{O \times (CP \times ER)}{SP}$$

SP

where N is the number of new Shares to be issued, rounded down to the nearest whole number of Shares; O is the number of Shares of the old class to be exchanged, CP is the price at which one share of the old class can be redeemed and SP is the price at which one share of the new class can be purchased (net of any preliminary charge), in both cases at the application valuation point (see below).

ER is 1, where the original Shares and the new Shares are designated in the same currency and, in any other case, is the exchange rate determined by the ACD in its absolute discretion (subject to the Regulations as representing the effective rate of exchange between the two relevant currencies as at the date the exchange notice is received (or deemed to be received) by the Company having adjusted such rate as may be necessary to reflect any costs incurred by the Company in making any transfer of assets as may be required as a consequence of such an exchange being effected.

Switches between Shares denominated in differing currencies shall be effected 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 provided that such rate may be adjusted to reflect any costs incurred by the Company in making any transfer of assets as may be required as a consequence of such an exchange being effected. The ACD may adjust the number of new Shares to be sold to reflect the effect of the dilution levy (if applicable) and any SDRT or other charges payable on the redemption or sale (as applicable) of the Shares concerned.

The right to exchange is subject to the following:

- the ACD and the Depositary are not obliged to give effect to a request for exchange of Shares if the value of the Shares to be exchanged is less than the minimum permitted transaction (see above) or if it would result in the Shareholder holding Shares of any class of less than the minimum holding for that class of share (see above);
- the ACD may decline to permit an exchange into a Fund in respect of which there are no Shares in issue, or in any case in which they would be entitled under COLL to refuse to give effect to a request by the Shareholder for the redemption of Shares of the old class or the issue of Shares of the new class.

Exchanges between classes of Shares linked to different Funds may be subject to a charge (See "**Switching Charge**" below).

In no circumstances will a Shareholder who exchanges Shares in one class of Shares for Shares in any other Fund be given a right by law to withdraw from or cancel the transaction.

Investors subject to UK tax on capital gains should note that a switch is treated as a redemption and sale, and will be a realisation for the purposes capital gains taxation. A gain realised on such transaction may give rise to liability to capital gains taxation for UK resident or ordinarily resident Shareholders. Conversions will not be treated as a disposal for capital gains tax purposes.

Applications

A Shareholder wishing to switch Shares should apply in the same way as for a redemption (see above). A request to switch Shares must be received by the ACD before the valuation point on a Dealing Day in the relevant Fund or Funds concerned to be dealt with at the prices at the valuation point on that Dealing Day. Switching requests received after a valuation point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds.

A contract note giving details of the exchange will be sent on or before the next Business Day following the relevant Dealing Day.

12 SUSPENSION OF DEALINGS

The ACD may with the prior agreement of the Depositary, and must without delay, if the Depositary so requires, temporarily suspend the issue, cancellation, sale, redemption and exchange of any Shares in the Funds ("dealing") where, due to exceptional circumstances, it is in the interests of all Shareholders in the relevant Fund or Funds.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for so long as it is justified having regard to the interests of the Shareholders. On suspension, the ACD, or the Depositary (if the Depositary has required the ACD to suspend dealings) will immediately inform the FCA stating the reason for the suspension and as soon as practicable give written confirmation of the suspension and the reasons for it to the FCA.

The ACD will notify Shareholders of the suspension as soon as practicable after suspension commences, drawing Shareholders' particular attention to the exceptional circumstances which resulted in the suspension in a manner that is clear, fair and not misleading, and will inform Shareholders of how to obtain further information regarding the suspension with a view to keeping Shareholders sufficiently informed. The ACD shall publish on its website and/or by other general means sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration.

During a suspension none of the obligations in COLL 6.2 (Dealing) apply; and the ACD shall comply with as much of COLL 6.3 (Valuation and pricing) as is practicable in the light of the suspension. The suspension of dealings in Shares must cease as soon as practicable after the exceptional circumstances which led to the suspension, have ceased.

The ACD and the Depositary shall formally review the suspension at least every 28 days and inform the FCA of the results of this review and any change to the information provided to the FCA in respect of the reasons for the suspension.

The ACD shall inform the FCA of the proposed restart of dealing in Shares and immediately after the restart shall confirm this by giving notice to the FCA.

The ACD may agree, during the suspension, to deal in Shares in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first valuation point after restart of dealing in Shares, provided that if the ACD operates limited redemption arrangements, and the event leading to the suspension of dealing has affected a valuation point, the ACD shall declare an additional valuation point as soon as possible after the restart of dealing in Shares.

The provisions relating to suspension of dealings can only apply to one or more classes of Shares without being applied to other classes, if it is in the interest of all the Shareholders.

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

13 MANDATORY REDEMPTION AND CONVERSION OF SHARES

If the ACD reasonably believes that any Shares are owned directly or beneficially in circumstances which:

- a) constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- b) may (or may if other Shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory);

it may give notice to the holder of such Shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the Shares by the Company. If the holder does not either transfer the Shares to a qualified person or establish to the ACD's satisfaction that he or she and any person on whose behalf he or she holds the Shares are qualified and entitled to hold and own them, he or she will be deemed on the expiry of a thirty-day period to have requested their redemption.

In addition, where the ACD considers it is in the best interests of Shareholders, the ACD may convert/transfer a Shareholder's holding in one class of Shares to another class of Shares in the same sub fund. The ACD shall give prior written notice to the Shareholders concerned of the proposed conversion/transfer, including details of the new class of Shares and reminding Shareholders of their rights to redeem.

14 DISTRIBUTION AND ACCUMULATION

The annual accounting period for the Company and each of the Funds ends on 31 January (the "**accounting reference date**"). The half-yearly accounting period ends on 31 July (the "**interim accounting reference date**"). The amount of income to be distributed or accumulated in respect of each Fund is calculated on the last day of each accounting period.

Allocations and distributions of income will be made on or before 31 March and 30th September each year.

Where accumulation Shares are in issue, income is transferred to the capital account of the relevant Fund on each distribution date. In accordance with the Regulations, the ACD and the Depositary, have agreed that in the event the income available for distribution or accumulation is less than £20 per Shareholder for the X Shares and less than £200 in respect of B Shares and C Shares, income, if any will revert to the relevant Fund.

Vouchers will be sent to Shareholders and only where income is available for distribution and a Fund makes a distribution. A voucher will be sent to the Shareholder (or to their bank or building society if the distribution is paid to a bank or building society account, where applicable, as nominated on the application form, or such account as is instructed and verified thereafter). Where bank details have not been supplied income will be reinvested automatically.

All distributions unclaimed for a period of six years after having become due for payment shall be forfeited and shall revert to the Company and such reclaimed distribution shall become part of the capital of the relevant Fund for the benefit of all Shareholders. The payment of any unclaimed distribution, interest or other sum payable by the Company on or in respect of a share into a separate account shall not constitute the Company a trustee thereof.

Determination of Distributable Income

As at the end of each annual and interim accounting period, the ACD must arrange for the Depositary to transfer the income payable for distribution attributable to the Company to the distribution account.

The income available for distribution or accumulation in relation to a Fund is determined in accordance with the Regulations. Broadly it comprises all sums deemed by the Company, after consultation with the auditor, to be in the nature of income received or receivable for the account of the Company and attributable to that Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income in respect of the period and adding the ACD's best estimate of any relief from tax on such charges and expenses and making such adjustments as the ACD considers appropriate, after consulting the auditors in accordance with the Regulations, in relation to taxation and other matters.

On or before each annual or interim income distribution date, the ACD must calculate the amount available for income distribution for the immediately preceding interim accounting period and must inform the Depositary of such amount.

The amount available for income distribution is calculated by taking the aggregate of the income property received or receivable for the account of the relevant Fund in respect of the relevant period, deducting the charges and expenses of the Company paid or payable out of the income property in respect of that period and adding the ACD's best estimate of any relief from tax on those charges and expenses. Further adjustments may be made as the ACD considers appropriate (after consultation with the auditors) in relation to taxation and the proportion of the prices received or paid for Shares that relate to income (taking account of any provisions in the Instrument constituting the scheme relating to income equalisation (see paragraph 18 below), potential income which is unlikely to be received until 12 months after the relevant allocation date, income which should not be accounted for on an accrual basis because of lack of information about how it accrues, any transfer between the income and the capital account (regarding payments from capital or income) and making any other adjustments which the ACD considers appropriate (after consultation with the auditors).

In relation to income Shares, on or before each relevant income distribution date, the ACD will instruct the Depositary to enable it to distribute the income allocated to income Shares among the holders of such Shares and the ACD in proportion to the number of such Shares held, or treated as held, by them respectively at the end of the relevant period.

The amount of income allocated to accumulation Shares becomes part of the capital property and to the extent that Shares of any other class (such as income Shares) were in issue in relation to the relevant period, the interests of holders of accumulation Shares in that amount must be satisfied by an adjustment at the end of the relevant period in the proportion of the Scheme Property to which the price of an accumulation share is related. This ensures that the price of an accumulation share remains unchanged despite the transfer of income to capital property.

In calculating the amount to be distributed, the ACD must deduct any amounts previously allocated by way of interim allocation of income for that annual accounting period and deduct and carry forward in the income account such amount as is necessary to adjust the allocation of income in accordance with the Regulations.

15 THE AUTHORISED CORPORATE DIRECTOR'S CHARGES

The ACD's charges are accrued to each Fund on a daily basis and are levied monthly in arrears.

Preliminary charge

The ACD currently imposes the following preliminary charges for the **Climate Assets Balanced Fund**:

Share Class	Current preliminary charge
B Shares	0%
C Shares	0%
X Shares	10%

The ACD currently imposes the following preliminary charges for the **Climate Assets Growth Fund**:

Share Class	Current preliminary charge
B Shares	0%
C Shares	0%
X Shares	10%

The preliminary charge is payable to the ACD. If at any time the current preliminary charge applicable to Shares of a Fund is increased, the ACD is required to give not less than 60 days' prior notice in writing to all Shareholders before such increase may take effect. The ACD is also required to revise the Prospectus to reflect the new current rate and the date of its commencement.

The preliminary charge is exclusive of VAT which shall, if applicable, be payable in addition.

The ACD may, by special arrangement and at its discretion, on an individual basis, agree to waive the preliminary charge.

Switching Charge

The ACD is entitled to make a charge in respect of a switch of Shares of one class linked to one Fund for Shares of the same class or another class linked to the same Fund or another Fund (the "**Switching Fee**"). Currently however, the ACD does not operate a Switching Fee.

A dilution levy and/or an SDRT provision may be charged where a switch is from one Fund to another (see paragraphs 9 and 18 for the ACD's policy on Dilution Levy and SDRT).

Periodic Charge

The ACD is entitled to make a periodic charge, calculated and accruing on each Business Day at each valuation point (the "**Calculation Date**"), and payable out of the property of the relevant Fund, by way of remuneration for the services of the ACD. The periodic charge is payable to the ACD monthly in arrears. The periodic charge will be calculated separately in respect of that Fund, as a percentage rate per annum of the total value of the units of entitlement in the property of that Fund represented by the class on the Calculation Date.

The current periodic charges for the **Climate Assets Balanced Fund** are as follows:

Share Class	Current periodic charge
B Shares	1%
C Shares	0.8%
X Shares	0%

The current periodic charges for the **Climate Assets Growth Fund** are as follows:

Share Class	Current periodic charge
B Shares	1%
C Shares	0.8%
X Shares	0%

The first accrual will be in respect of the day on which the first valuations of a Fund are made.

Any increase in the above rate requires not less than 60 days' prior notice in writing to the Shareholders before such increase may take effect. Also, the ACD is required to revise the Prospectus to reflect the new current rate and the date of its commencement.

The periodic charge will cease to be payable (in relation to a Fund) on the date of commencement of its termination, and (in relation to the Company as a whole) on the date of the commencement of its winding up or, if earlier, the date of the termination of the ACD's appointment as such.

The periodic charge is exclusive of VAT which shall, if applicable, be payable in addition.

Redemption charge

At present no charge is levied on the redemption of Shares, although the ACD is permitted to charge a dilution levy and/or SDRT provision, if applicable. The ACD has the right (subject to COLL) to introduce a charge on the redemption of Shares in the future, but this will not affect Shares issued prior to its introduction.

Investment Manager

The Investment Manager is entitled to an advisory fee which is paid by the ACD from the periodic charge. The Investment Manager may also receive further remuneration from the ACD's periodic charge, as a commission payment or for other services. Research costs will be paid for by the Investment Manager out of this fee and shall not be borne by the Company.

16 THE FEES, CHARGES AND EXPENSES OF THE DEPOSITARY

Periodic fee

The Depositary is paid a monthly periodic fee (plus VAT) in remuneration for its services from the property of the Funds. The Depositary's fee is accrued daily based on the value of the relevant Fund on the immediately preceding day and is payable as soon as practicable after the month end (and in any event within seven days after the month end). The first accrual is calculated by reference to the first valuation point of the relevant Fund.

The rate of the periodic fee is agreed between the ACD and the Depositary in accordance with COLL, and in relation to each Fund is subject to a minimum fixed amount of £7,500 applicable to the Company (plus VAT at the standard rate) per annum.

Subject to this minimum, the charge is otherwise calculated on a sliding scale for each Fund on the following basis:

- 0.0275% per annum of the first £50 million of the Scheme Property;
- 0.025% per annum on the next £50 million of the Scheme Property;
- 0.02% per annum on the next £100 million of the Scheme Property; and
- 0.015% per annum of the balance.

Any increase in the above rate shall be affected in accordance with the provisions of COLL 4.3.

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

Transaction charges and derivative and custody charges

In addition to the above periodic fee, the Depositary levies transaction charges and derivative and custody charges in relation to transaction and derivative transaction handling and safekeeping of Scheme Property, which are currently as follows:

The total remuneration payable to the Depositary out of the property attributable to each Fund for its services also includes transaction charges and derivative and custody charges.

Transaction charges vary from country to country, dependent on markets and the value of the stock involved and range from £7.50 to £180. The 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 Depositary and the ACD. Derivative Transaction Charges are £20 (if applicable). Custody charges again vary from country to country depending on the markets and the value of stock involved. Custody charges are currently up to 0.9% of the net asset value (subject to a minimum aggregate custody charge of £7,500 per annum), and 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 Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Handbook.

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 Instrument, the FCA Handbook or by the general law.

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

Any VAT on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.

Expenses not directly attributable to a particular Fund will be allocated between Funds. In each such case such expenses and disbursements may also be payable if incurred by any person (including the ACD or an associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to COLL by the Depositary.

17 OTHER PAYMENTS OF THE COMPANY

The following expenses (being the actual amounts incurred) may also be payable by the Company out of its capital or income:

- (a) broker's commissions (excluding costs for research), fiscal charges and other disbursements which are necessarily incurred in effecting transactions for the Funds and normally shown on contract notes, confirmation notes and difference accounts;
- (b) interest on and other charges incurred in reporting, entering into, varying, carrying into effect with or without variation, maintaining and terminating the borrowing arrangements;
- (c) taxation and other duties payable in respect of the property of the Company and the Funds, the Instrument or the issue of Shares;
- (d) any costs incurred in amending the Instrument, the Prospectus and the KIID where the modification is:
 - (i) necessary to implement any change in the law (including changes to the regulations); or
 - (ii) necessary as a direct consequence of any change in the law (including changes to the Regulations); or
 - (iii) expedient having regard to any fiscal enactment and which the ACD and the Depositary agree is in the interest of Shareholders; or
 - (iv) to remove obsolete provisions from the Instrument, the Prospectus and the KIID constituting the Company;
- (e) any costs incurred in respect of any other meeting of Shareholders convened on a requisition by holders not including the ACD or an associate of the ACD and expenses of the Depositary in convening a meeting of Shareholders convened by the Depositary alone;

- (f) any costs incurred in relation to a scheme of arrangement where the property of a body corporate (such as an investment company) or of another collective investment scheme is transferred to the Company in consideration of the issue of Shares in the Company to Shareholders in that body corporate or to participants in that other scheme, any liability arising after the transfer which, had it arisen before the transfer, could properly have been paid out of that other property provided the ACD is of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of the transfer;
- (g) any audit fee and any proper expenses of the auditor and VAT thereon;
- (h) any fee and any proper expenses of any professional advisers retained by the Company or by the ACD in relation to the Company or any Fund;
- (i) payments, costs or any other administrative expenses in relation to the preparation of the Prospectus and the KIID;
- (j) any costs of printing and distributing annual, half yearly and quarterly reports and any other reports or information provided for Shareholders;
- (k) any costs of listing the prices of the Funds in publications and information services selected by the ACD, including the Financial Times;
- (l) any costs of establishing and obtaining authorisation of the Company, including the fees and proper expenses of any professional advisers retained by the Company or the ACD;
- (m) any costs of authorising new Funds of the Company after its initial establishment, including the fees and proper expenses of any professional advisers retained by the Company or the ACD;
- (n) any sum due by virtue of any provision of the Regulations, such as cancellation proceeds and reasonable stock lending expenses;
- (o) the costs of preparing documentation required by the regulations of any country or territory in which Shares of the Company are to be marketed or authorised;
- (p) any costs incurred in producing and despatching any payment made by the Company;
- (q) 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;
- (r) any costs incurred in taking out and maintaining an insurance policy in relation to the Company and any Fund;
- (s) the periodic fees of the FCA together with any corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Shares in the Company are or may be marketed;
- (t) the cost of any licences required, to enable the Funds to use, or quote, names which would normally be under copyright, in any country or territory, including the UK;

- (u) any costs or fees arising in connection with pursuing or defending litigation on behalf of the Company or a Fund;
- (v) any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- (w) any costs associated with the admission of Shares to listings on any stock exchange and with the maintenance of that listing (including, for the avoidance of doubt, the fees levied by the exchange in question as a condition of the admission to listing of the Shares and the periodic renewal of that listing), any offer of Shares, including the preparation and printing of any prospectus and the creation, conversion and cancellation of Shares associated with such prospectus;
- (x) any expense incurred with respect to the publication and circulation of details of the net asset value of a Fund;
- (y) any amount payable to the Company under any indemnity provisions provided for in the Instrument or any agreement to which the Company is party;
- (z) the fees and expenses of the Registrar in relation to dealing in Shares of each Fund by new and existing Shareholders, currently ranging between £6 and £19 per transaction, and any costs in respect of electronic dealing in Shares;
- (aa) the fees of the Registrar for providing administration services for a Fund and maintaining the Register. The fees for maintaining the Register for each Fund a Shareholder invests in is currently £15 per annum per holding (subject to an overall minimum fee of £2,500 per annum);
- (bb) the Registrar will also maintain plan registers in respect of Individual Savings Account entitlements. The fees for maintaining the plan registers will be equivalent to those shown above;
- (cc) the fees and expenses incurred in respect of Fund accounting, pricing and valuation;
- (dd) value added tax in respect of any of the costs, expenses, fees and charges payable by the Company;
- (ee) any other charges/expenses that may be taken out of the Company's property in accordance with the Regulations; and
- (ff) any costs associated with any CASS related support activity incurred by the Registrar.

VAT where applicable on any fees, charges or expenses will be added to such fees, charges or expenses and will be payable by the Company.

In the event that Shares in two or more Funds are in issue, expenses not directly attributable to a particular Fund will be allocated proportionately between all Funds.

Allocation of payments

In the case of the **Climate Assets Balanced Fund**, the expenses of the Company will be charged against the capital account of the Fund, subject to any restriction set out in the Instrument, the Prospectus and the Regulations.

In the case of the **Climate Assets Growth Fund**, the expenses of the Company other than those relating directly to the purchase and sale of investments will be charged against the income account of the Fund, subject to any restriction set out in the Instrument, the Prospectus and the Regulations. If there is insufficient income at the end of an accounting period, the shortfall may be charged against the capital account of the Fund.

Where such payments are made from the capital property, this policy may result in capital erosion or constrain capital growth.

Costs relating to Efficient Portfolio Management

Certain direct and indirect operational costs and/or fees may arise from time to time as a result of efficient portfolio management techniques being used for the benefit of the Company and/or the Funds. These costs and/or fees are regarded as transaction costs and, therefore, would fall within (a) above. Further details on the payment of costs and/or fees relating to efficient portfolio management techniques will be set out in the Annual Report.

18 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.

(a) Taxation of the Company

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

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

(i) Income

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

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

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

(ii) Chargeable gains

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

(iii) Stamp Duty Reserve Tax

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

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

(b) Taxation of Shareholders

(i) Income

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

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

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

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

(A) Interest distributions

(1) 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).

(2) UK corporate Shareholders

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

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

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

(B) Dividend distributions

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

(1) 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.

(2) 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.

(ii) Chargeable gains

(A) UK resident individuals

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

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

(B) 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).

(iii) 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.

(c) Income Equalisation – tax implications

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

(d) UK information reporting regime

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

(e) Tax Elected Fund ("TEF") regime

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

(f) 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;**
- **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; 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.

19 REPORTS AND ACCOUNTS

The annual accounting period of the Company ends on 31 January.

The annual report of the Company (the "**long report**") will be made available and published on or before the end of May each year, the half-yearly long reports will be made available and published on or before the end of September in each year.

Copies of the long reports may be inspected at (and copies obtained free of charge) from the ACD on any Business Day during Office Hours at the offices of the ACD.

20 ANNUAL GENERAL MEETING

In accordance with the OEIC Regulations the Company has elected to dispense with the holding of an annual general meeting. Shareholders have the right to request copies of the service contracts in place between the Company and its service providers.

21 REQUISITIONS OF MEETINGS

The ACD and/or the Depositary may requisition a general meeting at any time.

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

Voting

Entitlement to receive notice of a particular meeting or adjourned meeting and to vote at such a meeting is determined by reference to those persons who are holders of Shares in the Company on the date seven days before the notice is sent ("**the cut-off date**"), but excluding any persons who are known not to be holders at the date of the meeting or other relevant date.

At a meeting of Shareholders, on a show of hands every holder who (being an individual) is present in person or by proxy or, if a corporation, is present by a properly authorised representative, has one vote. On a poll votes may be given either personally or by proxy and the voting rights attached to a share are such proportion of the total voting rights attached to all Shares in issue as the price of the share bears to the aggregate price of Shares in issue on the cut-off date. A holder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A vote will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman, by the Depositary or by two Shareholders present or by proxy.

An instrument appointing a proxy may be in any usual or common form or in any other form approved by the ACD. It should be in writing under the hand of the appointor or his attorney or, if the appointor is a corporation, either under the common seal, executed as a Deed or under the hand of a duly authorised officer or attorney. A person appointed to act as a proxy need not be a holder.

Quorum

The quorum at a meeting of holders is two Shareholders present in person or by proxy or (in the case of a corporation) by a duly authorised representative. If a quorum is not present within half an hour of the time appointed the meeting will (if requisitioned by Shareholders) be dissolved and in any other case will be adjourned. If at such adjourned meeting a quorum is not present within 15 minutes from the appointed time, one person entitled to count in a quorum will be a quorum.

A corporation, being a holder, may by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of holders and the person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual holder.

In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority is determined by the order in which the names stand in the Register.

The ACD is entitled to attend any meeting but, except in relation to third party Shares, is not entitled to vote or be counted in the quorum and any Shares it holds are treated as not being in issue for the purpose of such meeting. An associate of the ACD is entitled to attend any meeting and may be counted in the quorum, but may not vote except in relation to third party Shares. For this purpose third party Shares are Shares held on behalf of or jointly with a person who, if himself the registered Shareholder, would be entitled to vote, and from whom the ACD or the associate (as relevant) has received voting instructions.

Notice to Shareholders

Any notice or document to be served upon a Shareholder will be duly served if it is:

- (a) delivered to the Shareholder's address as appearing in the Register; or
- (b) delivered by using an electronic medium in accordance with the provisions of the 'Electronic Communications' paragraph set out at paragraph 10 above.

Any notice or document served by post is deemed to have been served on the second business day following the day on which it is posted. Any document left at a registered address or delivered other than by post is deemed to have been served on that day.

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

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

Meetings and Modifications

The convening and conduct of meetings of Shareholders and the voting rights of Shareholders at such meetings is governed by the Regulations, as amended from time to time. The requirement for a meeting depends on the proposed change to the Company.

Changes to the Company may fall within one of the following three categories:

- **Fundamental events** which change the purpose or nature of the Company or the basis on which the investor invested, for example changes to an investment objective, its risk profile or something that would cause material prejudice to the investors would require investor approval. Fundamental changes require prior approval at a meeting of Shareholders.
- **Significant events** are those which would materially affect an investor's investment, affect a Shareholder's ability to exercise his rights in relation to this investment, result in material increased payments out of the Company, or could reasonably be expected to cause investors to reconsider their participation in the Company. Those should be notified pre-event to the investors and in sufficient time to enable them to leave the Company, if they wish, before the change takes effect 60 days minimum notice is required for these changes.
- **Notifiable events** for which the ACD would decide when and how Shareholders should be notified, depending on the type of event. In these cases notification could be after the event. This may take the form of the sending of an immediate notification to Shareholders or the information being included in the next long report of the Company.

22 TRANSFER OF SHARES

A Shareholder is entitled (subject to as mentioned below) to transfer Shares by an instrument of transfer in any usual or common form or in any other form approved by the ACD. The ACD is not obliged to accept a transfer if it would result in the holder, or the transferee, holding less than the minimum holding of Shares of the class in question. The instrument of transfer, duly stamped if it is required to be stamped, must be lodged with the Registrar for registration. The transferor remains the holder until the name of the transferee has been entered in the Register.

The Company or the Registrar may require the payment of such reasonable fee as the ACD and the company may agree for the registration of any grant of probate, letters of administration or any other documents relating to or affecting the title to any share.

23 WINDING UP OF THE COMPANY AND TERMINATION OF FUNDS

The Company may be wound up under chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. A Fund must not be terminated except under chapter 7.3 of COLL or wound up under Part V of the Insolvency Act 1986 (as modified by the OEIC Regulations) as an unregistered company.

Winding up of the Company or termination of a Fund under COLL is only permitted when effect has been given, under regulation 21 of the OEIC Regulations, to proposals to (a) wind up the affairs of the Company or, if a Fund, to make alterations to the Company's instrument of incorporation and prospectus that are required and (b) a statement has been lodged with the FCA under COLL 7.3.5 R (solvency statement) and received by the FCA prior to satisfaction of the condition in (a).

Subject to the foregoing, the Company or the relevant Fund will be wound up or terminated (as appropriate) under COLL:

- a) if an extraordinary resolution of Shareholders of either the Company or that Fund (as appropriate) to that effect is passed; or
- b) when the period (if any) fixed for the duration of the Company (or a Fund) by the instrument of incorporation expires, or any event occurs, for which the instrument of incorporation provides that the Company, or a Fund, is to be wound up or terminated; or
- c) on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company or a request for the termination of that Fund; or
- d) on the effective date of a duly approved scheme of arrangement which is result in the Company, or a Fund, ceasing to hold any Scheme Property; or
- e) in the case of a company being an umbrella, on the date on which all of its Funds fall within (d) above or have otherwise ceased to hold any Scheme Property, despite that the company may have assets and liabilities that are not attributable to any particular Fund.

If any of the events set out under a) to e) above occur, the FCA Rules concerning pricing and dealing and 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 7.3.7(R).

The ACD may request that a Fund be terminated or wound up in certain situations such as if, at any time after the first anniversary of the issue of the first Shares linked to a Fund the net value of the assets of the Company attributable to such Fund is less than £1 million.

The winding up of the Company, or termination or winding up, of a Fund under COLL is carried out by the ACD which will, as soon as practicable, cause the property of the Company or that property attributable to the relevant Fund to be realised and the liabilities to be met out of the proceeds. Provided that there are sufficient liquid funds available after making provision for the expenses of winding up and the discharge of the liabilities of the Company or that Fund (as the case may be) 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. The distribution made in respect of each Fund will be made to the holders of Shares linked to that Fund, in proportion to the units of entitlement in the property

of that Fund which their Shares represent.

Shareholders will be notified of any proposal to wind up the Company, or terminate or wind up, a Fund. On commencement of such winding up or termination the Company will cease to issue and cancel Shares and transfers of such Shares shall cease to be registered.

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.

24 OTHER INFORMATION

Delegation

The ACD and the Depositary, subject to exceptions specified in COLL, may retain (or arrange for the Company to retain) the services of other persons to assist them in the performance of their respective functions. Subject to certain relevant legal and/or regulatory requirements, in relation to certain functions, the Depositary will not be liable for the actions of the persons so appointed provided certain provisions of COLL apply however the ACD will retain responsibility for the provision of such services.

Conflicts of Interest

The Depositary or any associate of the Depositary, or of any Investment Manager may (subject to COLL) hold money on deposit from, lend money to, or engage in stock lending transactions in relation to the Company, so long as the services concerned are provided on arm's length terms.

The Depositary, the ACD, or any Investment Manager or any associate of any of them may sell or deal in the sale of property to the Company or purchase property from the Company provided the applicable provisions of the COLL apply and are observed.

Subject to compliance with COLL the ACD may be party to or interested in any contract, arrangement or transaction to which the Company is a party or in which it is interested. The ACD is entitled in its own discretion to determine the terms of its appointment as such, and consequently to amend the terms of the Service Agreement referred to under "The Authorised Corporate Director" above.

Subject to applicable laws and regulation, the Depositary, the ACD, or any Investment Manager or any associate of any of them will not be liable to account to the Company or any other person, including the holders of Shares or any of them, for any profit or benefit made or derived from or in connection with:

- a) their acting as agent for the Company in the sale or purchase of property to or from a Fund; or
- b) their part in any transaction or the supply of services permitted by the COLL; or
- c) their dealing in property equivalent to any owned by (or dealt in for the account of) the Company.

Subject to the Regulations, neither the Company, the ACD, the Depositary, the Administrator, the Registrar, the Investment Manager (or any associate of the same) nor the auditors nor any other person involved with the establishment and/or operation of the Company are liable to account to each other or to the Shareholders or former Shareholders of the Company for any profits or benefits they may make or receive which are made, derived from or in connection with:

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

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.

Liability and Indemnity

With the exception mentioned below:

- The ACD, the Depositary and the auditors are each entitled under the Instrument to be indemnified against any loss, damage or liability incurred by them in or about the execution of their respective powers and duties in relation to the Company; and
- the ACD and the Depositary are, under the terms of their respective agreements with the Company, exempted from any liability for any loss or damage suffered by the Company.

The above provisions will not, however, apply in the case of:

- any liability which would otherwise attach to the ACD or the auditors in respect of any negligence, default, breach of duty or breach of trust in relation to the Company;
- any liability on the part of the Depositary for any failure to exercise due care and diligence in the discharge of its functions.

25 GENERAL

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.

Complaints

Any complaint should be referred to the ACD at its registered office. If a complaint cannot be resolved satisfactorily with the ACD it may be referred to the Financial Ombudsman Service, Exchange Tower, London E14 9SR. More details about the Financial Ombudsman Service are available from the ACD.

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

Further information: various

All documents and remittances are sent at the risk of the Shareholder.

A notice of an applicant's right to cancel the agreement to purchase Shares will be forwarded, where this is required by rules made under the Act.

When the investment is a lump sum investment, an applicant who is entitled to cancel and does so will not get a full refund of the money paid by him if the purchase price of the Shares falls before the cancellation notice is received by the ACD, because an amount equal to such fall (the "**shortfall**") will be deducted from the refund he would otherwise receive. Where the purchase price has not yet been paid the applicant will be required to pay the amount of the shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement. Cancellation rights must be exercised by posting a cancellation notice to the ACD on or before the 14th day after the date of receipt of the notice of the right to cancel.

Financial Services Compensation Scheme

The Financial Services Compensation Scheme has been established under the rules of the FCA as a "rescue fund" for certain clients of firms authorised and regulated by the FCA which have gone out of business. The ACD will supply investors with further details of the scheme on written request to its operating address. Alternatively, investors can visit the scheme's website at www.fscs.org.uk or by writing to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

Documents and information available

Copies of the following documents are available on request, free of charge from the ACD:

- latest version of the Prospectus;
- latest version of the Instrument which constitutes the Company and each Fund;
- latest annual and half-yearly long reports applying to each Fund;
- the ACD Agreement; and
- supplementary information relating to the quantitative limits applying to the risk management of the Company and each Fund, the methods used in relation to such risk management and any recent developments of the risk and yields of the main categories of investment which apply to the Company and each Fund.

The above documents are also available for inspection on any Business Day during Office Hours at the offices of the ACD.

Remuneration

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

Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on www.tutman.co.uk and a paper copy of such information can be obtained, free of charge, upon request at the offices of the ACD.

Schedule 1

Investment and Borrowing Powers

The Company may exercise the full authority and powers permitted by COLL applicable to a UK UCITS. However, this is subject to the applicable investment limits and restrictions set out in COLL, the Company's Instrument and this Prospectus. The Company may exercise the full authority and powers permitted by COLL applicable to a UK UCITS in respect of each Fund subject to each Fund's investment objective and policy.

Save for any derivative investment acquired for the purposes of efficient portfolio management, including hedging (referred to in more detail below), the property of each Fund may not include any investment to which a liability (whether actual or contingent) is attached unless the maximum amount of such liability is ascertained at the time when such investment is acquired for the account of that Fund.

The capital property attributable to each Fund is required to consist of such investments although investment in other asset classes is permitted as set out in COLL as it applies to a UK UCITS and as set out below. In accordance with the investment policy of each of the Funds, each Fund may invest in transferable securities (including investment trusts), units in collective investment schemes, deposits, approved money-market instruments and derivatives and forward transactions (for efficient portfolio management purposes).

The ACD shall ensure that, taking into account the investment objective and policy of each of the Funds as stated in the most recently published version of this Prospectus, the Scheme Property of each of the Funds aims to provide a prudent spread of risk.

The Funds will not invest in immovable property or tangible movable property.

The ACD does not anticipate that the use of derivatives will change or alter the overall risk profiles of the Company.

Transferable securities and Money-Market Instruments

The Funds may invest up to 100% of the Scheme Property in transferable securities and money-market instruments which are:

- 1 admitted to or dealt in on an eligible market within COLL 5.2.10R(1)(a);
- 2 dealt in on an eligible market within COLL 5.2.10 R(1)(b);
- 3 admitted to or dealt in on an eligible market within COLL 5.2.10 R(2);
- 4 recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue; or
- 5 approved money-market instruments not admitted to or dealt in on an eligible market provided the issue or issuer is regulated for the purposes of protecting investors and savings and the instrument is issued or guaranteed by any one of the following in accordance with the requirements in COLL:
 - a. a central authority of the UK or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
 - b. a regional or local authority of the UK or an EEA State;

- c. the Bank of England, the European Central Bank or a central bank of an EEA State;
- d. the European Union or the European Investment Bank;
- e. a non-EEA State or, in the case of a federal state, one of the members making up the federation;
- f. a public international body to which the UK or one or more EEA States belong;
- g. issued by a body, any securities of which are dealt in or an eligible market; or
- h. issued or guaranteed by an establishment which is subject to prudential supervision in accordance with criteria defined by UK or EU law, or 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.

The Funds may invest up to 10% of the Scheme Property in transferrable securities and approved money-market instruments other than those referred to in (1) to (5) above.

Not more than 5% in value of the Scheme Property attributable to the Funds may consist of transferable securities or approved money-market instruments issued by any single body. This limit may be raised to 10% in respect of up to 40% in value of the Scheme Property attributable to a Fund. Covered bonds need not be taken into account for the purpose of applying the limit of 40%. The limit of 5% is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

Not more than 20% in value of the Scheme Property attributable to the Funds is to consist of transferable securities and approved money-market instruments issued by the same group.

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.

Transferable securities

The Funds may invest in transferable securities only to the extent that the relevant transferable security fulfils the following criteria:

- the potential loss which the relevant Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
- its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder;
- reliable valuation is available for the transferable securities as follows:
 - in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

- appropriate information is available for the transferable security as follows:
 - in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
 - in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;
- it is negotiable; and
- its risks are adequately captured by the risk management process of the ACD. (Refer to paragraph 3(p) of the main body of this Prospectus for details of the risk management process).

Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and to be negotiable.

Closed end funds constituting transferable securities

A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Fund, provided it fulfils the criteria for transferable securities set out in COLL 5.2.7AR, and either:

- where the closed end fund is constituted as an investment company or a unit trust:
 - it is subject to corporate governance mechanisms applied to companies; and
 - where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
- where the closed end fund is constituted under the law of contract:
 - it is subject to corporate governance mechanisms equivalent to those applied to companies; and
 - it is managed by a person who is subject to national regulation for the purpose of investor protection.

Transferable securities linked to other assets

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

- (a) fulfils the criteria for transferable securities set out in COLL 5.2.7AR; and
- (b) is backed by or linked to the performance of other assets, which may differ from those in which a UK UCITS can invest.

Where such investments contain an embedded derivative component, the COLL rules applicable to investment in derivatives and forwards (summarised below) will apply.

Investment in nil and partly paid securities

A transferable security or an approved money-market instrument on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the relevant Fund at any time when the payment is required without contravening COLL 5.

Warrants

Not more than 5% in value of the Scheme Property attributable to a Fund may consist of warrants. Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by a Fund at any time when the payment is required without contravening COLL.

Covered bonds

In general a covered bond is a bond that is issued by a credit institution which has its registered office in the UK or an EEA State and is subject by law to special public supervision designed to protect bondholders and in particular protection under which sums deriving from the issue of the bond must be invested in conformity with the law in assets which, during the whole period of validity of the bond, are capable of covering claims attaching to the bond and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.

Collective investment schemes

While, generally, up to 100% of the Scheme Property attributable to a Fund may consist of units in collective investment schemes:

-only 10% of the Scheme Property of the **Climate Assets Balanced Fund** may consist of units and/or shares in collective investment schemes; and

-only 10% of the Scheme Property of the **Climate Assets Growth Fund** may consist of units and/or shares in collective investment schemes.

While, generally, not more than 20% in value of a Fund may consist of units or shares in any one collective investment scheme, in respect of the **Climate Assets Balanced Fund** and the **Climate Assets Growth Fund**, no more than 10% in value of the Scheme Property of each Fund may consist of units or shares in any one collective investment scheme.

A Fund must not invest in units or shares of a collective investment scheme (the "**second scheme**") unless the second scheme satisfies the conditions referred to below and provided that no more than 30% of the value of the Scheme Property attributed to that Fund, (and 10% in the case of the **Climate Assets Balanced Fund** or the **Climate Assets Growth Fund**), is invested in second schemes within paragraphs (i)(b) to (e) below.

- (i) The second scheme must fall within one of the following categories:
 - (a) be a UK UCITS or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
 - (b) be a recognised scheme which is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met (see paragraph (vii) below)); or
 - (c) it is authorised as a Non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1), (3) and (4) are met); or

- (d) it is authorised in an EEA State provided the requirements of COLL 5.2.13AR are met); or
- (e) it is authorised by the competent authority of an OECD member country (other than an EEA State) which has:
 - (i) signed the IOSCO Multilateral Memorandum of Understanding; and
 - (ii) approved the scheme's management company, rules and depositary/custody arrangements

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

- (ii) The second scheme must comply, where relevant, with COLL 5.2.15R (Investment in associated collective investment scheme) and COLL 5.2.16R (Investment in other group schemes).
- (iii) The second scheme must have terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes.
- (iv) Where the second scheme is an umbrella, the provisions in paragraphs (ii) and (iii) above and COLL 5.2.11R (Spread: general) apply to each sub-fund as if it were a separate scheme.
- (v) Where a substantial proportion of a Fund's assets are invested in other collective investment schemes the maximum level of management fees that may be charged to that Fund, and to the other collective investment schemes in which it invests, should not exceed 2.5% per annum plus VAT (if applicable).
- (vi) The requirements of COLL 5.2.13AR are that:
 - a. the second scheme is an undertaking:
 - i. with the sole objective of collective investment in transferable securities or in other liquid financial assets, as referred to in COLL 5, of capital raised from the public and which operate on the principle of risk-spreading; and
 - ii. with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption);
 - b. the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the UK, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured;
 - c. the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UK UCITS, and in particular that the rules asset segregation, borrowing, lending and uncovered sales of transferable securities and approved money-market instruments are equivalent to the requirements of COLL 5; and

- d. the business of the second scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.
- (vii) Where the Company makes an investment in, or disposal of, units or shares of a second scheme detailed in paragraph (xii) below, and there is a charge in respect of such investment or disposal, the ACD must pay the Company the amount referred to in either paragraph (ix) below or paragraph (x) below within four Business Days following the date of the agreement to invest or dispose.
- (viii) When an investment is made, the amount referred to in paragraph (viii) above is either:
- a. any amount by which the consideration paid by the Company for the units or shares in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units or shares been newly issued or sold by it; or
 - b. if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units or shares in the second scheme.
- (ix) When a disposal is made, the amount referred to in paragraph (viii) above is any charge made for the account of the authorised fund manager or operator of the second scheme or an associate of any of them in respect of the disposal.
- (x) In paragraphs (viii) to (x) above:
- a. any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy made in accordance with COLL 6.3.8R is to be treated as part of the price of the units and not as part of any charge; and
 - b. any switching charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.
- (xi) The Company may invest in or dispose of (and the Scheme Property of the Company may include) shares or units in another collective investment scheme managed or operated by (or, in the case of companies incorporated under the OEIC Regulations, have as their authorised corporate director) the ACD or an associate of the ACD.

A Fund may invest in or dispose of (and the Scheme Property of a Fund may include) Shares in another Fund within the Company (the "**second fund**") only if the following conditions are satisfied:

- (a) the second fund does not hold Shares in any other Fund of the Company;
- (b) the conditions in COLL 5.2.15R and COLL 5.2.16R are complied with (as modified by COLL 5.2.15R(2)); and
- (c) the investing or disposing Fund must not be a feeder UK UCITS to that second fund.

Cash and near cash

In accordance with COLL, the Scheme Property attributable to a Fund may consist of cash or near cash to enable:

- (a) the pursuit of that Fund's investment objectives;
- (a) the redemption of Shares; or
- (c) the efficient management of that Fund in accordance with its objectives; or
- (d) for other purposes which may reasonably be regarded as ancillary to the objectives of that Fund.

Cash forming part of the property of a Fund may be placed in any current or deposit account with the Depositary, the ACD or any Investment Manager or any associate of any of them provided it is an Eligible Institution or Approved Bank and the arrangements are at least as favourable to that Fund as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

During the initial offer period the Scheme Property of a Fund may consist of cash and near cash without limitation.

Derivatives

As at the date of this Prospectus the Company only uses derivatives for the purpose of efficient portfolio management and hedging as set out below under the heading "Derivatives – Efficient Portfolio Management". Subject to obtaining and maintaining the requisite permissions from the FCA under the Regulations, on giving no less than 60 days' prior written notice to all Shareholders in a Fund, the ACD will no longer operate that Fund under efficient portfolio management, as set out under the heading "Derivatives – Efficient Portfolio Management" below, but instead, certain types of derivatives and forward transactions as set out under the section " Permitted Transactions (derivatives and forward transactions)", may be effected for that Fund.

If the ACD elects to use derivatives in this way it is not intended that this will change or alter the overall risk profile of the relevant Fund.

Derivatives – Efficient Portfolio Management

A Fund may invest in derivatives for the purposes of efficient portfolio management (including hedging). Such derivatives will be covered and usually exchange traded. Where such derivatives are used for hedging or in accordance with efficient portfolio management techniques, this will not change or alter the risk profile of the Company.

Efficient portfolio management enables a Fund to invest in derivatives and forward transactions (including futures and options) in accordance with COLL using techniques and instruments which relate to transferable securities and approved money-market instruments (as defined in COLL) and which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost effective way;
- (b) they are entered into for one or more of the following specific aims;
 - (i) reduction of risk;
 - (ii) reduction of cost;

- (iii) generation of additional capital or income for that Fund with a risk level which is consistent with the risk profile of that Fund and the risk diversification rules laid down in COLL.

In relation to the generation of additional capital or income, there is an acceptably low level of risk in any case where the ACD reasonably believes that a Fund are certain (or certain barring events which are not reasonably foreseeable) to derive a benefit:

- (a) by taking advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to the same or equivalent property, being property which that Fund holds or may properly hold;
- (b) by receiving a premium for the writing of a covered call option, even if that benefit is obtained at the expense of surrendering the chance of yet greater benefit.

To be economically appropriate to a Fund, the ACD must reasonably believe that:

- (a) for transactions undertaken to reduce risk or cost (or both), the transaction (alone or in combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; and
- (b) for transactions undertaken to generate additional capital or income, the Funds are certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.

Derivatives – general

A transaction in derivatives or a forward transaction must not be effected for a Fund unless the transaction is of a kind specified in COLL 5.2.20R and the transaction is covered (as required by COLL 5.3.3AR).

Where any Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in COLL 5.2.11R and COLL 5.2.12R, except for index-based derivatives where the following rules apply.

Where any Fund invests in an index-based derivative, provided the relevant index falls within COLL 5.2.20AR, the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R. The relaxation is subject to the ACD taking account of COLL 5.2.3R.

Where a transferable security or an approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with COLL 5.2.

Permitted Transactions (derivatives and forward transactions)

Derivatives transactions must either be in an approved derivative (being a derivative which is traded or dealt in on an eligible derivatives market as set out in Schedule 2) or be one which complies with COLL 5.2.23R.

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

Any over the counter transactions in derivatives must also be on approved terms, i.e. the ACD:

- (a) 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
- (b) can enter into one or more further transactions to sell, liquidate or close out that transactions at any time, at its fair value.

The underlying of a transaction in a derivative may only consist of any one or more of the following:

- transferable securities permitted under COLL 5.2.8R(3)(a) to (c) and (e);
- approved money-market instruments permitted under COLL 5.2.8R(3)(a) to (d);
- deposits as permitted under COLL 5.2.26R;
- derivatives as permitted under COLL 5.2.20R;
- collective investment scheme units as permitted under COLL 5.2.13R;
- financial indices which satisfy the criteria set out in COLL 5.2.20AR;
- interest rates;
- foreign exchange rates; and
- currencies.

A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money-market instruments, units in collective investment schemes or derivatives provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R(1) (Requirement to cover sales), as read in accordance with the guidance at COLL 5.2.22AG, are satisfied.

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

All derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house is backed by an appropriate performance guarantee; and it is characterised by daily mark-to-market valuation of the derivative positions and an at least daily margining.

Embedded derivatives

Where a Fund invests in a transferable security or an approved money-market instrument which embeds a derivative, this must be taken into account for the purposes of complying with COLL.

A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

- (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
- (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
- (c) it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.

The following types of investments are generally regarded as being transferable securities and approved money-market instruments which embed a derivative:

- (a) credit linked notes;
- (b) transferable securities or approved money-market instruments whose performance is linked to the performance of a bond index;
- (c) transferable securities or approved money-market instruments whose performance is linked to the performance of a basket of Shares, with or without active management;
- (d) transferable securities or approved money-market instruments with a fully guaranteed nominal value whose performance is linked to the performance of a basket of Shares, with or without active management;
- (d) convertible bonds; and
- (e) exchangeable bonds.

Transferable securities and approved money-market instruments which embed a derivative are subject to the rules applicable to derivatives in COLL as summarised in this paragraph.

A derivative includes instruments which fulfil the following criteria:

- (a) it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
- (b) it does not result in the delivery or the transfer, including in the form of cash, of assets other than those referred to in COLL 5.2.6AR;

- (c) in the case of an OTC derivative, it complies with the requirements in COLL 5.2.23R;
- (d) its risks are adequately captured by the ACD's risk management process, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative. (Refer to paragraph 3(p) of the main body of this Prospectus for details of the risk management process)

A Fund may not undertake transactions in derivatives on commodities.

A derivative or forward transaction which will, or could, lead to the delivery of property for the account of the Company may be entered into only if:

- (a) such property can be held for the account of the Company; and
- (b) the ACD having taken reasonable care determines that delivery of the property pursuant to the transaction will not lead to a breach of COLL.

Requirement to cover sales

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

This requirement does not apply where:

- (a) the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument which is highly liquid; or
- (b) the ACD or the Depositary has the right to settle the derivative in cash, and cover exits within the Scheme Property which falls within one of the following asset classes:
 - (i) cash;
 - (ii) liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
 - (iii) other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

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

Over-the-counter ("OTC") transactions in derivatives

Any 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 such transactions 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 UK; 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 a 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 (being the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arms' length transaction) and which does not rely only on market quotations by the counterparty; and
 - (ii) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;
- (c) capable of reliable valuation. A transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
- (i) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
 - (ii) if the value referred to in (i) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- (d) subject to verifiable valuation. A transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
- (i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or

- (ii) a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

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

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

Collateral

The ACD may reduce the exposure of the Scheme Property to a counterparty to an OTC derivative transaction through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in COLL 5.2.11BR(7) when it passes collateral to the counterparty to an OTC derivative transaction on behalf of a Fund. Collateral passed may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Fund.

Risk Management

The ACD uses a risk management process, enabling it to monitor and measure frequently as appropriate the risk of each Fund's positions and their contribution to the overall risk profile of the Company. **Currently derivatives may be used by each of the Funds for the purposes of efficient portfolio management (including hedging). It is not anticipated that the use of derivatives in this way by the Funds will alter or change the risk profile of the Company.**

The risk management process enables the ACD to monitor and measure the methods for estimating risks in derivative and forward transactions, and the type of derivatives and forward transactions that will be used within that Fund, together with their underlying risks and any relevant quantitative limits.

Please refer to paragraph 3(p) of the main body of this Prospectus for details of the risk management process.

Derivative exposure

A Fund may invest in derivatives and forward transactions only where the exposure to which that Fund is committed by that transaction itself is suitably covered from within that Fund's property. Exposure will include any initial outlay in respect of that transaction.

Cover ensures that the Funds are not exposed to the risk of loss of property, including money, to an extent greater than the net value of the relevant Fund's property. Therefore, a Fund must hold property sufficient in value or amount to match the exposure arising from a derivative obligation to which that Fund is committed. The detailed requirements in accordance with COLL 5.3 for cover of the Funds are set out below.

Cover used in respect of one transaction in derivatives or forward transactions should not be used for cover in respect of another transaction in derivatives or a forward transaction.

Cover for transaction in derivatives and forward transactions

A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the Company is or may be committed by another person, is covered globally.

Exposure is covered globally if adequate cover from within the Scheme Property is available to meet the Company's total exposure, taking into account the current value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.

Cash not yet received into a Fund's property but due to be received within one month is available as cover for these purposes.

Property which is the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

The total exposure relating to derivatives held in a Fund may not exceed the net value of the property.

Deposits

Up to 100% of the Scheme Property attributable to a Fund may consist of deposits (as defined in COLL) but only if it:

- **is with an Approved Bank;**
- **is repayable on demand or has the right to be withdrawn; and**
- **matures in no more than 12 months.**

Not more than 20% in value of the Scheme Property may consist of deposits with a single body.

Spread: general

- (a) This section does not apply in respect of a transferable security or an approved money-market instrument to which the section "Spread: Government and public securities" applies.

The specific limits are set out as follows:

- (b) For the purposes of this section "Spread: general", companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards, are regarded as a single body.
- (c) Not more than 20% in the value of the Scheme Property is to consist of deposits with a single body;
- (d) Not more than 5% in value of the Scheme Property attributable to a Fund may consist of transferable securities or approved money-market instruments issued by any single body.
- (e) The limit in (d) above may be raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not be taken into account for the purpose of applying the limit of 40%.

- (f) The limit of 5% in (d) is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.
- (g) In applying (d) and (e) above, certificates representing certain securities are to be treated as equivalent to the underlying security.
- (h) The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit may be raised to 10% where the counterparty is an Approved Bank.
- (i) Not more than 20% in value of the Scheme Property attributable to a Fund is to consist of transferable securities and approved money-market instruments issued by the same group.
- (j) Not more than 20% in value of the Scheme Property is to consist of the units of any one collective investment scheme.
- (k) In applying the limits in (c), (d), (e), (g) and (h) above in relation to a single body and subject to (f), not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
 - (i) transferable securities (including covered bonds) or approved money-market instruments issued by that body; or
 - (ii) deposits made with that body; or
 - (iii) exposures from OTC derivatives transactions made with that body.

Spread: Government and public securities

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

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

Where no more than 35% in value of the Scheme Property attributable to any Fund 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.

Each Fund may invest more than 35% in value of its 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 relevant Fund;**
- ii. no more than 30% in value of the Scheme Property may consist 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 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made .**

In this section in relation to such securities:

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

Notwithstanding paragraph (a) under “Spread: general” and subject to COLL 5.2.12R(2) and (3), in applying the 20% limit in paragraph (k) under “Spread: general” with respect to a single body, such securities issued by that body shall be taken into account.

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

- (a) **the Government of the UK; the Executive Committee of the Northern Ireland Assembly; the Scottish Administration; the National Assembly of Wales; or**
- (b) **the Government of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia; or**
- (c) **the Government of Australia, Canada, Japan, New Zealand, Switzerland and the United States of America; or**
- (d) **the European Investment Bank, the World Bank, the European Bank of Reconstruction and Development, the Inter-America Development Bank, the Asian Development Bank, the International Finance Corporation, the Japan Development Bank, the Nordic Investment Bank, the Council of Europe Development Bank, and Federal Home Loans.**

Concentration

A Fund must not at any time hold:

- (a) transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them, and which represent more than 10% of those securities issued by that body corporate;
- (b) more than 10% of the debt securities issued by any single body;
- (c) more than 25% of the shares/units in a collective investment scheme;
- (d) more than 10% of the approved money-market instruments issued by any single body.

However a Fund need not comply with the limits in (b) to (d) above if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

Significant Influence

The Company may only acquire transferable securities issued by a body corporate carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate provided that immediately before the acquisition the aggregate of any such securities held by the Company does not give the ICVC power to influence significantly the conduct of business of that body corporate, and the acquisition will not give the Company such power.

For the purpose of this section, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

Borrowing

Subject to the Instrument and COLL (as it relates to UK UCITS), the Company may borrow money for the purposes of achieving the objectives of the Funds on terms that such borrowings are to be repaid out of the Scheme Property of the relevant Fund. This power to borrow is subject to the obligation of the Company to comply with any restriction in the Instrument. The ACD does not anticipate significant use of this borrowing power. Such borrowing may only be made from an Eligible Institution or Approved Bank and must be on a temporary basis only and must not be persistent. For this purpose the ACD must have regard, in particular, to: (a) duration of any period of borrowing and (b) the number of occasions on which it has resorted to borrowing in any period.

No period of borrowing may exceed three months without the prior consent of the Depositary. The borrowing of a Fund must not, on any Business Day, exceed 10% of the value of the property of that Fund. As well as applying to borrowing in a conventional manner, the 10% limit applies to any other arrangement designed to achieve a temporary injection of money into the property of a Fund in the expectation that such will be repaid. For example, by way of a combination of derivatives which produces an effect similar to borrowing.

The above provisions on borrowing do not apply to "back to back" borrowing for hedging purposes, being an arrangement under which an amount of currency is borrowed from an Eligible Institution and an amount in another currency at least equal to the amount of currency borrowed is kept on deposit with the lender (or his agent or nominee).

Borrowings may be made from the Depositary, the ACD, the Directors or any Investment Manager or any associate of any of them provided that such lender is an Eligible Institution or Approved Bank and the arrangements are at least as favourable to a Fund as would be those of any comparable arrangements effected on normal commercial terms negotiated at arm's length between two independent parties.

Stock lending

A Fund or the Depositary (at the request of the ACD) may enter into a repo contract, or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C) but only if:

- (a) all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Funds are in a form which is acceptable to the Depositary and are in accordance with good market practice;
- (b) the counterparty is:
 - i. an authorised person; or

- ii. a person authorised by a Home State regulator; or
- iii. a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
- iv. a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and the Office of Thrift Supervision; and
- v. high quality and liquid collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph (a) above and the collateral is:
 - a. acceptable to the Depositary;
 - b. must be adequate (within the meaning of COLL 5.4.6); and
 - c. sufficiently immediate (as set out in COLL).
- vi. The counterparty for the purpose of paragraph (b) above is the person who is obliged under the agreement referred to in paragraph (a) above to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.

Paragraph (v) above does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.

Restrictions on lending of money

None of the money in the Scheme Property of the Funds may be lent and, for the purposes of this prohibition, money is lent by a Fund if it is paid to a person (a "payee") on the basis that it should be repaid, whether or not by the payee. Acquiring a debenture is not lending for these purposes, nor is the placing of money on deposit or in a current account.

The restrictions on lending of money does not prevent the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

Restrictions on the lending of property other than money

The Scheme Property of the Company other than money must not be lent by way of deposit or otherwise. Stock lending transactions permitted by COLL are not to be regarded as lending for these purposes. The Scheme Property of the Company is not permitted to be mortgaged.

The restriction on the lending of property other than money does not prevent the Company or the Depositary at the request of the Company, from lending, depositing, pledging or charging Scheme Property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL.

General power to accept or underwrite placings

The Company's ability to invest in transferable securities may be used for the purposes of entering into underwriting transactions in accordance with COLL, subject to any restriction in the Instrument. The exposure of the Company to such arrangements must be covered, such that if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL.

Guarantees and indemnities

In accordance with COLL the Company or the Depositary are not permitted to provide any guarantee or indemnity in respect of the obligations of any person, in addition the Scheme Property of the Company may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person. The above restrictions do not apply in respect of any indemnity or guarantee for margin requirements in the event the Funds enter into derivative or forward transactions in accordance with COLL and in respect of certain indemnities permitted under COLL.

Schedule 2**Eligible Markets**

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

- (1) a regulated market (as defined in the FCA Glossary);
- (2) a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public; or
- (3) a market which the ACD, after consultation with, and notification to, the Depositary, determines is appropriate for the purpose of investment of, or dealing in, the property of a Fund. In accordance with the relevant criteria in 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 each Fund is currently permitted to deal.

Eligible Securities Markets

Country	Market
UK	Any (including the Alternative Investment Market, or AIM)
Australia	ASX Group
Austria	Wiener Borse - Vienna Stock Exchange
Belgium	Euronext Brussels SA
Brazil	Bolsa de Valores do Rio de Janeiro BM&FBOVESPA
Canada	Montreal Exchange Toronto Stock Exchange Vancouver Stock Exchange Alberta Exchange Winnipeg Exchange
Channel Islands	Channel Islands Stock Exchange (CISX)
Chile	Bolsa de Comercio de Santiago Bolsa Electronica de Chile
China	Shanghai Securities Exchange
Peoples' Rep. of Shanghai	Shenzhen Stock Exchange
Peoples' Rep. of Shenzhen	Stock Exchange of Hong Kong
Hong Kong	
Denmark	Copenhagen Stock Exchange Ltd
Finland	Helsinki Securities and Derivatives Exchange Clearing House Ltd
France	Euronext Paris

Germany	Berliner Borse Borse Düsseldorf Deutsche Borse
Greece	Athens Stock Exchange
Hong Kong	Hong Kong Stock Exchange
India	Bangalore Stock Exchange Delhi Stock Exchange Mumbai Stock Exchange National Stock Exchange of India
Ireland	Irish Stock Exchange Ltd
Italy	Italiana Borse
Japan	Tokyo Stock Exchange Osaka Securities Exchange Nagoya Stock Exchange Sapporo Securities Exchange JASDAQ Securities Exchange
Korea	Korea Composite Stock Price Index
Luxembourg	Bourse de Luxembourg
Mexico	Mexican Stock Exchange
Netherlands	Euronext NV
New Zealand	New Zealand Stock Exchange (NZX)
Norway	Oslo Stock Exchange
Portugal	Euronext Lisboa
Singapore	Singapore Exchange (SGX)
South Africa	JSE Limited
Spain	Bolsa de Valores de Barcelona Bolsa de Valores de Bilbao Bolsa de Valores de Madrid Bolsa de Valores de Valencia
Sweden	Stockholmsborsen Aktiebolag
Switzerland	SIX Swiss Exchange AG
Taiwan (Republic of China)	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand (SET)
United States of America	New York Stock Exchange NASDAQ Stockmarket American Stock Exchange Boston Stock Exchange Cincinnati Stock Exchange Chicago Stock Exchange (CHX) NYSE Arca Equities NASDAQ OMX PHIL

The alternative investment market (AIM) of the International Stock Exchange of the UK and the Republic of Ireland Limited is also an eligible securities market for the purpose of the Funds.

Eligible Derivatives Markets

Country	Market
Australia	Sydney Futures Exchange
Canada	Montreal Exchange Toronto Stock Exchange
Hong Kong	Hong Kong Stock Exchange
Japan	Tokyo Stock Exchange Osaka Securities Exchange
New Zealand	New Zealand Futures Exchange
Singapore	Singapore International Monetary Exchange
South Africa	South Africa Futures Exchange (SAFEX)
Switzerland	Eurex
United States of America	NYSE Euronext CME Group Chicago Board Options Exchange (CBOE) Chicago Mercantile Exchange NASDAQ OMX Futures New York Mercantile Exchange (NYMEX) NYSE Euronext NYSE Arca Equities NASDAQ OMX PHIL

Schedule 3**LIST OF SUB-CUSTODIANS**

As appropriate in line with the Eligible Markets (Schedule 2)

Jurisdiction	Sub-custodian	Sub-custodian Delegate
Argentina	Citibank N.A., Buenos Aires Branch	Not applicable
Australia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG	Not applicable
Bahrain	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Bangladesh	Standard Chartered Bank	Not applicable
Belgium	The Northern Trust Company	Not applicable
Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Bosnia and Herzegovina (Republic of Srpska)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Botswana	Standard Chartered Bank Botswana Limited	Not applicable
Brazil	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
Bulgaria	Citibank Europe plc, Bulgaria Branch	Not applicable
CD's - USD	Deutsche Bank AG, London Branch	Not applicable

CD's - USD	The Northern Trust Company, Canada	Not applicable
Canada	Royal Bank of Canada	Not applicable
Chile	Citibank N.A.	Banco de Chile
China A Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
China A Share	Bank of Communications Co., Ltd	Not applicable
China A Share	China Construction Bank Corporation	Not applicable
China A Share	Deutsche Bank (China) Co., Ltd, Shanghai Branch	Not applicable
China A Share	Industrial and Commercial Bank of China Limited	Not applicable
China A Share	Standard Chartered Bank (China) Limited	Not applicable
China B Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
China B Share	Citibank N.A., Hong Kong Branch	Not applicable
Clearstream	Clearstream Banking S.A.	Not applicable
Colombia	Cititrust Columbia S.A. Sociedad Fiduciaria	Not applicable
Costa Rica	Banco Nacional de Costa Rica	Not applicable
Croatia	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
Cyprus	Citibank Europe PLC	Not applicable

Czech Republic	UniCredit Bank Czech Republic and Slovenia, a.s.	Not applicable
Denmark	Skandinaviska Enskilda Banken AB (publ)	Not applicable
Egypt	Citibank N.A., Cairo Branch	Not applicable
Egypt	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Egypt SAE
Estonia	Swedbank AS	Not applicable
Finland	Skandinaviska Enskilda Banken AB (publ)	Not applicable
France	The Northern Trust Company	Not applicable
Germany	The Northern Trust Company	Not applicable
Ghana	Standard Chartered Bank Ghana Limited	Not applicable
Greece	Citibank Europe PLC	Not applicable
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Hong Kong (Stock and Bond Connect)	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Hungary	Citibank Europe plc	Not applicable
Iceland	Landsbankinn hf	Not applicable
India	Citibank N.A.	Not applicable
India	The Hongkong and Shanghai Banking Corporation Limited	Not applicable

Indonesia	Standard Chartered Bank	Not applicable
Ireland	The Northern Trust Company, London	Not applicable
Israel	Citibank, N.A., Israel Branch	Not applicable
Italy	Citibank Europe plc	Not applicable
Japan	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Jordan	Standard Chartered Bank	Not applicable
Kazakhstan	Citibank Kazakhstan JSC	Not applicable
Kenya	Standard Chartered Bank Kenya Limited	Not applicable
Kuwait	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Latvia	Swedbank AS	Not applicable
Lithuania	AB SEB bankas	Not applicable
Luxembourg	Euroclear Bank S.A./N.V.	Not applicable
Malaysia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Mexico	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	Not applicable
Morocco	Société Générale Marocaine de Banques	Not applicable

Namibia	Standard Bank Namibia Ltd	Not applicable
Netherlands	The Northern Trust Company	Not applicable
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Nigeria	Stanbic IBTC Bank Plc	Not applicable
Norway	Skandinaviska Enskilda Banken AB (publ)	Not applicable
Oman	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
Pakistan	Citibank N.A., Karachi Branch	Not applicable
Panama	Citibank N.A., Panama Branch	Not applicable
Peru	Citibank del Peru S.A.	Not applicable
Philippines	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Poland	Bank Handlowy w Warszawie S.A.	Not applicable
Portugal	BNP Paribas SA	Not applicable
Qatar	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Romania	Citibank Europe PLC	Not applicable
Russia	AO Citibank	Not applicable
Saudi Arabia	The Northern Trust Company of Saudi Arabia	Not applicable

Saudi Arabia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Saudi Arabia
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
Singapore	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Slovakia	Citibank Europe PLC	Not applicable
Slovenia	UniCredit Banka Slovenija d.d.	Not applicable
South Africa	The Standard Bank of South Africa Limited	Not applicable
South Korea	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Spain	Citibank Europe plc	Not applicable
Sri Lanka	Standard Chartered Bank	Not applicable
Sweden	Skandinaviska Enskilda Banken AB (publ)	Not applicable
Switzerland	Credit Suisse (Switzerland) Ltd	Not applicable
Taiwan	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
Taiwan	Citibank Taiwan Limited	Not applicable
Taiwan	JPMorgan Chase Bank N.A.	Not applicable
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
Thailand	Citibank N.A., Bangkok Branch	Not applicable

Tunisia	Union Internationale de Banques	Not applicable
Turkey	Citibank A.S.	Not applicable
Uganda	Standard Chartered Bank Uganda Limited	Not applicable
Ukraine (Market Suspended)	JSC "Citibank"	Not applicable
United Arab Emirates (ADX)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (DFM)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (NASDAQ)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates	First Abu Dhabi Bank PJSC	Not applicable
United Kingdom	Euroclear UK and Ireland Limited (Northern Trust self-custody)	Not applicable
United States	The Northern Trust Company	Not applicable
Uruguay	Banco Itau Uruguay S.A.	Not applicable
Vietnam	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
Vietnam	Citibank N.A., Hanoi Branch	Not applicable
West Africa (UEMOA)	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
Zambia	Standard Chartered Bank Zambia PLC	Not applicable
Zimbabwe	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Zambia Limited

Schedule 4

Other Regulated Collective Investment Schemes operated by the ACD

**Authorised Investment Companies with
Variable Capital**

Abaco Fund ICVC
 Arch House Fund
 Ariel Fund
 Bryth ICVC
 CP Investment Funds
 Destiny Fund ICVC
 Harroway Capital ICVC
 Hawarwatza Fund
 Libero Portfolio Fund
 Lime Grove Fund
 Meadowgate Funds
 Scarp Fund
 Skiwi Fund
 The Ambrose Fund
 The Astral Fund
 The Capital Link Growth Fund
 The Contact Fund
 The Diversification Fund ICVC
 The Dunnottar Fund
 The Global Balanced Strategy Fund
 The Global Multi Asset Fund
 The Gulland Fund
 The Hector Fund
 The Juniper Fund
 The Lockerley Fund
 The Mazener Fund
 The Motim Fund
 The Northern Funds
 The Oenoke Fund
 The Ord Fund ICVC
 The Overstone Fund
 The Penare Fund
 The Saint Martins Fund
 The Staderas Fund
 The Stratford Fund
 The 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

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 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

**Authorised Investment Companies with
Variable Capital**

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

Authorised Unit Trusts

II
TM Stonehage Fleming Global Equities
Umbrella Fund

Schedule 5**Historical Performance**

Below is the historical performance of the Funds covered by the Prospectus. The comparisons are for performance information over a five year period for total annual return up to 31 December in each year listed.

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

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.

CLIMATE ASSETS BALANCED FUND

Share class (various)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)
B Sterling Accumulation Shares	-4.36	21.40	7.65	13.24	-11.22
B Sterling Income Shares	-4.37	21.34	7.71	13.21	-11.29
C Sterling Accumulation Shares	-4.16	21.61	7.93	13.46	-11.05
C Sterling Income Shares	-4.15	21.56	7.86	13.45	-11.05

Source: These performance figures have been derived from information extracted from information provided through Morningstar.

CLIMATE ASSETS GROWTH FUND

As the Fund is recently launched there is currently no historical performance data available.

Investors and potential investors should note the following statements:

- **The prices of Shares, and the income from them, can go down as well as up as a result of changes in the value of the underlying securities and currency movements. An investor may not get back the amount originally invested.**
- **These figures refer to the past and past performance is not a reliable indicator of future results or future investment returns.**