



PROSPECTUS

of

THE SUN PORTFOLIO FUND

Consisting of the following Funds:

Climate Assets Balanced Fund
Climate Assets Growth Fund

An umbrella UK UCITS
Open-Ended Investment Company

Valid as at and dated 2 December 2024

This document constitutes the Prospectus for The Sun Portfolio Fund (the "**Company**") which has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook ("**COLL**") published by the FCA as part of the FCA Handbook made under the Financial Services and Markets Act 2000 (the "**Act**").

Thesis Unit Trust Management Limited

Authorised and regulated by the Financial Conduct Authority.

FCA firm reference number: 186882

DIRECTORY

Authorised Corporate Director

Thesis Unit Trust Management Limited

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

*Registered and Head Office of
the Company*

c/o Thesis Unit Trust Management Limited

Exchange Building
St John's Street, Chichester, West Sussex,
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

Dealing Office

Thesis Unit Trust Management Limited

Sunderland SR43 4AZ
Telephone number: 0333 300 0375

Custodian

Principal place of business

The Northern Trust Company

50 South LaSalle Street, Chicago, Illinois, USA

*Who may also act under this
power through its London branch*

50 Bank Street
Canary Wharf, London E14 5NT

The Financial Conduct Authority ("FCA")

12 Endeavour Square
London E20 1JN

CONTENTS

Heading	Page
INTERPRETATION	3
CONSTITUTION AND REGULATORY STATUS	10
RISK FACTORS	11
MANAGEMENT AND ADMINISTRATION OF THE COMPANY.....	15
SHARES IN THE COMPANY.....	19
INVESTMENT OBJECTIVES, POLICIES AND OTHER DETAILS OF THE FUND	21
VALUATIONS	44
PRICES OF SHARES	46
DILUTION LEVY.....	47
ISSUE, REDEMPTION AND EXCHANGE OF SHARES.....	48
SWITCHING BETWEEN CLASSES / BETWEEN FUNDS	52
SUSPENSION OF DEALINGS.....	53
MANDATORY REDEMPTION OF SHARES.....	54
DISTRIBUTION AND ACCUMULATION.....	55
THE AUTHORISED CORPORATE DIRECTOR'S CHARGES.....	56
THE FEES, CHARGES AND EXPENSES OF THE DEPOSITARY	59
OTHER PAYMENTS OF THE COMPANY	61
TAXATION	64
REPORTS AND ACCOUNTS	69
ANNUAL GENERAL MEETING.....	69
REQUISITIONS OF MEETINGS	69
TRANSFER OF SHARES.....	73
WINDING UP OF THE COMPANY AND TERMINATION OF FUNDS	74
OTHER INFORMATION.....	75
GENERAL	76
Schedule 1	79
Schedule 2	99
Schedule 3	102

Schedule 4 109

Schedule 5 111

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): <ul style="list-style-type: none"> a) if the account is opened at a branch in the UK: <ul style="list-style-type: none"> i. the Bank of England; or ii. the central bank of a member state of the OECD; or iii. a bank; or iv. a building society; or v. a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or b) if the account is opened elsewhere: <ul style="list-style-type: none"> i. a bank in a); or ii. a bank which is regulated in the Isle of Man or the Channel Islands; or c) a bank supervised by the South African Reserve Bank; or d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator; <p>as such definition may be updated in the FCA Glossary from time to time;</p>
"Business Day"	a weekday being Monday to Friday (excluding any public or bank holiday in England);

"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, or 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; 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;
"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 and agree with the Depositary;
"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;
"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 given to the Depositary for safekeeping, as required by the FCA Rules;
"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;
"Sustainability Label"	as defined in the FCA Glossary;
"UCITS Directive"	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC), as amended;
"UK" or "United Kingdom"	the United Kingdom of Great Britain & Northern Ireland;
"UK AIF"	as defined in the FCA Glossary
"UK GDPR"	Regulation (EU) 2016/679 as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as modified by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019;
"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;
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
"US 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; and

"1933 Act"

The United States Securities Act of 1933 (as may be amended or re-enacted).

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

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

The Company is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Company will be marketed outside the UK.

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.

The ACD, Thesis Unit Trust Management Limited, is responsible for the information contained in this Prospectus. To the best of the ACD's knowledge and belief, (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus does not contain any untrue or misleading statement or omit any matters required by COLL to be included in it. The ACD accepts responsibility accordingly.

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.

In particular, the Shares have not been and will not be registered under the 1933 Act, as amended, or any applicable securities laws of any state of the United States of America. They may not be offered or sold directly or indirectly in the United States of America, its territories and possessions, any state of the United States or the District of Columbia, or to US Persons. Any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of United States law. The Company has 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, as amended.

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 open-ended investment company incorporated under the OEIC Regulations. The Company is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Company will be marketed outside the UK. The Company is 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 John's Street, Chichester, West Sussex, 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 paragraph 23.

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.

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 Depository may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint custody agents. The Depository or Custodian or custody agents 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) **Specific risks for ESG funds:** Funds that invest with a sustainable strategy may have an investable universe that is smaller than that of an unscreened universe. These Funds may restrict exposure to exclude companies, industries or sectors that do not meet certain sustainability criteria. Therefore, there may be assets with potentially higher returns that cannot be invested in.

Assessments of sustainability often incorporate subjective judgements. It is important that investors carefully assess the sustainability strategy of such Funds to ensure that this aligns with their own views and priorities regarding sustainability characteristics.

- (q) **Risk Management:** the ACD uses a risk management process (including a risk management policy) enabling it to monitor and measure at any time the risk of the Company's positions and their contribution to the overall risk profile of the Company:
 - (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; and
 - (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 John's Street, Chichester, West Sussex, 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
C A E Lawson	Independent Non-Executive Director
C J Willson	Independent Non-Executive Director
N C Palios	Non-Executive Chair

All directors are also directors of ConBrio Fund Partners Limited and members of the governing body of TUTMAN LLP, both authorised fund managers within the same group as the ACD. D W Tyerman, S R Mugford and S E Noone perform senior management functions within those entities. D W Tyerman and S R Mugford also hold directorships of other companies within the Thesis group and perform senior management functions within Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the ACD.

D K Mytnik, V R Smith and N C Palios also hold non-executive directorships of other companies within the Thesis group. They and C J Willson and C A E Lawson 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 and head office address is 250 Bishopsgate, London EC2M 4AA. 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 Climate Assets Balanced Fund:

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

The following share classes are available in respect of the Climate Assets Growth Fund:

- 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 relevant Fund at the end of the relevant distribution period and 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

Important information about Sustainability Labels

Funds may use a Sustainability Label if they meet certain criteria set out in the FCA Handbook. Sustainability Labels help investors find products that have a specific sustainability goal. **The Climate Assets Balanced Fund does not have a Sustainability Label.** Whilst the Fund pursues investment in companies which have material sustainability characteristics, it does not meet the criteria for a label.

Investment Objective

The aim of the Fund is to provide capital growth and income, net of fees, over the longer term (rolling 5 year periods) and to support the development of sustainable societies by pursuing five environmental and social themes across the areas of:

- **Clean energy:** by investing in companies whose products, solutions or services reduce the use of hydrocarbon-based fossil fuels;
- **Food:** by investing in companies whose products, solutions or services address the imbalance in the supply of and demand for high quality nutrition;
- **Health & well-being:** by investing in companies whose products, solutions or services improve ineffective healthcare, protection and support systems;
- **Resource efficiency:** by investing in companies whose solutions, products or services reduce the depletion and inefficient use of the earth's scarce resources; and
- **Water:** by investing in companies whose products, solutions or services improve the imbalance in the supply of and demand for water and water systems.

The Investment Manager monitors the proportion of revenue generating activity within each company which is aligned with one or more of the UN Sustainable Development Goals ("**SDGs**"). At least 50% of the revenue generating activity of each company must be aligned with one or more of the SDGs in order for a company to be considered to have material sustainability characteristics.

The Fund may also allocate capital to countries that are themselves making significant progress towards meeting the SDGs by investing in sovereign debt instruments of countries that have achieved SDG index scores of 75 or higher in the most recent UN Sustainable Development Report.

Each of these assets must also be in line with the "Sustainable Investment Strategy" below. The Fund aims to ensure that at least 70% of the Scheme Property is invested in such assets.

Investment Policy

Sustainability Criteria

The Fund invests a minimum of 70% by value in assets which are judged to have material sustainability characteristics using the measure referenced in the "Investment Objective" section above.

For the purposes of portfolio construction and diversification, some (but not exceeding 30%) of the Scheme Property may be invested in assets that do not

have material sustainability characteristics, but are not excluded. This would include:

- cash (which is not classified as sustainable);
- equities, corporate bonds, alternative investments – when the issuing company is assessed as having some level of revenue alignment with the SDGs, but less than the 50% threshold required for the asset to have material sustainability characteristics as referenced above; and / or
- sovereign debt – when the instrument issuer does not have an SDG index score of 75 or higher, as per the most recent UN Report.

Companies will always be excluded where they fall under the exclusions set out below. Such assets will not be held by the Fund.

Investment Parameters

Within the parameters above, 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%)
- Alternative investments (up to 25%) – alternative investments are defined as assets that have historically (over 5 years or more) had a low correlation to equity markets, for example, 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 or near cash (up to 10%)

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.

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.

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

The Investment Manager actively manages 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.

Exclusions

The Investment Manager applies restrictions which preclude investment in certain companies, even if they would otherwise be judged to have material sustainability

characteristics using the measure referenced in the “Investment Objective” section above.

The Investment Manager utilises independent assessments from a specialist research provider to ensure the negative criteria are applied fairly and consistently.

The Fund’s exclusions are as follows:

- **Adult Content** – Companies involved in the production or distribution of pornographic material.
- **Alcohol** – Companies which derive 50% or more of their revenue from the manufacture or sale of alcoholic drinks.
- **Environment** – Companies will be excluded where their activities have a significant negative environmental impact. Application of this exclusion considers both an assessment of each company’s negative environmental impact and any measures deployed to minimise the impacts and risks.
- **Factory Farming** – Companies involved in the rearing of animals in intensive conditions.
- **Fossil Fuels** – Companies involved in the exploration, extraction or production of fossil fuels, including natural gas, oil and coal.
- **Gambling** – Companies which derive 50% or more of their revenue from the operation of gambling facilities.
- **High Interest Lending** – Companies who provide high-interest consumer credit facilities.
- **Human Rights** – Companies where there is credible evidence that operations, knowingly or unintentionally, cause or contribute to the abuse of human rights, or 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.
- **Armaments** - 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.
- **Tobacco** – Companies which derive 50% or more of their revenue from the production or manufacture of tobacco products.

The Fund also excludes any company that undertakes revenue generating activity (using a 5% threshold) that is assessed by the independent research provider as negatively impacting achievement of the SDGs. For example, this would include companies that produce vehicles with an internal combustion engine, and those that finance the fossil fuel industry.

Further information on how each of the exclusions is applied is available from the Investment Manager 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.

Sustainable Investment Strategy

Companies: how are these assets judged to have material sustainability characteristics?

The Fund seeks to support the development of sustainable societies by investing in companies benefitting people and the planet through the provision of a broad range of sustainability solutions, products and services in five thematic areas: clean energy, food, health & well-being, resource efficiency and water. The Investment Manager identifies companies in sectors which align with those five areas. The ability of a company to provide sustainability solutions, products or benefits in those five areas is measured by the percentage of the company's revenue generating activity that can be attributed to advancing one or more of the SDGs¹. The Investment Manager assesses companies based on their revenue generating activity as it considers this the best proxy for assessing the proportion of a business' current operations that benefits people and the planet.

Equities, corporate bonds and alternative investments are considered to have material sustainability characteristics if **50% or more** of the company's revenue generating activity is assessed as aligned with the specific underlying targets of one or more of the 17 SDGs. The Investment Manager also identifies alignment with the five areas based upon the asset's specific SDG revenue alignment profile. The underlying targets for certain SDGs may align particularly closely with one of the five areas.

A 50% threshold is applied as it is the view of the Investment Manager that an asset can only credibly be considered to have material sustainability characteristics if a majority of its activity is aligned with the SDGs. Achieving at least a 50% alignment means that more of the company's operations are aligned with the SDGs than not. This ensures the provision of sustainability solutions, products and/or services are a significant proportion of that company's activity, implying they are a priority for the company and the company's directors. It also typically indicates those activities are/have been a strategic focus for the company, whereas a lower alignment may be reached with less of a deliberate or conscious focus.

Typically, all of the five thematic areas are represented in the investments of the Fund. Market valuations and economic conditions determine if any one of the areas takes precedence at any given time. Please see below for more information on each of the five areas:

Clean energy

- Companies that fall under this area provide solutions to the problems of using fossil fuels and energy scarcity and security, such as those involved in renewable energy generation, sustainable transport, the EV value chain, products and technologies for sustainable building design and construction and energy efficiency.

¹ Further information on the UN Sustainable Development Goals framework and the 17 goals themselves can be found on the UN website, <https://sdgs.un.org/goals>.

- This area is often closely aligned with targets that underpin SDG 7 and 9 and sometimes aligned with those that underpin 13 and 15.

Food

- Companies that fall under this area provide solutions to food supply and demand imbalance such as those involved in grain production and harvesting, food testing, food processing, food packaging, measurement and control and high-tech agriculture supplies.
- This area is often closely aligned with the targets that underpin SDG 2 and 12.

Health & well-being

- Companies that fall under this area provide products and solutions to improve healthcare and well-being such as companies involved in medical supplies and devices, vaccines and products for infectious disease, medical analysis and testing, hospitals, healthcare facilities, social and supported housing, and supporting financial inclusion.
- This area is often closely aligned with the targets that underpin SDG 3 and sometimes aligned with those that underpin 1, 4, 5, 10 and 11.

Resource efficiency

- Companies that fall under this area provide solutions to the problems of resource scarcity helping expand the circular economy². This may also include waste-to-energy, productivity and efficiency gains, and cyber and technology solutions for facilitating the digital economy.
- This area is often closely aligned with the targets that underpin SDG 8, 9, 11, 12 and sometimes aligned with those that underpin 16 and 17.

Water

- Companies that fall under this area provide solutions to high quality water scarcity such as those involved in water supply and distribution, water analysis, monitoring and purification, water metering and efficient methods of crop irrigation.
- This area is often closely aligned with the targets that underpin SDG 6 and sometimes aligned with those that underpin 14.

Sovereign Debt Instruments: how are these assets judged to have material sustainability characteristics?

The Fund also invests in **sovereign debt instruments**. The sustainability of the instrument is determined by a nation's score in the latest UN Sustainable Development Report. This UN-produced annual report scores each UN Member State out of 100 on progress towards achieving the SDGs. A score of 100 indicates all 17 SDGs have been achieved. The Investment Manager and the ACD consider a sovereign debt instrument to have material sustainability characteristics if the issuing country received a score of **75 or higher** in the most recent annual report³. The Investment Manager's view is that such a score indicates the country has made meaningful progress towards achieving the SDGs

² A "circular economy" is a sustainable and regenerative system of production and consumption. It is built around the three core principles of i) eliminate waste and pollution, ii) circulate products and materials, and iii) regenerate nature.

³ In the 2024 UN Sustainable Development Report, only 42 out of the 193 Member States received a score of 75 or higher – i.e. only the debt instruments of the top performing 22% of countries would have been classified as sustainable in line with the standard set out above.

for the benefit of people and the planet, in line with that country's United Nations commitments.

Avoiding conflicts with the Fund's sustainability objective

Assets that conflict with the Fund's sustainability objective are avoided through a combination of the following layers of the investment process:

- ESG Factor Integration – including those that perform poorly when assessed against their peer group on a range of environmental and social related factors. See "ESG Factor Integration" below for more information.
- Ethical exclusions, including those with an unacceptable negative environmental impact or those that are directly involved in the exploration, extraction or production of fossil fuels. See "Investment Policy - Exclusions" above for more information.
- Negative SDG activity – those that are assessed as negatively impacting achievement of the SDGs. See "Investment Policy - Exclusions" above for more information.

ESG Factor Integration

ESG Factor Integration forms part of the asset selection process in the following ways:

- The assessment of how material ESG factors may impact shareholder returns for each company is a consideration by the Investment Manager when identifying attractive investment opportunities.
- The twice-yearly assessment of "responsible investment" classifications identifies ESG laggards in comparison to their peers. These companies are removed from the Fund's investable universe.

The Investment Manager assesses, both qualitatively and quantitatively, any environmental social and governance characteristics which could impact shareholder returns for any investment. The Investment Manager undertakes a twice-yearly assessment of the "responsible investment" classification of investments within the monitored universe. As part of this broad assessment of potential investments, the Investment Manager considers the climate impact of companies' own operations. The Investment Manager favours equities with well-managed climate impact and risks, such as those companies that have an independently validated science-based target for greenhouse gas emission reductions, and a detailed, transparent, and credible climate action plan.

The Investment Manager and Stewardship

Overall, the Investment Manager's Stewardship Strategy supports the development of sustainable societies in the following ways:

- Voting to encourage companies in ways that benefit people and the planet.
- Engaging to encourage companies in ways that benefit people and the planet, and to better understand the sustainability characteristics of investments.
- Engaging, where appropriate, in support of the Fund's escalation plan.

More information on the Investment Manager's voting and engagement strategies is provided below.

- **Voting strategy** - The Investment Manager votes on global equity and investment trust positions⁴, and uses voting rights to encourage

⁴ As far as reasonably possible given the local regulations regarding share voting. Other infrequent instances of non-vote placement may include where Crest Depository Interests ("CDIs"), ADRs or GDRs are held. Ability to vote on these holdings differs on a

engagement and ultimately express its view on companies' performance to support the creation of value to the benefit of holders and other stakeholders. All decisions are made in conjunction with the relevant research analyst. The Investment Manager leverages a proxy voting service provider and has set a benchmark policy upon which the proxy adviser bases its recommendations. The Investment Manager does not automatically follow recommendations and believes that it is important to seek further dialogue rather than adopt a mechanistic approach to voting. Voting is considered an important tool for encouraging companies in ways that benefit people and the planet. Whilst each vote is determined based on the specific circumstances and issues, the Investment Manager's Voting Policy provides a guide to how it typically votes in relation to specific topics, related to both environmental and social considerations.

- **Engagement strategy** - The Investment Manager's engagement activity falls into three areas:
 - Proactive engagement – such as undertaking a range of thematic engagements, in many cases related to the sustainability of companies, benchmarking each against its peers on performance in a particular area.
 - Reactive engagement – such as initiating engagements in reaction to a controversy or to an Annual General Meeting or Special General Meeting resolution.
 - Monitoring – regular engagement with companies to better understand their operations and strategic direction.

Engagement is also considered an important tool for encouraging companies in ways that benefit people and the planet. The Investment Manager's Engagement Policy sets out the framework for prioritising engagement and its thematic priorities: Climate Change, Human Rights and Natural Capital.

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 and the UK Stewardship Code.

Further information can be found in the Investment Manager's Engagement and Voting Policies which are available upon request.

How does the Fund measure progress towards the sustainability objective?

The Investment Manager constantly monitors the proportion of the Scheme Property that is invested in assets which have material sustainability characteristics in line with the measure set out above. The Investment Manager aims to ensure that at least 70% of Scheme Property is invested in such assets and will assess this on a daily basis. A more detailed analysis of the Fund's portfolio will be undertaken on a quarterly basis to allow for the calculation of the key performance indicators set out below. This includes, but is not limited to, a quarterly review and analysis of all company holdings' SDG revenue alignment provided by the independent research provider – see "Use of independent research and data provider" below.

The Investment Manager will monitor the following key performance indicators:

- the percentage of the Fund's assets which are deemed to have material sustainability characteristics;
- the proportion of Scheme Property which is aligned with each of the five areas; and

- the Fund's SDG alignment profile, which enables investors to see the proportion of scheme property that is aligned with any of the 17 SDGs. This indicator can help to inform investors of the total proportion of revenue generating activity undertaken by companies within the Scheme Property which is attributable to sustainability solutions, products or benefits which may help societies to progress towards one or more of the SDGs.

KPIs and thematic reporting

Where an investment's activity may be related to multiple thematic areas, the Investment Manager determines the single most relevant thematic area for reporting purposes. Where the Investment Manager determines that an investment's alignment with its corresponding thematic area is not sufficiently strong the asset is classified as "Non-core" for reporting thematic purposes. All investments whose total SDG revenue alignment is less than 25% are reported as non-core.

The Fund's effectiveness in meeting the sustainability objective is assessed through the following indicators:

Key Performance Indicator	Methodology	Additional Explanation
<p>% of the Fund invested in assets with material sustainability characteristics</p>	<p>The proportion of the Fund by value that is invested in assets that have material sustainability characteristics, in line with the measure set out in the "Investment Objective" section above.</p>	<p><i>Company SDG revenue alignment is independently assessed by an external independent research provider. Further information on their proprietary methodology is available from the Investment Manager upon request.</i></p> <p><i>Sovereign debt instrument assessments are determined by the sovereign's score in the most recent UN Sustainable Development Report.</i></p>
<p><u>Additional Indicators</u></p>		
<p>SDG Alignment Profile</p>	<p>The proportion of the Fund's investment in companies that is aligned with each individual SDG.</p>	<p><i>This is calculated using each holdings revenue generating activity SDG profile, as determined by an external independent research provider.</i></p> <p><i>Sovereign debt and cash are excluded from this calculation as SDG revenue alignment is not applicable for these asset types.</i></p> <p><i>This indicator can help inform investors of the SDGs with which their investment is aligned. At any one time, investors can expect to see an SDG revenue alignment profile that is spread across many of the 17 SDGs but with strong alignment to certain SDGs for which the underlying targets align particularly closely with one of the five thematic areas. For example:</i></p>

Key Performance Indicator	Methodology	Additional Explanation
		<ul style="list-style-type: none"> - <i>SDG 7 (Affordable & Clean Energy) which aligns closely with the Clean Energy thematic area;</i> - <i>SDG 12 (Responsible Consumption & Production) which aligns closely with the Food thematic area;</i> - <i>SDG 3 (Good Health & Well-being) which aligns closely with the Health & Well-being thematic area;</i> - <i>SDG 9 (Industry, Innovation and Infrastructure) which aligns closely with the Resource Efficiency thematic area; and</i> - <i>SDG 6 (Clean Water & Sanitation) which aligns closely with the Water thematic area.</i>
	<p>The proportion of the Fund's investment in companies that is aligned with any of the 17 SDGs.</p>	<p><i>Sovereign debt and cash are excluded from this calculation as SDG revenue alignment is not applicable for these asset types.</i></p> <p><i>This indicator can help to inform investors of the total proportion of revenue generating activity undertaken by companies within the Scheme Property which is attributable to providing sustainability solutions, products or benefits in the five thematic areas.</i></p>
Clean Energy Investment	<p>% of the Fund that is aligned with the Clean Energy thematic area.</p>	<p><i>Sovereign debt and cash are excluded from this calculation as thematic alignment is not applicable for these asset types.</i></p> <p><i>Alignment with the thematic area is determined by the Investment Manager based upon the asset's specific SDG revenue alignment profile.</i></p>
Food Investment	<p>% of the Fund that is aligned with the Food thematic area.</p>	<p><i>A holding as a whole is classified as aligned with the thematic area, or classified as non-core where alignment is not sufficiently strong. A position is not split into an aligned and non-aligned component.</i></p>
Health & Well-being Investment	<p>% of the Fund that is aligned with the Health & Well-being thematic area.</p>	
Resource Efficiency Investment	<p>% of the Fund that is aligned with the Resource Efficiency thematic area.</p>	
Water Investment	<p>% of the Fund that is aligned</p>	

Key Performance Indicator	Methodology	Additional Explanation
	with the Water thematic area.	
Non-core Investment	% of the Fund that is classified as non-core.	<p><i>This would be the case where, whilst the asset has some SDG revenue alignment and has some thematic alignment, it is not considered by the Investment Manager to be sufficiently strong to report it as aligned with a thematic area. If a company has less than 25% total alignment with the SDGs it would always be reported as non-core.</i></p> <p><i>Sovereign debt and cash are excluded from this calculation as thematic alignment is not applicable for these asset types.</i></p> <p><i>A holding as a whole would be classified as non-core, a position is not split into a core and non-aligned component.</i></p>

Risks specific to sustainability strategies

The investment strategy that has been adopted to pursue the Fund's sustainability objective is not expected to have a material effect on the financial risk and return of the Fund in absolute terms. However, such an investment strategy may result in the performance of the Fund being different from its comparator benchmark, which does not take sustainability objectives into account.

The investment strategy that has been adopted to pursue the Fund's sustainability objective is not expected to directly lead to material negative environmental and/or social outcomes. However, it is possible that on occasion Fund holdings may be linked to negative environmental and/or social outcomes. Whether due to changing circumstance, or the availability of new information, it may be identified that a current investment is not consistent with the sustainable investment policy. The risk of this may be higher than for some other funds, as this Fund predominantly invests in global companies with diverse operations. The action that would be taken in such cases is set out within the "Escalation" section below.

Escalation

Where an asset is no longer deemed to have material sustainability characteristics (in line with the measure set out in the "Investment Objective" section above) or the asset is deemed to potentially conflict with the Fund's sustainability objectives, the Investment Manager will engage its escalation plan. In summary it may:

- where the SDG alignment of an investment drops so that it is no longer judged by the Investment Manager to have material sustainability characteristics consider whether it is appropriate to continue to include this investment in the Fund's portfolio as a non-sustainable asset; and/or

- where an investment contravenes the exclusions, or where it is reassessed as having minimal SDG alignment, action its Engagement Strategy (as set out below).

Where the Investment Manager identifies that an investment in the Fund is not consistent with the Fund's sustainable investment policy and constructive engagement with the company on this topic is not considered realistic, or has not achieved meaningful change, the Fund will divest from that investment.

The Investment Manager aims to divest from such assets within three months from the date of identification or, if later, the date that any engagement concluded. This applies to:

- companies undertaking activity that contravenes the Fund exclusions;
- companies that are identified as ESG-factor laggards when compared with their sector, within the responsible investment classification process;
- companies undertaking activity (using a 5% revenue threshold) that negatively impacts achievement of the SDGs; and
- assets that are assessed as no longer having positive revenue alignment to the SDGs and/or do not undertake activity aligned with one of the five thematic areas.

Investors should be aware that this may mean that, at times, the proportion of assets with material sustainability characteristics may go below 70%, however, action will be taken to restore compliance with this threshold as soon as reasonably practicable.

Use of independent research and data provider

The Investment Manager uses the external research and data provider Ethical Screening to independently determine the proportion of a company that can credibly be aligned to the SDGs, in accordance with its methodology. Its team of specialist researchers reviews each researched company and determines the most appropriate assessment of the proportion of the business that is aligned with the specific targets that underpin each of the SDGs, based upon the information available to them.

Whilst Ethical Screening's assessments cannot be overridden, the Investment Manager reviews the research considering the Investment Team's own understanding of the company's operations. The Investment Manager collaborates closely with the data provider and may request further information on an assessment or request a reassessment and present additional information themselves that may be relevant to the assessment.

The SDG alignment data for each company is then used to assess the sustainability of the company and determine its alignment with the five thematic areas. The Investment Manager has oversight of the independent research and data provider. There is also an independent assessment undertaken of the output. Separately, the ACD reviews Ethical Screening's findings through a separate provider.

Ethical Screening is also responsible for providing an independent assessment of company activity for both (i) ethical exclusion screening and (ii) negative SDG activity screening.

Consumer Facing Disclosure

A consumer facing disclosure document has been prepared for the Fund which contains a summary of the Fund's sustainability characteristics. This document is regularly reviewed and can be accessed on the website of the ACD at <https://www.tutman.co.uk/literature/>.

CLIMATE ASSETS GROWTH FUND

Important information about Sustainability Labels

Funds may use a Sustainability Label if they meet certain criteria set out in the FCA Handbook. Sustainability Labels help investors find products that have a specific sustainability goal. **The Climate Assets Growth Fund does not have a Sustainability Label.** Whilst the Fund pursues investment in companies which have material sustainability characteristics, it does not meet the criteria for a label.

Investment Objective

The aim of the Fund is to provide capital growth, net of fees, over the longer term (rolling 5 year periods) and to support the development of sustainable societies by pursuing five environmental and social themes across the areas of:

- **Clean energy:** by investing in companies whose products, solutions or services reduce the use of hydrocarbon-based fossil fuels;
- **Food:** by investing in companies whose products, solutions or services address the imbalance in the supply of and demand for high quality nutrition;
- **Health & well-being:** by investing in companies whose products, solutions or services improve ineffective healthcare, protection and support systems;
- **Resource efficiency:** by investing in companies whose solutions, products or services reduce the depletion and inefficient use of the earth's scarce resources; and
- **Water:** by investing in companies whose products, solutions or services improve the imbalance in the supply of and demand for water and water systems.

The Investment Manager monitors the proportion of revenue generating activity within each company which is aligned with one or more of the UN Sustainable Development Goals ("**SDGs**"). At least 50% of the revenue generating activity of each company must be aligned with one or more of the SDGs in order for a company to be considered to have material sustainability characteristics.

The Fund may also allocate capital to countries that are themselves making significant progress towards meeting the SDGs by investing in sovereign debt instruments of countries that have achieved SDG index scores of 75 or higher in the most recent UN Sustainable Development Report.

Each of these assets must also be in line with the "Sustainable Investment Strategy" below. The Fund aims to ensure that at least 70% of the Scheme Property is invested in such assets.

Investment Policy

Sustainability Criteria

The Fund invests a minimum of 70% by value in assets which are judged to have material sustainability characteristics using the measure referenced in the "Investment Objective" section above.

For the purposes of portfolio construction and diversification, some (but not exceeding 30%) of the Scheme Property may be invested in assets that do not have material sustainability characteristics, but are not excluded. This would include:

- cash (which is not classified as sustainable);

- equities, corporate bonds, alternative investments – when the issuing company is assessed as having some level of revenue alignment with the SDGs, but less than the 50% threshold required for the asset to have material sustainability characteristics as referenced above; and / or
- sovereign debt – when the instrument issuer does not have an SDG index score of 75 or higher, as per the most recent UN Report.

Companies will always be excluded where they fall under the exclusions set out below. Such assets will not be held by the Fund.

Investment Parameters

Within the parameters above, 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%)
- Alternative investments (up to 20%) – alternative investments are defined as assets that have historically (over 5 years or more) had a low correlation to equity markets, for example, 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 or near cash (up to 10%)

The Fund is expected to have a concentrated portfolio, typically comprising between 45 and 80 holdings.

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.

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.

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

The Investment Manager actively manages 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.

Exclusions

The Investment Manager applies restrictions which preclude investment in certain companies, even if they would otherwise be judged to have material sustainability characteristics using the measure referenced in the "Investment Objective" section above.

The Investment Manager utilises independent assessments from a specialist research provider to ensure the negative criteria are applied fairly and consistently.

The Fund's exclusions are as follows:

- **Adult Content** – Companies involved in the production or distribution of pornographic material.
- **Alcohol** – Companies which derive 50% or more of their revenue from the manufacture or sale of alcoholic drinks.
- **Environment** – Companies will be excluded where their activities have a significant negative environmental impact. Application of this exclusion considers both an assessment of each company's negative environmental impact and any measures deployed to minimise the impacts and risks.
- **Factory Farming** – Companies involved in the rearing of animals in intensive conditions.
- **Fossil Fuels** – Companies involved in the exploration, extraction or production of fossil fuels, including natural gas, oil and coal.
- **Gambling** – Companies which derive 50% or more of their revenue from the operation of gambling facilities.
- **High Interest Lending** – Companies who provide high-interest consumer credit facilities.
- **Human Rights** – Companies where there is credible evidence that operations, knowingly or unintentionally, cause or contribute to the abuse of human rights, or 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.
- **Armaments** - 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.
- **Tobacco** – Companies which derive 50% or more of their revenue from the production or manufacture of tobacco products.

The Fund also excludes any company that undertakes revenue generating activity (using a 5% threshold) that is assessed by the independent research provider as negatively impacting achievement of the SDGs. For example, this would include companies that produce vehicles with an internal combustion engine, and those that finance the fossil fuel industry.

Further information on how each of the exclusions is applied is available from the Investment Manager 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.

Sustainable Investment Strategy

Companies: how are these assets judged to have material sustainability characteristics?

The Fund seeks to support the development of sustainable societies by investing in companies benefitting people and the planet through the provision of a broad range of sustainability solutions, products and services in five thematic areas: clean energy, food, health & well-being, resource efficiency and water. The Investment Manager identifies companies in sectors which align with those five areas. The ability of a company to provide sustainability solutions, products or benefits in those five areas is measured by the percentage of the company's revenue generating activity that can be attributed to advancing one or more of the SDGs⁵. The Investment Manager assesses companies based on their revenue generating activity as it considers this the best proxy for assessing the proportion of a business' current operations that benefits people and the planet.

Equities, corporate bonds and alternative investments are considered to have material sustainability characteristics if **50% or more** of the company's revenue generating activity is assessed as aligned with the specific underlying targets of one or more of the 17 SDGs. The Investment Manager also identifies alignment with the five areas based upon the asset's specific SDG revenue alignment profile. The underlying targets for certain SDGs may align particularly closely with one of the five areas.

A 50% threshold is applied as it is the view of the Investment Manager that an asset can only credibly be considered to have material sustainability characteristics if a majority of its activity is aligned with the SDGs. **Achieving at least a 50% alignment means that more of the company's operations are aligned with the SDGs than not.** This ensures the provision of sustainability solutions, products and/or services are a significant proportion of that company's activity, implying they are a priority for the company and the company's directors. It also typically indicates those activities are/have been a strategic focus for the company, whereas a lower alignment may be reached with less of a deliberate or conscious focus.

Typically, all of the five thematic areas are represented in the investments of the Fund. Market valuations and economic conditions determine if any one of the areas takes precedence at any given time. Please see below for more information on each of the five areas:

Clean energy

- Companies that fall under this area provide solutions to the problems of using fossil fuels and energy scarcity and security, such as those involved in renewable energy generation, sustainable transport, the EV value chain, products and technologies for sustainable building design and construction and energy efficiency.

⁵ Further information on the UN Sustainable Development Goals framework and the 17 goals themselves can be found on the UN website, <https://sdgs.un.org/goals>.

- This area is often closely aligned with targets that underpin SDG 7 and 9 and sometimes aligned with those that underpin 13 and 15.

Food

- Companies that fall under this area provide solutions to food supply and demand imbalance such as those involved in grain production and harvesting, food testing, food processing, food packaging, measurement and control and high-tech agriculture supplies.
- This area is often closely aligned with the targets that underpin SDG 2 and 12.

Health & well-being

- Companies that fall under this area provide products and solutions to improve healthcare and well-being such as companies involved in medical supplies and devices, vaccines and products for infectious disease, medical analysis and testing, hospitals, healthcare facilities, social and supported housing, and supporting financial inclusion.
- This area is often closely aligned with the targets that underpin SDG 3 and sometimes aligned with those that underpin 1, 4, 5, 10 and 11.

Resource efficiency

- Companies that fall under this area provide solutions to the problems of resource scarcity helping expand the circular economy⁶. This may also include waste-to-energy, productivity and efficiency gains, and cyber and technology solutions for facilitating the digital economy.
- This area is often closely aligned with the targets that underpin SDG 8, 9, 11, 12 and sometimes aligned with those that underpin 16 and 17.

Water

- Companies that fall under this area provide solutions to high quality water scarcity such as those involved in water supply and distribution, water analysis, monitoring and purification, water metering and efficient methods of crop irrigation.
- This area is often closely aligned with the targets that underpin SDG 6 and sometimes aligned with those that underpin 14.

Sovereign Debt Instruments: how are these assets judged to have material sustainability characteristics?

The Fund also invests in **sovereign debt instruments**. The sustainability of the instrument is determined by a nation's score in the latest UN Sustainable Development Report. This UN-produced annual report scores each UN Member State out of 100 on progress towards achieving the SDGs. A score of 100 indicates all 17 SDGs have been achieved. The Investment Manager and the ACD consider a sovereign debt instrument to have material sustainability characteristics if the issuing country received a score of **75 or higher** in the most recent annual report⁷. The Investment Manager's view is that such a score indicates the country has made meaningful progress towards achieving the SDGs

⁶ A "circular economy" is a sustainable and regenerative system of production and consumption. It is built around the three core principles of i) eliminate waste and pollution, ii) circulate products and materials, and iii) regenerate nature.

⁷ It should be noted that in the 2024 UN Sustainable Development Report, only 42 out of the 193 Member States received a score of 75 or higher – i.e. only the debt instruments of the top performing 22% of countries would have been classified as sustainable in line with the standard set out above.

for the benefit of people and the planet, in line with that country's United Nations commitments.

Avoiding conflicts with the Fund's sustainability objective

Assets that conflict with the Fund's sustainability objective are avoided through a combination of the following layers of the investment process:

- ESG Factor Integration – including those that perform poorly when assessed against their peer group on a range of environmental and social related factors. See "ESG Factor Integration" below for more information.
- Ethical exclusions, including those with an unacceptable negative environmental impact or those that are directly involved in the exploration, extraction or production of fossil fuels. See "Investment Policy - Exclusions" above for more information.
- Negative SDG activity – those that are assessed as negatively impacting achievement of the SDGs. See "Investment Policy - Exclusions" above for more information.

ESG Factor Integration

ESG Factor Integration forms part of the asset selection process in the following ways:

- The assessment of how material ESG factors may impact shareholder returns for each company is a consideration by the Investment Manager when identifying attractive investment opportunities.
- The twice-yearly assessment of "responsible investment" classifications identifies ESG laggards in comparison to their peers. These companies are removed from the Fund's investable universe.

The Investment Manager assesses, both qualitatively and quantitatively, any environmental social and governance characteristics which could impact shareholder returns for any investment. The Investment Manager undertakes a twice-yearly assessment of the "responsible investment" classification of investments within the monitored universe. As part of this broad assessment of potential investments, the Investment Manager considers the climate impact of companies' own operations. The Investment Manager favours equities with well-managed climate impact and risks, such as those companies that have an independently validated science-based target for greenhouse gas emission reductions, and a detailed, transparent, and credible climate action plan.

The Investment Manager and Stewardship

Overall, the Investment Manager's Stewardship Strategy supports the development of sustainable societies in the following ways:

- Voting to encourage companies in ways that benefit people and the planet.
- Engaging to encourage companies in ways that benefit people and the planet, and to better understand the sustainability characteristics of investments.
- Engaging, where appropriate, in support of the Fund's escalation plan.

More information on the Investment Manager's voting and engagement strategies is provided below.

- **Voting strategy** - The Investment Manager votes on global equity and investment trust positions⁸, and uses voting rights to encourage

⁸ As far as reasonably possible given the local regulations regarding share voting. Other infrequent instances of non-vote placement may include where Crest Depository Interests ("CDIs"), ADRs or GDRs are held. Ability to vote on these holdings differs on a

engagement and ultimately express its view on companies' performance to support the creation of value to the benefit of holders and other stakeholders. All decisions are made in conjunction with the relevant research analyst. The Investment Manager leverages a proxy voting service provider and has set a benchmark policy upon which the proxy adviser bases its recommendations. The Investment Manager does not automatically follow recommendations and believes that it is important to seek further dialogue rather than adopt a mechanistic approach to voting. Voting is considered an important tool for encouraging companies in ways that benefit people and the planet. Whilst each vote is determined based on the specific circumstances and issues, the Investment Manager's Voting Policy provides a guide to how it typically votes in relation to specific topics, related to both environmental and social considerations.

- **Engagement strategy** - The Investment Manager's engagement activity falls into three areas:
 - Proactive engagement – such as undertaking a range of thematic engagements, in many cases related to the sustainability of companies, benchmarking each against its peers on performance in a particular area.
 - Reactive engagement – such as initiating engagements in reaction to a controversy or to an Annual General Meeting or Special General Meeting resolution.
 - Monitoring – regular engagement with companies to better understand their operations and strategic direction.

Engagement is also considered an important tool for encouraging companies in ways that benefit people and the planet. The Investment Manager's Engagement Policy sets out the framework for prioritising engagement and its thematic priorities: Climate Change, Human Rights and Natural Capital.

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 and the UK Stewardship Code.

Further information can be found in the Investment Manager's Engagement and Voting Policies which are available upon request.

How does the Fund measure progress towards the sustainability objective?

The Investment Manager constantly monitors the proportion of the Scheme Property that is invested in assets which have material sustainability characteristics in line with the measure set out above. The Investment Manager aims to ensure that at least 70% of Scheme Property is invested in such assets and will assess this on a daily basis. A more detailed analysis of the Fund's portfolio will be undertaken on a quarterly basis to allow for the calculation of the key performance indicators set out below. This includes, but is not limited to, a quarterly review and analysis of all company holdings' SDG revenue alignment provided by the independent research provider – see "Use of independent research and data provider" below.

The Investment Manager will monitor the following key performance indicators:

- the percentage of the Fund's assets which are deemed to have material sustainability characteristics;
- the proportion of Scheme Property which is aligned with each of the five areas; and

- the Fund's SDG alignment profile, which enables investors to see the proportion of scheme property that is aligned with any of the 17 SDGs. This indicator can help to inform investors of the total proportion of revenue generating activity undertaken by companies within the Scheme Property which is attributable to sustainability solutions, products or benefits which may help societies to progress towards one or more of the SDGs.

KPIs and thematic reporting

Where an investment's activity may be related to multiple thematic areas, the Investment Manager determines the single most relevant thematic area for reporting purposes. Where the Investment Manager determines that an investment's alignment with its corresponding thematic area is not sufficiently strong the asset is classified as "Non-core" for reporting thematic purposes. All investments whose total SDG revenue alignment is less than 25% are reported as non-core.

The Fund's effectiveness in meeting the sustainability objective is assessed through the following indicators:

Key Performance Indicator	Methodology	Additional Explanation
% of the Fund invested in assets with material sustainability characteristics	The proportion of the Fund by value that is invested in assets that have material sustainability characteristics, in line with the measure set out in the "Investment Objective" section above.	<p><i>Company SDG revenue alignment is independently assessed by an external independent research provider. Further information on their proprietary methodology is available from the Investment Manager upon request.</i></p> <p><i>Sovereign debt instrument assessments are determined by the sovereign's score in the most recent UN Sustainable Development Report.</i></p>
<u>Additional Indicators</u>		
SDG Alignment Profile	The proportion of the Fund's investment in companies that is aligned with each individual SDG.	<p><i>This is calculated using each holdings revenue generating activity SDG profile, as determined by an external independent research provider.</i></p> <p><i>Sovereign debt and cash are excluded from this calculation as SDG revenue alignment is not applicable for these asset types.</i></p> <p><i>This indicator can help inform investors of the SDGs with which their investment is aligned. At any one time, investors can expect to see an SDG revenue alignment profile that is spread across many of the 17 SDGs but with strong alignment to certain SDGs for which the underlying targets align particularly closely with one of the five thematic areas. For example:</i></p>

Key Performance Indicator	Methodology	Additional Explanation
		<ul style="list-style-type: none"> - <i>SDG 7 (Affordable & Clean Energy) which aligns closely with the Clean Energy thematic area;</i> - <i>SDG 12 (Responsible Consumption & Production) which aligns closely with the Food thematic area;</i> - <i>SDG 3 (Good Health & Well-being) which aligns closely with the Health & Well-being thematic area;</i> - <i>SDG 9 (Industry, Innovation and Infrastructure) which aligns closely with the Resource Efficiency thematic area; and</i> - <i>SDG 6 (Clean Water & Sanitation) which aligns closely with the Water thematic area.</i>
	<p>The proportion of the Fund's investment in companies that is aligned with any of the 17 SDGs.</p>	<p><i>Sovereign debt and cash are excluded from this calculation as SDG revenue alignment is not applicable for these asset types.</i></p> <p><i>This indicator can help to inform investors of the total proportion of revenue generating activity undertaken by companies within the Scheme Property which is attributable to providing sustainability solutions, products or benefits in the five thematic areas.</i></p>
Clean Energy Investment	% of the Fund that is aligned with the Clean Energy thematic area.	<p><i>Sovereign debt and cash are excluded from this calculation as thematic alignment is not applicable for these asset types.</i></p> <p><i>Alignment with the thematic area is determined by the Investment Manager based upon the asset's specific SDG revenue alignment profile.</i></p>
Food Investment	% of the Fund that is aligned with the Food thematic area.	
Health & Well-being Investment	% of the Fund that is aligned with the Health & Well-being thematic area.	<p><i>A holding as a whole is classified as aligned with the thematic area, or classified as non-core where alignment is not sufficiently strong. A position is not split into an aligned and non-aligned component.</i></p>
Resource Efficiency Investment	% of the Fund that is aligned with the Resource Efficiency thematic area.	
Water Investment	% of the Fund that is aligned	

Key Performance Indicator	Methodology	Additional Explanation
	with the Water thematic area.	
Non-core Investment	% of the Fund that is classified as non-core.	<p><i>This would be the case where, whilst the asset has some SDG revenue alignment and has some thematic alignment, it is not considered by the Investment Manager to be sufficiently strong to report it as aligned with a thematic area. If a company has less than 25% total alignment with the SDGs it would always be reported as non-core.</i></p> <p><i>Sovereign debt and cash are excluded from this calculation as thematic alignment is not applicable for these asset types.</i></p> <p><i>A holding as a whole would be classified as non-core, a position is not split into a core and non-aligned component.</i></p>

Risks specific to sustainability strategies

The investment strategy that has been adopted to pursue the Fund's sustainability objective is not expected to have a material effect on the financial risk and return of the Fund in absolute terms. However, such an investment strategy may result in the performance of the Fund being different from its comparator benchmark, which does not take sustainability objectives into account.

The investment strategy that has been adopted to pursue the Fund's sustainability objective is not expected to directly lead to material negative environmental and/or social outcomes. However, it is possible that on occasion Fund holdings may be linked to negative environmental and/or social outcomes. Whether due to changing circumstance, or the availability of new information, it may be identified that a current investment is not consistent with the sustainable investment policy. The risk of this may be higher than for some other funds, as this Fund predominantly invests in global companies with diverse operations. The action that would be taken in such cases is set out within the "Escalation" section below.

Escalation

Where an asset is no longer deemed to have material sustainability characteristics (in line with the measure set out in the "Investment Objective" section above) or the asset is deemed to potentially conflict with the Fund's sustainability objectives, the Investment Manager will engage its escalation plan. In summary it may:

- where the SDG alignment of an investment drops so that it is no longer judged by the Investment Manager to have material sustainability characteristics consider whether it is appropriate to continue to include this investment in the Fund's portfolio as a non-sustainable asset; and/or

- where an investment contravenes the exclusions, or where it is reassessed as having minimal SDG alignment, action its Engagement Strategy (as set out below).

Where the Investment Manager identifies that an investment in the Fund is not consistent with the Fund's sustainable investment policy and constructive engagement with the company on this topic is not considered realistic, or has not achieved meaningful change, the Fund will divest from that investment.

The Investment Manager aims to divest from such assets within three months from the date of identification or, if later, the date that any engagement concluded. This applies to:

- companies undertaking activity that contravenes the Fund exclusions;
- companies that are identified as ESG-factor laggards when compared with their sector, within the responsible investment classification process;
- companies undertaking activity (using a 5% revenue threshold) that negatively impacts achievement of the SDGs; and
- assets that are assessed as no longer having positive revenue alignment to the SDGs and/or do not undertake activity aligned with one of the five thematic areas.

Investors should be aware that this may mean that, at times, the proportion of assets with material sustainability characteristics may go below 70%, however, action will be taken to restore compliance with this threshold as soon as reasonably practicable.

Use of independent research and data provider

The Investment Manager uses the external research and data provider Ethical Screening to independently determine the proportion of a company that can credibly be aligned to the SDGs, in accordance with its methodology. Its team of specialist researchers reviews each researched company and determines the most appropriate assessment of the proportion of the business that is aligned with the specific targets that underpin each of the SDGs, based upon the information available to them.

Whilst Ethical Screening's assessments cannot be overridden, the Investment Manager reviews the research considering the Investment Team's own understanding of the company's operations. The Investment Manager collaborates closely with the data provider and may request further information on an assessment or request a reassessment and present additional information themselves that may be relevant to the assessment.

The SDG alignment data for each company is then used to assess the sustainability of the company and determine its alignment with the five thematic areas. The Investment Manager has oversight of the independent research and data provider. There is also an independent assessment undertaken of the output. Separately, the ACD reviews Ethical Screening's findings through a separate provider.

Ethical Screening is also responsible for providing an independent assessment of company activity for both (i) ethical exclusion screening and (ii) negative SDG activity screening.

Consumer Facing Disclosure

A consumer facing disclosure document has been prepared for the Fund which contains a summary of the Fund's sustainability characteristics. This document is regularly reviewed and can be accessed on the website of the ACD at <https://www.tutman.co.uk/literature/>.

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 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.

The number of days on which a dilution levy has been applied between 1 October 2023 and 30 September 2024 is nil.

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 their 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 their 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 Depository 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 monies 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:

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

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 of 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 them 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 they and any person on whose behalf they hold the Shares are qualified and entitled to hold and own them, they 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**General**

The following summary is based on current UK law and HM Revenue & Customs practice. It summarises the UK tax position of open-ended investment companies ("OEICs") and Shareholders who are UK tax resident. However, it should not be regarded as exhaustive and investors are advised to obtain specific advice from their professional tax adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

(a) Taxation of the Company and the Funds

The Company is an umbrella OEIC and each Fund is treated as a separate Authorised Investment Fund for tax purposes. Income of each Fund is deemed to be distributed for tax purposes, even when it is accumulated. References to distributions include deemed distributions of accumulated income.

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

(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. The rate of corporation tax applicable to each Fund is equal to the basic rate of income tax.

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

Dividend income received by each 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. Any 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) Capital 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 OEICs (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 OEICs. However, investors may be subject to an SDRT charge where Shares in the Fund are surrendered and the investors receive assets from the Fund (rather than cash) which are not in proportion to each investor's share of the total assets held by the Fund.

(b) Taxation of Shareholders

(i) Income

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

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

Where more than 60% of a Fund is invested in "qualifying investments" (broadly speaking interest paying investments, see further below) distributions made will be interest distributions in relation to such a Fund. Where this is not the case, distributions made by a Fund 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 a Fund (save in respect of distributions to certain qualifying Shareholders) are treated as yearly interest and, as such, are subject to income tax.

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

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

Basic 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 investments" 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, cash on deposit, 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 a Fund 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 voucher. The unfranked portion is, to the extent it comprises UK source income, 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).

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

(d) UK information reporting regime

OEICs 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 some or all of the Funds 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 relevant 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;**
- **the ACD or Administrator may report these details, along with information about a Shareholder's holding, to HMRC; and**

- **HMRC may subsequently exchange this information with other governments or tax authorities in other jurisdictions.**

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

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. Resolutions will be voted upon at extraordinary general meetings. Shareholders have the right to request copies of the service contracts in place between the Company and its service providers.

21 REQUISITIONS OF MEETINGS, VOTING AND QUORUM

For the purposes of this paragraph 21:

- 1 a "physical meeting" is a general meeting convened at a physical location where Shareholders, or their proxy, must be physically present;
- 2 a "hybrid meeting" is a general meeting which allows Shareholders, or their proxy, to be physically present at the location where the meeting is convened, or to attend and vote remotely; and
- 3 a "virtual meeting" is a general meeting where all Shareholders, or their proxy, attend and vote remotely.

The provisions below, unless the context otherwise requires, apply to class meetings and meetings of Funds as they apply to general meetings of the Company.

The ACD and the Depositary may convene a general meeting of the Company at any time in accordance with the FCA Rules. The ACD may hold a virtual meeting or a hybrid meeting as this is not inconsistent with any provisions in the Instrument.

Shareholders may request the convening of a general meeting by a requisition which must:

- state the objective of the meeting;
- be dated;

- be signed by Shareholders who, at that date, are registered as the Shareholders of Shares representing not less than one-tenth in value of all of the Shares then in issue; and
- be deposited at the head office of the Company or with the Depositary.

The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

Any Shareholder who participates remotely in a hybrid meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights as a Shareholder who is physically present at the meeting.

Any Shareholder who participates in a virtual meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights that the Shareholder would have at a physical meeting.

Any Shareholder who participates remotely may do so without having to appoint a proxy and is not required to submit their vote on a resolution in advance of the meeting.

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

An extraordinary resolution is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for the resolution at a general meeting, or, as the case may be, a class meeting of Shareholders.

Except where an extraordinary resolution is specifically required or permitted, any resolution of Shareholders is passed by a simple majority of the votes validly cast.

A meeting of Shareholders has no powers other than those contemplated by the FCA Rules.

Where a meeting of Shareholders is convened by the ACD or the Depositary, Shareholders must receive at least 14 days' written notice (inclusive of the date on which the notice is first served and the day of the meeting) and the notice shall specify:

- 1 whether the meeting is to be a physical meeting, a hybrid meeting or a virtual meeting;
- 2 if the meeting is a physical meeting or a hybrid meeting, the place of the meeting;
- 3 if the meeting is a hybrid meeting or a virtual meeting, the means by which a Shareholder may participate, including any requirements for Shareholders to register before the meeting begins or to provide proof of their right to attend, and an explanation of how participating Shareholders may vote in a show of hands or in a poll, if they do not appoint a proxy;
- 4 the day and hour of the meeting;
- 5 the terms of the resolutions to be proposed; and
- 6 the address of the website where the minutes of the meeting will subsequently be published.

Where the notice is served by the ACD a copy shall be sent to the Depositary.

The accidental omission to give notice to, or the non-receipt of notice by any Shareholder will not invalidate the proceedings at any meeting.

Notice of an adjourned meeting of Shareholders must be given to each Shareholder, stating that while two Shareholders are required to be present, in person, by proxy or remotely, to constitute a quorum at the adjourned meeting, this may be reduced to one in accordance with COLL 4.4.6R(3), should two such Shareholders not be present after a reasonable time of convening of the meeting.

Where the meeting is a hybrid meeting or a virtual meeting, the ACD shall take reasonable care to ensure that the necessary supporting technology to enable Shareholders to attend and vote is in place at the start of the meeting and operates adequately throughout its proceedings, so that Shareholders who attend or vote remotely are not unfairly disadvantaged.

Voting and Quorum

The quorum at a meeting of Shareholders shall be two Shareholders present in person, by proxy or (where applicable) remotely using the means specified in the notice. If a quorum is not present within fifteen minutes (which shall be deemed to be a reasonable time) after the time fixed for the start of the meeting, the meeting:

- 1 if convened on the requisition of Shareholders, must be dissolved;
- 2 in any other case, must stand adjourned to:
 - (a) a day and time which is seven or more days after the day and time of the meeting;
 - (b) in the case of a physical meeting or a hybrid meeting, a place to be appointed by the chair; and
- 3 if, at an adjourned meeting under 2 above, a quorum is not present within fifteen minutes (which shall be deemed to be a reasonable time) after the time fixed for the start of the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum.

The chair of a meeting which permits Shareholders to attend and vote remotely shall take reasonable care to give such Shareholders:

- 1 an adequate opportunity to be counted as present in the quorum; and
- 2 sufficient opportunities to participate fully in the proceedings of the meeting, in particular when a vote is taken on a show of hands or by poll.

In the case of an equality of votes cast, the chair is entitled to a casting vote.

At any meeting of Shareholders, on a show of hands every Shareholder who is present in person or who attends the meeting remotely using the means specified in the notice, shall have one vote.

On a poll, votes may be given either personally or by proxy or in another manner permitted by the Instrument. The voting rights for each Share must be the proportion of the voting rights attached to all of the Shares in issue that the price of the Shares bears to the aggregate price or prices of all of the Shares in issue at a cut-off date selected by the ACD which is a reasonable time before notice of the meeting is sent out.

A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way. For joint Shareholders, the vote of the first Shareholder, or the proxy of the first Shareholder, stated in the Register will be accepted to the exclusion of the votes of other joint Shareholders.

In the context of despatch of notice, "**Shareholders**" means the persons who were entered in the Register seven days before the notice of meeting was given but excluding persons who are known not to be entered on the Register at the date of despatch of the notice.

To be included in the quorum and entitled to vote at the meeting, "**Shareholders**" means the persons entered on the Register at a time determined by the ACD and stated in the notice of the meeting, which must not be more than 48 hours before the time fixed for the meeting.

The ACD is not entitled to vote at or be counted in a quorum at a meeting of Shareholders in respect of Shares held or deemed to be held by the ACD, except where the ACD holds Shares on behalf of, or jointly with, a person who, if themselves the sole registered Shareholder would be entitled to vote, and from whom the ACD has received voting instructions. Associates of the ACD are entitled to be counted in a quorum and, if they hold Shares on behalf of a person who would have been entitled to vote if they had been a registered Shareholder and they have received voting instructions from that person, may vote in respect of such Shares pursuant to such instructions.

The ACD will publish the minutes on a website accessible to the general public without charge, no later than five Business Days after the meeting has taken place (but in the case of an original meeting which is adjourned, the minutes will be published no later than five Business Days after the adjourned meeting has taken place).

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) sent using an electronic medium in accordance with the provisions of this paragraph.

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

Any notice or document served by post on one joint Shareholder is deemed to also have been served on each other joint Shareholder whose address, as appearing on the Register, is the same address to which the notice or document was sent.

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 a legible form if it:

- (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.

Changes to the Company

Changes to the Company are classified as fundamental, significant or notifiable.

The ACD must obtain the prior approval of Shareholders by extraordinary resolution for any proposed change to the Company which constitutes a "fundamental change". This is a change or event which:

- 1 changes the purpose or nature of the Company;
- 2 may materially prejudice a Shareholder;
- 3 alters the risk profile of the Company; or
- 4 introduces a new type of payment out of the Scheme Property.

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

- 1 affects a Shareholder's ability to exercise their rights in relation to their investment;
- 2 would reasonably be expected to cause the Shareholder to reconsider their participation in the Company;
- 3 results in any increased payments out of the Scheme Property to the ACD, or an associate of the ACD; or
- 4 materially increases other types of payment out of the Scheme Property.

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

The ACD must inform Shareholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Company. This is a change or event, other than a fundamental or significant change, which a Shareholder must be made aware of unless the ACD concludes the change is insignificant. The appropriate manner and timescale of notification will depend on the nature of the change or event. An appropriate manner of notification could include the information being included in the next 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 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 expires, or any event occurs, for which the Instrument 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 is liable to account to either each other or to the Shareholders 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 Scheme Property; 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 them 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 they 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. 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.

Up-to-date details of the 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 (vii) 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 (vii) 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 (vii) to (ix) 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 Depositary 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 Company 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 their 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 them for the purposes of the Company (or for the purposes of enabling them to properly perform their 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	
Australia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG	
Bahrain	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Bangladesh	Standard Chartered Bank	
Belgium	The Northern Trust Company	
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	
Brazil	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
Bulgaria	Citibank Europe plc, Bulgaria Branch	
Canada	Royal Bank of Canada	
Chile	Citibank N.A.	Banco de Chile

China A Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
China B Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
Clearstream	Clearstream Banking S.A.	
Colombia	Cititrust Columbia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Croatia	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
Cyprus	Citibank Europe PLC	
Czech Republic	UniCredit Bank Czech Republic and Slovenia, a.s.	
Denmark	Skandinaviska Enskilda Banken AB (publ)	
Egypt	Citibank N.A., Cairo Branch	
Estonia	Swedbank AS	
Euroclear	Euroclear Bank S.A/N.V	
Finland	Skandinaviska Enskilda Banken AB (publ)	
France	The Northern Trust Company	
Germany	The Northern Trust Company	
Ghana	Standard Chartered Bank Ghana Limited	

Greece	Citibank Europe PLC	
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	
Hong Kong (Stock and Bond Connect)	The Hongkong and Shanghai Banking Corporation Limited	
Hungary	Citibank Europe plc	
Iceland	Landsbankinn hf	
India	Citibank N.A.	
Indonesia	Standard Chartered Bank	
Ireland	The Northern Trust Company, London	
Israel	Citibank, N.A., Israel Branch	
Italy	Citibank Europe plc	
Japan	The Hongkong and Shanghai Banking Corporation Limited	
Jordan	Bank of Jordan Plc	
Kazakhstan	Citibank Kazakhstan JSC	
Kenya	Standard Chartered Bank Kenya Limited	
Kuwait	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Latvia	Swedbank AS	

Lithuania	AB SEB bankas	
Luxembourg	Euroclear Bank S.A./N.V.	
Malaysia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	
Mexico	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
Morocco	Société Générale Marocaine de Banques	
Namibia	Standard Bank Namibia Ltd	
Netherlands	The Northern Trust Company	
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	
Nigeria	Stanbic IBTC Bank Plc	
Norway	Skandinaviska Enskilda Banken AB (publ)	
Oman	First Abu Dhabi PJSC, Oman Branch	
Pakistan	Citibank N.A., Karachi Branch	
Panama	Citibank N.A., Panama Branch	
Peru	Citibank del Peru S.A.	
Philippines	The Hongkong and Shanghai Banking Corporation Limited	

Poland	Bank Handlowy w Warszawie S.A.	
Portugal	BNP Paribas SA	
Qatar	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Romania	Citibank Europe PLC	
Russia	AO Citibank	
Saudi Arabia	The Northern Trust Company of Saudi Arabia	
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
Singapore	The Hongkong and Shanghai Banking Corporation Limited	
Slovakia	Citibank Europe PLC	
Slovenia	UniCredit Banka Slovenija d.d.	
South Africa	The Standard Bank of South Africa Limited	
South Korea	The Hongkong and Shanghai Banking Corporation Limited	
Spain	Citibank Europe plc	
Sri Lanka	Standard Chartered Bank	
Sweden	Skandinaviska Enskilda Banken AB (publ)	
Switzerland	UBS AG Switzerland	

Taiwan	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
Thailand	Citibank N.A., Bangkok Branch	
Tunisia	Union Internationale de Banques	
Turkey	Citibank A.S.	
Uganda	Standard Chartered Bank Uganda Limited	
Ukraine (Market Suspended)	JSC "Citibank"	
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 Kingdom	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
United States	The Northern Trust Company	
Uruguay	Banco Itau Uruguay S.A.	
Vietnam	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
West Africa (UEMOA)	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
Zambia	Standard Chartered Bank Zambia PLC	

Zimbabwe	The Standard Bank of South Africa Limited	Stanbic Bank Zimbabwe Limited
-----------------	---	-------------------------------

Schedule 4

List of other authorised collective investment schemes operated by the ACD

Authorised Contractual Schemes	Authorised Open-Ended Investment Companies	Authorised Unit Trusts
TM Brunel Pension Partnership ACS	Abaco Fund ICVC	BPM Trust
	Arch House Fund	Eden Investment Fund
	Ariel Fund	Elfynn International Trust
	Bryth ICVC	Glenhuntley Portfolio Trust
	Canterbury Investment Fund	Hawthorn Portfolio Trust
	CP Investment Funds	KES Diversified Trust
	Destiny Fund ICVC	KES Growth Fund
	Harroway Capital ICVC	KES Income and Growth Fund
	Hawarwatza Fund	KES Ivy Fund
	Libero Portfolio Fund	KES Strategic Investment Fund
	Lime Grove Fund	Latour Growth Fund
	Meadowgate Funds	Lavaud Fund
	Moulsoe Fund	Mossylea Fund
	Scarp Fund	Pippin Return Fund
	Skiwi Fund	The Castor Fund
	The Ambrose Fund	The Darin Fund
	The Astral Fund	The Delta Growth Fund
	The Capital Link Growth Fund	The Deribee Funds
	The Contact Fund	The Eldon Fund
	The Diversification Fund ICVC	The Endeavour II Fund
	The Dunnottar Fund	The Hall Fund
	The Global Multi Asset Fund	The HoundStar Fund
	The Gulland Fund	The Iceberg Trust
	The Hector Fund	The Maiden Fund
	The Juniper Fund	The Millau Fund
	The Lockerley Fund	The Norfolk Trust
	The Mazener Fund	The Notts Trust
	The MCMLXIII Fund	The Palfrey Fund
	The Motim Fund	The TM Stockwell Fund
	The Northern Funds	The White Hill Fund
	The Oenoke Fund	Thesis Headway Fund
	The Ord Fund ICVC	Thesis Lion Growth Fund
	The Overstone Fund	Thesis PM A Fund
	The Penare Fund	Thesis PM B Fund
	The Saint Martins Fund	Thesis Thameside Managed Fund
	The Staderas Fund	TM Balanced Fund
	The Stratford Fund	TM Chainpoint Fund
	The TBL Fund	TM Growth Fund
	The TM Lancewood Fund	TM Hearthstone UK Residential Feeder Fund
	The TM Mitcham Fund	TM Managed Fund
	The Torridon Growth Fund	TM Masonic Charitable Foundation Investment Fund
	The Vinings Fund	TM Merlin Fund
	The Wharton Fund	TM New Court Fund
	Thesis JDS Fund	TM New Court Growth Fund
	TM Acer Fund	TM New Court Return Assets Fund
	TM Admiral Fund	TM New Institutional World Fund
	TM Balanced Growth Fund	TM Preservation Fund
	TM Brown Advisory Funds	TM Private Portfolio Trust
	TM Brunsdon OEIC	TM Stonehage Fleming Global Equities Fund
	TM Cerno Investment Funds	
	TM Cresswell Fund	
	TM CRUX Funds ICVC	

**Authorised
Contractual Schemes****Authorised Open-Ended
Investment Companies****Authorised Unit Trusts**

TM First Arrow Investment Funds
TM Hearthstone ICVC
TM Investment Exposures Fund
TM Investment Funds
TM Lime Fund
TM Natixis Investment Funds U.K.
ICVC
TM Oak Fund
TM OEIC
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
Vastata Fund

TM Stonehage Fleming Global
Equities Fund II
TM Stonehage Fleming Global
Equities Umbrella Fund

Schedule 5Historical 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. Where data is not yet available, the table is marked "N/A".

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	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)
Class B Sterling	21.40	7.65	13.24	-11.22	7.56
Class C Sterling	21.61	7.93	13.46	-11.05	7.76

CLIMATE ASSETS GROWTH FUND

Share class	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)
Class B Sterling	N/A	N/A	N/A	N/A	13.83
Class C Sterling	N/A	N/A	N/A	N/A	14.09

Source of performance data - Morningstar

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.**