



PROSPECTUS

of

THE TBL FUND

A UCITS umbrella-type

Investment Company with Variable Capital

This document constitutes the Prospectus for **The TBL Fund** and is dated and valid as at 26 October 2022. This document replaces any previous prospectuses issued by the Company

It has been prepared in accordance with the terms of the rules contained in COLL (published by the Financial Conduct Authority) which forms part of the FCA Handbook of rules made under the Financial Services and Markets Act 2000.

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

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

This Prospectus is intended for distribution in the United Kingdom. The distribution of this Prospectus and the offering of Shares in the Company may be restricted in other jurisdictions. Potential Shareholders must inform themselves of the legal requirements and restrictions of their own jurisdiction and act accordingly. This Prospectus does not amount to a solicitation or offer by any person in any jurisdiction in which such solicitation or offer would be unauthorised or unlawful.

In particular, the Shares have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia or offered or sold to US persons. 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 registered under the United States Investment Managers Act of 1940.

Thesis Unit Trust Management Limited, the authorised corporate director (**ACD**) of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the FCA Rules to be included in it.

The Depositary is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility under the FCA Rules or otherwise.

The Prospectus is based on information, law and practice at the date hereof. The Company is not bound by any out-of-date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus. Purchases must be made on the basis of the information contained in the most recently published Prospectus and supplementary documentation, including the latest reports when issued, which are available from the registered office of the ACD. Investors should check with the ACD that this is the most recently published version of the Prospectus.

Potential Shareholders should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

Data Protection

The personal details of each applicant for Shares and each Shareholder will be held by the ACD and/or the Administrator as its agent in accordance with Data Protection Laws for the purposes of carrying out the ACD's agreement with each Shareholder. This may include the transfer of such data to other members of the ACD's group and to other businesses providing services to the ACD (including their offices outside the UK), where the transfer is necessary for the provision of services in relation to the ACD's role as operator of the Company.

The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances the ACD will take steps to ensure that your privacy rights are respected.

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

Electronic Verification

The Money Laundering , Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, the Senior Management Arrangements Systems & Controls Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the 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 credit rating (or your associated party's). They may also use your (or your associated party's) details in the future to assist other companies for verification purposes.

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

RISK FACTORS

Potential investors should consider the risk factors set out paragraph 20, and elsewhere in the Prospectus, before investing in the Company.

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THE TBL FUND PROSPECTUS

1. Definitions

- 1.1 In this Prospectus the following words and expressions shall have the following means:

Accumulation Shares means Shares (of whatever Class) in a Sub-Fund as may be in issue from time to time in respect of which income allocated to the Share is credited periodically to capital pursuant to the FCA Rules.

ACD means the authorised corporate director holding office as such from time to time pursuant to the FCA Rules, being Thesis Unit Trust Management Limited and its successor or successors as authorised corporate director of the Company.

Act means the Financial Services and Markets Act 2000.

Administrator means Northern Trust Global Services SE, UK branch, or such other entity as is appointed to act as administrator to the Company from time to time.

Approved Bank (in relation to a bank account opened by the Company) means:

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

Approved Derivative means an approved derivative which is traded or dealt on an eligible derivatives market and any transaction in such a derivative must be effected on or under the rules of the market.

Auditor means Ernst & Young LLP, or such other entity as is appointed to act as auditor of the Company from time to time.

Business Day means a day (other than a Saturday, Sunday or public holiday in England) when banks in the City of London are open for business.

CASS means the requirements relating to holding client assets and client money published by the FCA as part of the FCA Rules, as amended or replaced from time to time.

CCP as defined in the FCA Glossary.

Class means a particular class of Shares in a Sub-Fund in issue from time to time.

COLL means the rules contained in the Collective Investment Schemes Sourcebook published by the FCA as part of their Handbook of rules made under the Act for the time being in force (as amended or replaced).

Company means The TBL Fund.

Data Protection Laws 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:

- i. the UK GDPR;
- ii. the Data Protection Act 2018;
- iii. any laws which implement any such laws; and
- iv. 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
- v. all guidance guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding).

Dealing Day means a Business Day which does not fall within a period of suspension of calculation of the net asset value per unit of the relevant class or of the net asset value of the relevant Sub-Fund (unless stated otherwise in this Prospectus) and such other day as the ACD may decide from time to time.

Depository Agreement means the agreement between the ACD and the Depository.

Depository means NatWest Trustee and Depository Services Limited, acting in its capacity as Depository of the Company.

Directors means the director or directors of the Company for the time being (including the ACD) or, as the case may be, the directors assembled as a board (including any committee of such board) from time to time.

EEA means the European Economic Area.

EEA State as defined in the FCA Glossary.

Efficient Portfolio Management or **EPM** means techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

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

Eligible Institution means one of the eligible institutions as defined in the FCA Glossary.

EUWA as defined in the FCA Glossary.

FATCA means the Foreign Account Tax Compliance Act (US).

FCA means the Financial Conduct Authority, or such successor regulatory authority, from time to time. The address for the FCA is set out in the Directory at Appendix 8.

FCA Glossary means the glossary given the meanings of the defined expressions used in the FCA Handbook as amended from time to time.

FCA Handbook means the FCA Handbook of Rules and Guidance, as amended updated or replaced from time to time.

FCA Rules means the rules from time to time contained in COLL and FUND but, for the avoidance of doubt, not including guidance or evidential requirements contained in either.

Financial Instruments as defined in the FCA Glossary.

Fund Accountant means Northern Trust Global Services SE, UK branch, or such other entity as is appointed to act as fund accountant to the Company from time to time.

Home State as defined in the FCA Glossary.

ICVC an investment company with variable capital.

Income Shares means Shares (of whatever class) in a Sub-Fund as may be in issue from time to time in respect of which income allocated to the Share is distributed periodically to the Shareholder pursuant to the FCA Rules.

Initial Offer Period means, in respect of a newly-established Sub-Fund, a period described under paragraph 11.2.

Instrument of Incorporation means the instrument of incorporation of the Company as amended from time to time.

Investment Manager means Investec Wealth & Investment Limited.

Net Asset Value or **NAV** means the value of the Scheme Property of the Company or a Sub-Fund (as the context may require) less the liabilities of the Company (or the Sub-Fund concerned) as calculated in accordance with the Instrument of Incorporation.

Non-UCITS retail scheme means in accordance with the FCA Rules an authorised fund which is neither a UK UCITS nor a qualified investor scheme.

OECD means the Organisation for Economic Cooperation and Development.

OEIC Regulations means The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) as amended from time to time.

OTC derivative means over-the-counter derivative.

Prospectus means this prospectus of the Company as amended or updated from time to time.

pounds sterling and the sign **£** means pounds sterling of the United Kingdom.

Register means the register of Shareholders.

Registrar means the person who maintains the Register, being Northern Trust Global Services SE, UK branch and its successor or successors as registrar.

Scheme Property as defined in the FCA Glossary.

SFTs means a Securities Financing Transaction

Securities Financing Transactions as defined in the FCA Glossary.

Securities Financing Transactions Regulation as defined in the FCA Glossary.

Share or **Shares** means a share or shares in a Sub-Fund (including larger denomination shares and fractions).

Shareholders means a registered holder of Shares.

Sub-Fund means a sub-fund of the Company, as detailed in Appendix 1.

Total Return Swaps or TRSs means total return swaps as defined by the Securities Financing Transactions Regulation.

UCITS means an Undertaking for Collective Investment in Transferable Securities. This will include a UCITS scheme or an EEA UCITS scheme as defined in the FCA Glossary.

UCITS Directive means the European Parliament and Council Directive of 13 July 2009 (UCITS) (No. 2009/65/EC), as amended, on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (UCITS) as amended.

UK AIF as defined in the FCA Glossary.

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

UK UCITS as defined in the FCA Glossary.

UK UCITS Regulations the 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 it forms part of the law of England, Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) (including, without limitation, 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 Kingdom or UK means the United Kingdom of Great Britain and Northern Ireland.

United States or US means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

Valuation Point means the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the purpose of determining the price at which Shares may be issued, cancelled or redeemed. The current Valuation Point is normally at 12.00 noon London time on a Dealing Day. Special valuations may take place if at any time the ACD considers it desirable to do so.

VAT means value added tax.

- 1.2 Any words or expressions defined in the OEIC Regulations or FCA Rules shall have the same meanings where used herein.
- 1.3 Headings used in this Prospectus are for convenience only and shall not affect their meaning or legal effect.
- 1.4 References in the main body of the Prospectus to **paragraphs** mean paragraphs in the main body of the Prospectus unless otherwise stated. Similarly, references in an Appendix to **paragraphs** mean paragraphs in the relevant Appendix unless otherwise stated.
- 1.5 References to the plural shall include the singular and vice versa.
- 1.6 Unless otherwise defined in paragraph 1.1 or elsewhere in this Prospectus, words or expressions defined in or for the purposes of the Act or the FCA Rules shall bear the same meanings in this Prospectus.
- 1.7 References to statutes, statutory provisions, regulations, or FCA Rules shall include those statutes, provisions, regulations, or FCA Rules as amended, extended, consolidated, substituted or re-enacted from time to time.

2. The Company

- 2.1 The TBL Fund is an authorised open-ended investment company with variable capital incorporated with limited liability. It was incorporated in England and Wales and the effective date of authorisation, by the FCA, was 13 December 2018. The Company registration number is IC003545 and the FCA product reference number (PRN) is 828639. The individual PRNs for each Sub-Fund can be found in Appendix 1.
- 2.2 The Company is an ICVC, structured as an umbrella scheme. Please refer to paragraph 3 below for details of the Company's Sub-funds.
- 2.3 The Head Office of the Company is at Exchange Building, St. Johns Street, Chichester, West Sussex PO19 1UP. This is the address in the UK for service on the Company of notices or other documents required or authorised to be served on it.
- 2.4 The base currency of the Company is Pounds Sterling (or such other currency or currencies as may be the lawful currency of the UK from time to time). The value of the Scheme Property attributable to prices of Shares of and payments made in respect of each Sub-Fund shall be calculated or made in the base currency of the Company.
- 2.5 The maximum share capital of the Company is £100,000,000,000 and the minimum share capital is £100. Shares in the Company have no par value and therefore the share capital of the Company at all times equals the Company's current Net Asset Value.

- 2.6 The duration of the Company is unlimited. The circumstances in which the Company may be wound up, or a Sub-Fund terminated, are set out at paragraph 26.
- 2.7 Shareholders in the Company are not liable for the debts of the Company.
- 2.8 The Company has been established as a UK UCITS.

3. Company structure

- 3.1 The Company is structured as an umbrella in that Shares representing interests in different Sub-Funds may be issued from time to time by the Depositary as instructed by the ACD.
- 3.2 Sub-Funds, which may be available for investment, are structured as a UK UCITS. None of the Sub-Funds are classified as feeder funds, funds of alternative investment funds or property authorised investment funds.
- 3.3 As of the date of this Prospectus the Company has one Sub-Fund available for investment: “**TBL Global Fund**”. Details of the Sub-Funds, including each Sub-Fund’s investment objective and policy, are set out in Appendix 1.
- 3.4 Details of the Initial Offer Period for the Sub-Fund, TBL Global Fund, are set out at Part 1 paragraph 5.
- 3.5 Details of the investor profile for the Sub-Fund, TBL Global Fund, are set out at Part 1 paragraph 7.
- 3.6 The Sub-Funds are segregated portfolios of assets and, accordingly, the assets of a Sub-Fund belong exclusively to that Sub-Fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Sub-Fund, and shall not be available for any such purpose.
- 3.7 While the OEIC Regulations provide for segregated liability between Sub-Funds the concept of segregated liability is relatively new. Where claims are brought by local creditors in a foreign court, or under foreign law contracts, it is not yet known how these foreign courts will react to regulations 11A and 11B of the OEIC Regulations.

3.8 Marketing

- 3.8.1 Shares in the Company may be marketed to the public in the UK. However the Company will not be able to apply to the regulatory authorities in the European Union to market Shares under the UCITS Directive in those states.
- 3.8.2 It is not intended that the Company will be marketed outside the UK.

4. Investment objectives, policies and other details

- 4.1 Investment of the assets of the Sub-Funds must comply with the COLL Sourcebook and the investment objective and policy of the particular Sub-Fund. Details of the Sub-Fund's investment objectives and policies are set out in Appendix 1.
- 4.2 A detailed statement of the general investment and borrowing restrictions in respect of the Company is set out in Appendix 2.
- 4.3 The eligible securities markets and eligible derivatives markets on which the Company may invest are set out in Appendix 5.

5. Shares

- 5.1 The Company may issue any kind of Share permitted by the FCA Rules and the Instrument of Incorporation.
- 5.2 Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination shares to each larger denomination share. Smaller denomination shares represent what, in other terms, might be called fractions of a larger share and have proportionate rights.
- 5.3 The Share Classes presently available in the Sub-Funds are set out in Appendix 1. Further Share Classes may be made available in due course, as the ACD may decide.
- 5.4 The minimum initial investment, subsequent investment and holding requirements for each Share Class is set out in Appendix 1. These limits may be waived at the discretion of the ACD.
- 5.5 The Company reserves the right to issue Shares expressed in a different currency from time to time.
- 5.6 Within each Sub-Fund, and subject to the Class and the denomination of the Shares that they hold, Shareholders are entitled to participate equally in the profits arising in respect of, and in the proceeds of the liquidation of, the Company.
- 5.7 Shares do not carry preferential or pre-emptive rights to acquire further Shares.
- 5.8 The rights attached to a Class of Shares may be varied in accordance with the FCA Rules.
- 5.9 Names and addresses of Shareholders will be entered in the Register to evidence title to the Shares. Shareholders will not be issued with a certificate. Shareholders may, but need not, support any instruction to the ACD by enclosing the contract note or the most recent annual statement or copies of such documents.
- 5.10 Where a Sub-Fund has different Classes of Shares, each Class may attract different charges and so monies may be deducted from Classes in unequal proportions. In these circumstances the proportionate interests of the Classes within the Company will be adjusted accordingly.

- 5.11 All transactions in Shares are governed by the laws of England and Wales.
- 5.12 The Shares are not listed or dealt in on any stock exchange.

6. The ACD

6.1 General information

- 6.1.1 The ACD is Thesis Unit Trust Management Limited, a private company limited by shares, incorporated in England and Wales under the Companies Act 1985. Thesis Unit Trust Management Limited was incorporated on 6 February 1998, with company number 3508646.
- 6.1.2 The ACD is authorised and regulated by the FCA and is authorised to carry on certain permitted regulated activities in the UK in accordance with the Act.
- 6.1.3 For the purposes of COLL the ACD is an authorised fund manager.
- 6.1.4 The ACD's head office and registered office is at Exchange Building, St. Johns Street, Chichester, West Sussex PO19 1UP.
- 6.1.5 As at the date of this Prospectus, the ACD's share capital is £5,673,167 issued and paid up.
- 6.1.6 The main business activity of the ACD is to act as an authorised fund manager to regulated collective schemes and acting as a manager to alternative investment funds.
- 6.1.7 The directors of the ACD are:
- | | |
|-------------|------------------------------------|
| D W Tyerman | Chief Executive Officer |
| S R Mugford | Finance Director |
| S E Noone | Client Service Director |
| D K Mytnik | Non-Executive Director |
| V R Smith | Non-Executive Director |
| G Stewart | Independent Non-Executive Director |
| C J Willson | Independent Non-Executive Director |
| N C Palios | Non-Executive Chair |
- 6.1.8 D W Tyerman and, S R Mugford also hold directorships of other companies within the Thesis group and perform senior management roles within these companies. In particular Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the ACD.
- 6.1.9 D K Mytnik, V R Smith and N C Palios also hold non-executive directorships of other companies within the Thesis group. They and C J

Willson and G Stewart are not engaged in other business activities that are of significance to the Company.

6.1.10 The ACD may also act as an authorised fund manager to other regulated collective investment schemes. Details of these schemes, as at the date of this Prospectus, are set out in Appendix 6.

6.1.11 The fees to which the ACD is entitled are set out in paragraph 16.

6.2 Best execution

6.2.1 In accordance with the FCA Rules and applicable law and regulation, the ACD must act in the best interests of the Company when executing decisions to deal on behalf of the Company and must establish and implement an order execution policy to allow it to obtain the best possible result.

6.2.2 The ACD has delegated the investment management of the Company to the Investment Manager, who in turn executes decisions to deal on behalf of the Company. Details of the Investment Manager's execution policy are set out in paragraph 8.6.

6.3 Terms of appointment

6.3.1 The ACD is the sole director of the Company and its duties and obligations are governed by the terms of an agreement between the Company and the ACD (the **ACD Agreement**). The ACD Agreement provides that the ACD must manage and administer the Company in accordance with the Act and the OEIC Regulations, the Instrument of Incorporation and the contents of this Prospectus.

6.3.2 The ACD Agreement may be terminated by either party on not less than 90 days' written notice. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD other than the matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations.

6.4 Delegation

Subject to the FCA Rules, the ACD may delegate certain of its functions. Accordingly:

6.4.1 the ACD has delegated the provision of investment management services to the Investment Manager; and

6.4.2 the ACD has delegated certain administrative functions to the Registrar, the Administrator and the Fund Accountant.

6.5 Remuneration policy

- 6.5.1 The ACD has established and applies a remuneration policy, procedure and practice (together, the **Remuneration Policy**) which is consistent with, and promotes, sound and effective risk management, and does not encourage risk-taking that is inconsistent with the risk profile or the Instrument of Incorporation.
- 6.5.2 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.
- 6.5.3 Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available at www.tutman.co.uk. A paper copy of such information can be obtained, free of charge, upon request at the offices of the ACD.

7. The Depositary

7.1 General information

- 7.1.1 The Depositary of the Company is NatWest Trustee and Depositary Services Limited, a private limited company registered in England and Wales with company number 11194605.
- 7.1.2 The ultimate holding company of the Depositary is NatWest Group plc which is incorporated in Scotland.
- 7.1.3 The Depositary's registered office address is 250 Bishopsgate, London EC2M 4AA. The Depositary's head office address is 440 Strand, London WC2N 5LR. The address of its office that handles matters relating to the Company is set out in Appendix 8.
- 7.1.4 The Depositary's principal activity is the provision of trustee and depositary services.
- 7.1.5 The Depositary is established in the UK and is authorised and regulated by the FCA to act as a depositary for a UK UCITS or a UK AIF.

7.2 Duties of the Depositary

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

7.3 Terms of appointment

- 7.3.1 The appointment of the Depositary has been made under the terms of the Depositary Agreement between the Company, the ACD and the Depositary.
- 7.3.2 The Depositary Agreement provides that the Depositary be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties required in the OEIC Regulations and COLL.
- 7.3.3 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, or any other applicable law or regulation.
- 7.3.4 Under the Depositary Agreement the Depositary has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Depositary has delegated custody of the Scheme Property to The Northern Trust Company (the 'Custodian'). Contact details for the Custodian are set out in Appendix 8. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("sub-custodians").
- 7.3.5 A list of sub-custodians is given in Appendix 7. Investors should note that the list of sub-custodians is updated only at each Prospectus review.
- 7.3.6 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.
- 7.3.7 The Depositary Agreement provides that the Depositary will be indemnified by the Company in respect of any liabilities suffered or incurred by the Depositary in the proper performance of its obligations and duties under the Depositary Agreement except in the case of fraud or negligent breach of the Depositary Agreement or of any applicable laws.
- 7.3.8 The Depositary Agreement may be terminated on six months' written notice by the Company, the Depositary or the ACD or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary has taken place.
- 7.3.9 Details of the fees payable to the Depositary are set out at paragraph 16.

7.4 Conflicts of Interest

- 7.4.1 The Depositary may act as the depositary of other authorised unit trusts or open-ended investment companies and as trustee or custodian of other collective investment schemes.
- 7.4.2 It is possible that the Depositary and/or its delegates and sub-delegates may, in the course of its or their business, be involved in other financial and professional activities which may, on occasion have potential conflicts of interest with the Company, a particular sub-fund, one or more Shareholders, the ACD and/or other funds managed by the ACD or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.
- 7.4.3 As the Depositary operates independently from the Company, Shareholders, the ACD and the Custodian, the Depositary does not anticipate any conflicts of interest arising between it and any with any of the aforementioned parties.
- 7.4.4 The Depositary is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as depositary.

7.5 Updated Information

- 7.5.1 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.

8. The Investment Manager

- 8.1 The ACD has appointed Investec Wealth & Investment Limited to provide discretionary investment management, and related advisory services in relation to the Scheme Property, pursuant to an investment management agreement.
- 8.2 Investec Wealth & Investment Limited is a limited company incorporated in England with number 02122340, whose registered office is set out in Appendix 8. Investec Wealth & Investment Limited is authorised to carry out investment business in the UK by virtue of its authorisation and regulation by the FCA (number 124537).
- 8.3 The principal business activity of the Investment Manager is as a provider of investment management services. The Investment Manager is not part of the same corporate group as the ACD.
- 8.4 The Investment Manager has the authority to make investment decisions on behalf of the ACD. The investment management agreement may be terminated on three months' written notice by the ACD or the Investment Manager. Notwithstanding this,

the ACD may terminate any investment management agreement with immediate effect if it is in the interests of Shareholders.

8.5 The Investment Manager's fees and expenses are paid out of the ACD's annual management charge, which is paid out of Scheme Property. Please see paragraph 16 for further details.

8.6 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 available from the Investment Manager's website (listed in the Directory at Appendix 8).

9. Auditors

The Auditors of the Company are Ernst & Young LLP whose address is set out in Appendix 8.

10. The Registrar, Administrator and Fund Accountant

10.1 The ACD is responsible for maintaining the Register but has delegated its Registrar function, as well as the function of Administrator and Fund Accountant, to Northern Trust Global Services SE, UK branch.

10.2 The registered office address of Northern Trust Global Services SE, UK branch, is set out in Appendix 8.

10.3 The Register

10.3.1 The Register is maintained by the Registrar and may be inspected by any Shareholder (or any Shareholder's duly authorised agent) at 50 Bank Street, London E14 5NT during normal business hours.

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

10.4 The duties of the Registrar, Administrator and Fund Accountant include:

10.4.1 maintaining the Register;

10.4.2 receiving and processing requests for subscriptions for, or redemptions of, Shares;

10.4.3 administering the payment of distributions to Shareholders;

10.4.4 dealing with certain regulatory reporting requirements on behalf of the Company and the ACD;

10.4.5 maintaining the accounting records of the Company; and

10.4.6 assisting in calculating the Net Asset Value, as well as providing fund accounting services in respect of the Company.

- 10.5 There are no conflicts of interest through delegation of these functions by the ACD.
- 10.6 The Company does not currently require the services of a prime broker.

11. Dealing in shares

11.1 Pricing

- 11.1.1 The ACD's normal basis of dealing is at a forward price (which means that transactions will be effected at prices determined at the next following Valuation Point).
- 11.1.2 There will only be a single price for any share as determined from time to time by reference to a particular Valuation Point.
- 11.1.3 During any Initial Offer Period the initial price of Shares will be £1.00 (or other currency equivalent).

11.2 Initial Offer Period

- 11.2.1 The ACD may arrange for there to be an Initial Offer Period in respect of any newly established Sub-Fund, commencing on the date of launch of the relevant Sub-Fund and ending as specified by the ACD. During that period, the price at which Shares in that Sub-Fund can be bought will be as fixed by the ACD and notified to the Depositary at or before the start of that period.
- 11.2.2 Details of the Initial Offer Period for the Sub-Fund, TBL Global Fund, are set out at Part 1 paragraph 5.

11.3 Buying Shares

- 11.3.1 The dealing office of the ACD is open from 9:00am until 5:00pm (London time) each Business Day during which the ACD may receive requests for the buying and selling and switching of Shares.
- 11.3.2 Shares in a Sub-Fund may be purchased by sending a completed application form or clear written instructions to Thesis Unit Trust Management Limited at the dealing office of the Administrator by post to its address (as set out in Appendix 8) or by obtaining an application form by telephoning the ACD's customer enquiry line on 0330 300 0375 or by electronic communication as set out in paragraph 11.16. The ACD has the right to establish facilities for recording telephone calls made or received on these telephone lines. Please refer to paragraph 27.5 for further details.
- 11.3.3 A contract note giving details of the Shares purchased will be issued no later than the next Business Day after the Business Day on which an application to purchase Shares is received and instrumented by the ACD. Payment in full should be made not later than the fourth Business Day after the date of purchase, and the ACD reserves the right to require

payment in advance. During an Initial Offer Period, the ACD may require cash settlement before arranging for the issue of Shares.

- 11.3.4 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.
- 11.3.5 An annual statement made up to 5 April will be issued to Shareholders. This will detail the Shareholder's current holding, transactions during the year, and income paid. Interim statements are available on request.

11.4 Minimum initial subscription and minimum shareholding

The minimum initial subscription and any subsequent subscription for Shares in each Sub-Fund are set out in Appendix 1. Any restrictions on holdings are also set out in Appendix 1. The ACD reserves the right to reduce or waive minimum investment levels.

11.5 Publication of Share prices

- 11.5.1 The most recent prices will appear daily on the Trustnet website at www.trustnet.com. Prices may also be obtained by telephone on 01483 783 900.
- 11.5.2 For reasons beyond the control of the ACD, these may not necessarily be the current prices.
- 11.5.3 The price last notified to the Depositary is available from the ACD upon request.

11.6 Redeeming Shares

- 11.6.1 At any time during a Dealing Day when the ACD is willing to issue Shares it must also be prepared to redeem Shares. The ACD will buy back Shares from registered holders at not less than the price determined at the next Valuation Point following receipt of redemption instructions less any dilution levy.
- 11.6.2 The ACD may refuse to redeem a certain number of Shares if the redemption will mean the Shareholder is left holding Shares below any minimum holding set out in Appendix 1.
- 11.6.3 Requests to redeem Shares in a Sub-Fund may be made to the ACD by telephone on the number stated above, by electronic communication (as set out in paragraph 11.16), or by sending clear written instructions by post to the address stated in Appendix 8.
- 11.6.4 A contract note giving details of the number and price of the Shares sold back to the ACD will be sent to Shareholders no later than the next Business Day after the Shares were sold. In the event that the ACD

requires a signed form of renunciation, e.g. in respect of joint holders, corporate holders or redemptions dealt through an agent, a form of renunciation will be attached.

- 11.6.5 When Shares are redeemed, a BACS or telegraphic transfer will be made, or a cheque sent out, in satisfaction of redemption monies within four Business Days of the Valuation Point immediately following receipt by the ACD of the request to redeem Shares or the time when the ACD has received all duly executed instruments and authorisations as will vest title in the ACD or enable it to arrange to do so, whichever is the later.
- 11.6.6 The ACD is not required to issue payment of redemption monies in respect of the redemption of Shares where it has not yet received the money due on the earlier issue of those Shares.

11.7 Suspension of dealing

- 11.7.1 The ACD may if the Depositary agrees, or shall if the Depositary so requires, at any time, temporarily suspend the issue, cancellation, sale and redemption of Shares in all Sub-Funds, or a particular Sub-Fund, if the ACD or Depositary (in the case of any requirement by the Depositary), believes that, due to exceptional circumstances, it is in the interests of Shareholders or potential Shareholders.
- 11.7.2 On suspension, the ACD or the Depositary (if the Depositary has required the ACD to suspend dealing) must immediately inform the FCA of the suspension, stating the reasons for its action.
- 11.7.3 The ACD and Depositary must review any such suspension at least every 28 days and inform the FCA of the results of their review. Any such suspension may only continue for so long as it is justified having regard to the interest of the Shareholders.
- 11.7.4 The ACD must ensure that a notification of the suspension is made to the Shareholders in the affected Sub-Funds as soon as practicable after the suspension commences. On notification to Shareholders the ACD must ensure that Shareholders' attention is drawn to the exceptional circumstances resulting in the suspension and ensure that notification is clear, fair and not misleading. Shareholders will be kept informed about the suspension and, if possible, advised of its duration (if known) by written updates by the ACD.
- 11.7.5 The ACD must inform the FCA of the proposed re-start of dealings and immediately after the re-start, must confirm this by giving written notice to the FCA.
- 11.7.6 The ACD may agree, during the suspension, to deal in Shares, in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first Valuation Point after restart of dealings in Shares.

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

11.8 Deferred redemption of Shares

If requested redemptions of Shares in a Sub-Fund on a particular Dealing Day exceed 10% of that Sub-Fund's value, redemptions of Shares in that Sub-Fund may be deferred to the next Valuation Point. Any such deferral would only be undertaken in such manner as to ensure consistent treatment of all Shareholders holding Shares in that Sub-Fund who had sought to redeem those Shares at the Valuation Point at which redemptions were deferred, and so that all deals relating to the earlier Valuation Point were completed before those relating to a later Valuation Point were considered. The intention of the deferred redemption power is to reduce the impact of dilution on the Scheme Property. In times of high levels of redemption, deferred redemption provisions would enable the ACD to protect the interests of continuing Shareholders by allowing it to match the sale of property of the Company to the level of redemptions of Shares.

11.9 The ACD's right to refuse applications

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

11.10 Mandatory transfers, redemptions and conversions

11.10.1 The ACD may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no Shares are acquired or held by any person in circumstances (**relevant circumstances**):

- (a) which constitute or are reasonably considered by the ACD to constitute an infringement of any law or governmental regulation or rule (or any interpretation of a law or regulation by a competent authority) of any country or territory;
- (b) which would (or would if other Shares were acquired or held in like circumstances) result in the Company or a Sub-Fund 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);
- (c) which would breach any requirement for the holding of Shares as specified in the Prospectus; and/or
- (d) which the ACD reasonably believes would have an adverse effect on the Company, a Sub-Fund and/or Shareholders.

and, in this connection, the ACD may reject at its discretion any subscription for issue or transfer of Shares, or any switching or conversion request given pursuant to this Prospectus.

- 11.10.2 If it comes to the notice of the ACD, either through the Shareholder informing the ACD or otherwise, that a Shareholder holds Shares (**Affected Shares**) either beneficially or otherwise in any of the relevant circumstances referred to in this paragraph 11.10, or if the ACD reasonably believes this to be the case, the ACD may give notice to the holder(s) of the Affected Shares requiring either transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or cancellation of such Shares in accordance with the FCA Rules. If any person upon whom such a notice is served does not within 30 days after the date of such notice transfer his Affected Shares to a person qualified to hold them or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the Affected Shares, he shall be deemed upon the expiration of that 30-day period to have given a request in writing for the redemption of all the Affected Shares pursuant to the FCA Rules.
- 11.10.3 A Shareholder who becomes aware that he has acquired or is holding Affected Shares in any of the relevant circumstances referred to in this paragraph 11.10 shall immediately inform the ACD and the ACD will take action (unless the ACD has already received such a notice) either to:
- (a) transfer or procure the transfer of all the Affected Shares to a person qualified to own the same or
 - (b) give a request in writing or procure that a request is so given for the redemption or cancellation of all the Affected Shares pursuant to the FCA Rules.
- 11.10.4 An amount equal to any tax charge incurred by the Company or a Sub-Fund or for which the Company or a Sub-Fund may be held liable as a result of a transfer pursuant to this paragraph 11.10 shall be recoverable from the Shareholder concerned.
- 11.10.5 Provided that they shall have exercised due care and diligence, no liability shall attach to the ACD or the Depositary by reason of any action taken or not taken by either of them with respect to the matters referred to in this paragraph 11.10.
- 11.10.6 In addition, where:
- (a) the ACD considers it is in the best interests of Shareholders; or
 - (b) the ACD reasonably believes that the Shareholder no longer satisfies a requirement for remaining a shareholder of a particular Class;

the ACD may exchange a Shareholder's holding in one share class to another Class in the same Sub-Fund. The ACD shall give prior written notice to the shareholder concerned of the proposed exchange, including details of the new Class and reminding the affected Shareholder of its rights to redeem.

11.11 In specie purchases

- 11.11.1 If a Shareholder requests, the ACD may, at its discretion arrange acceptance of assets other than cash in settlement of a purchase of Shares in a Sub-Fund. In particular, the ACD and Depositary will only do so where satisfied that the acceptance of the assets concerned would not be likely to result in any material prejudice to the interests of Shareholders.
- 11.11.2 The ACD will not issue Shares in exchange for assets the holding of which would be inconsistent with the investment objective of the relevant Sub-Fund.

11.12 In specie redemptions

- 11.12.1 Where a Shareholder requests the redemption or cancellation of Shares, the ACD may, at its discretion, give written notice to the Shareholder before the proceeds would otherwise become payable that, in lieu of paying such proceeds in cash, the ACD will transfer to that Shareholder property attributable to the relevant Sub-Fund having the appropriate value.
- 11.12.2 The ACD will select the property to be transferred in consultation with the Depositary. The Depositary must take reasonable care to ensure that the property transferred would not be likely to result in any material prejudice to the interests of Shareholders.
- 11.12.3 The ACD may retain out of the property to be transferred property or cash of a value equivalent to any stamp duty to be paid to the redemption of the Shares.

11.13 Income equalisation

- 11.13.1 Income equalisation, as explained below, may apply in relation to the Company.
- 11.13.2 When an incoming Shareholder purchases a Share during an accounting period, part of the purchase price of a Share reflects the relevant share of accrued income received or to be received by the relevant Sub-Fund.
- 11.13.3 The first allocation of income in respect of that Share refunds this amount as a return of capital. The amount of income equalisation is calculated by taking the aggregate of the amounts of income included in the price in respect of Shares of that Sub-Fund and Class issued or sold in the annual or interim accounting period (grouping period) in question and

dividing that aggregate amount by the number of such Shares and applying the resultant average to each of the Shares in question.

- 11.13.4 Grouping periods are consecutive periods within each annual accounting period, being the interim accounting periods (including the period from the end of the last interim accounting period in an annual accounting period to the end of that annual accounting period). If there are no interim accounting periods the periods for grouping of Shares will be annual accounting periods. Grouping is permitted by the Instrument of Incorporation for the purposes of income equalisation.

11.14 Switching

- 11.14.1 A Shareholder may at any time switch all or some of his Shares of one Class or Sub-Fund (**Original Shares**) for Shares of another Class or Sub-Fund (**New Shares**), subject to the restrictions defined in this Prospectus. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.
- 11.14.2 A request to switch may be made in writing to the dealing office of the ACD. The Shareholder will be required to provide written instructions to the Registrar or their client adviser, as appropriate (which, in the case of joint Shareholders must be signed by all the joint Shareholders) before switching is effected. Switching forms may be obtained from the Registrar or the client's client adviser.
- 11.14.3 If the switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Sub-Fund or Class concerned, the ACD may, if it thinks fit, switch the whole of the applicant's holding of Original Shares to New Shares (and make a charge upon such switch) or refuse to effect any switch of the Original Shares. No switch will be allowed during any period when the right of Shareholders to require the redemption of their Shares is suspended. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a switch. A duly completed switching form must be received by the ACD before the Valuation Point on a Dealing Day upon which the switch is to be made effective (or at such earlier date and time as may be specified by the ACD.) Switching requests received after a Valuation Point will be held over until the next day that is a Dealing Day.
- 11.14.4 The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on switching together with any other charges in respect of the application for the New Shares or redemption or cancellation of the Original Shares as may be permitted pursuant to the FCA Rules.
- 11.14.5 In relation to switches between Sub-Funds, Shareholders should note:

- (a) **an exchange of Shares in one Sub-Fund for Shares in another Sub-Fund will be treated as a redemption and sale and will consequently, for Shareholders subject to UK taxation, be a realisation for the purposes of capital gains taxation; and**
- (b) **in no circumstances will a Shareholder who exchanges Shares in one Sub-Fund for Shares in another Sub-Fund be given a right by law to withdraw from or cancel the transaction.**

11.15 Market timing

- 11.15.1 The ACD may refuse to accept a subscription for Shares in any Sub-Fund if, in the opinion of the ACD, it has reasonable grounds for refusing to accept such a subscription. In particular, the ACD may exercise this discretion if it believes the Shareholder has been engaged, or intends to engage, in market timing.
- 11.15.2 For these purposes, market timing activities include investment techniques which involve short term trading in and out of Shares generally to take advantage of variation in the price of Shares between the daily Valuation Points. Short term trading of this nature may often be detrimental to longer term Shareholders, in particular, the frequency of dealing may lead to additional dealing costs which can affect long term performance.

11.16 Electronic communications

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

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

11.17 Client Money Rules

- 11.17.1 The FCA Rules contain 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 Company 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.

11.17.2 Where money is received in either of the circumstances set out in paragraph 11.17.1(a) or 11.17.1(b) above, the ACD must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Depositary or the client or, if direct issues and cancellations of Shares by the Company are permitted, to the Company, as applicable.

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

11.18 Direct issue and cancellation of Shares

The ACD may, in its absolute discretion, require, on agreement with the Depositary or may permit, on the request of the Shareholder, direct issues and cancellations of Shares by the Depositary. Should it do so, this Prospectus will be amended to provide details of the procedure to be followed.

11.19 Dilution levy

11.19.1 The actual cost of purchasing or selling investments may be higher or lower than the mid-market value used in calculating the Share price. For example, due to dealing charges or through dealing at prices other than the mid-market price.

11.19.2 Under certain circumstances (for example, large volumes of deals), this may have an adverse effect on the Shareholders' interest in the Sub-Funds. In order to prevent this effect (**dilution**), the ACD has the power to charge a 'dilution levy' on the sale and/or redemption of Shares.

- 11.19.3 The ACD may, at its discretion, charge a dilution levy in respect of 'large deals' (which, for these purposes are deals in respect of Shares exceeding 5% of the value of a Sub-Fund) and reserves the right to charge a dilution levy based on prevailing market conditions. If the ACD charges a dilution levy it will be calculated by reference to the costs of dealing in the underlying investments of the Sub-Fund, including any dealing spreads, permitted commissions and transfer taxes.
- 11.19.4 The need to charge a dilution levy will depend on the volume of sales and redemptions. The ACD may (but is not obliged to) charge a discretionary dilution levy on the sale and redemption of Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged where the Scheme Property of a Sub-Fund is in continual decline or in any case where the ACD is of the opinion that the interests of remaining Shareholders in a particular Sub-Fund require the imposition of a dilution levy. If a dilution levy is not charged in such circumstances, this may have an adverse effect on the future growth of the Scheme Property of that Sub-Fund.
- 11.19.5 It is not possible to predict accurately whether dilution will occur at any point in time. Based on future projections, the ACD expects that the vast majority of sales and/or redemptions of Shares will be 'large deals' and that a dilution levy may be charged on the majority of deals.
- 11.19.6 The amount of the dilution levy will not exceed 3% of the value of the transaction before the imposition of the levy. This figure is based on the ACD's projections of the likely impact of deals to which the dilution levy is applied.

12. Distributions and accounting dates

12.1 General

- 12.1.1 The accounting reference date, accounting periods and income allocation dates are set out in Appendix 1.
- 12.1.2 Income will be allocated on each income allocation date as set out in Appendix 1.
- 12.1.3 The annual accounting period for the Company ends each year on 31 December.
- 12.1.4 The interim accounting period for the Company ends each year on 30 June.
- 12.1.5 Distributions of income for the Company are made on or before the annual income allocation date and on or before the interim allocation dates each year.

12.2 Payment of distributions

- 12.2.1 The income available for distribution is determined in accordance with COLL. It comprises all income received or receivable for the account of each Sub-Fund in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the ACD considers appropriate, after consulting with the Company's Auditors, in accordance with COLL, in relation to taxation and other matters.
- 12.2.2 Each holder of Income Shares is entitled, on the interim income allocation dates and the annual income allocation date, to the net income attributable to their holding.
- 12.2.3 Holders of Accumulation Shares are not entitled to be paid the income attributable to such Shares but that income is automatically transferred to (and retained as part of) the capital assets of the relevant Sub-fund at the end of the relevant distribution period and is reflected in the price of an accumulation Share.
- 12.2.4 The ACD reserves the right to change or create additional accounting and income distribution dates, usually as a result of accounting or taxation changes.
- 12.2.5 On the income allocation dates, an amount, as determined by the ACD in accordance with the Instrument of Incorporation, is either paid, reinvested or accumulated to those Shareholders who are entitled to the distribution by evidence of their holding on the Register at the previous accounting date. Payments will be made by means of direct credit to the Shareholder's nominated bank account. If the income allocation date is not a Business Day, payment will be made on the next Business Day.
- 12.2.6 Any distribution that remains unclaimed for a period of six years after the distribution became due for payment will be forfeited and shall revert to the Company.

13. Meetings and voting rights

- 13.1 The provisions below, unless the context requires otherwise requires, apply to Class meetings and Sub-Fund meetings as they apply to general meetings of the Company.
- 13.2 The Company does not propose to hold annual general meetings. Resolutions will be voted upon at extraordinary general meetings.
- 13.3 A meeting of Shareholders of the Company, or a particular Class or Sub-Fund, 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.

- 13.4 An extraordinary resolution is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for the resolution at a general meeting, or, as the case may be, a Sub-Fund meeting or a Class meeting, of Shareholders.
- 13.5 Except where an extraordinary resolution is specifically required or permitted, any resolution of Shareholders is passed by a simple majority of the votes validly cast.
- 13.6 A meeting of Shareholders has no powers other than those contemplated by the FCA Rules.
- 13.7 Shareholders must receive at least 14 days' notice of any meeting of Shareholders and are entitled to be counted in the quorum and vote at any such meeting either in person or by proxy.
- 13.8 The quorum at a meeting of Shareholders shall be two Shareholders present in person or by proxy.
- 13.9 At any meeting of Shareholders, on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, shall have one vote.
- 13.10 On a poll, every Shareholder who is present in person or by proxy shall have one vote for every Share they hold in the Company (or Sub-Fund or Class, if relevant). A Shareholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.
- 13.11 In the context of despatch of notice, **Shareholders** means the persons who were entered in the Register seven days before the notice of meeting was given but excluding persons who are known not to be entered on the Register at the date of despatch of the notice.
- 13.12 In the context of voting, **Shareholders** means the persons who were entered on the Register seven days before the notice of meeting was given but excluding any persons who are known not to be entered on the Register at the date of the meeting.
- 13.13 The ACD is not entitled to vote at or be counted in a quorum at a meeting of Shareholders in respect of Shares held or deemed to be held by the ACD, except where the ACD holds Shares on behalf of, or jointly with, a person who, if himself the sole registered Shareholder would be entitled to vote, and from whom the ACD has received voting instructions. Associates of the ACD are entitled to be counted in a quorum and, if they hold Shares on behalf of a person who would have been entitled to vote if he had been a registered Shareholder and they have received voting instructions from that person, may vote in respect of such Shares pursuant to such instructions.
- 13.14 Any notice or document to be served upon a Shareholder will be duly served if it is:
- 13.14.1 delivered to the Shareholder's address as appearing in the Register; or

- 13.14.2 sent by using an electronic medium in accordance with paragraph 11.16 and COLL.
- 13.15 Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it was posted.
- 13.16 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.
- 13.17 Any document or notice to be served on, or information to be given to a Shareholder, must be in legible form. For this purpose, any form of legible form which:
 - 13.17.1 is consistent with the ACD's knowledge of how the recipient of the document wishes or expects to receive the document;
 - 13.17.2 is capable of being provided in hard copy by the ACD;
 - 13.17.3 enables the recipient to know or record the time of receipt; and
 - 13.17.4 is reasonable in the context.
- 13.18 The ACD must obtain the prior approval of Shareholders by extraordinary resolution for any proposed change which constitutes a "fundamental change". This is a change or event which:
 - 13.18.1 changes the purpose or nature of the Company;
 - 13.18.2 may materially prejudice a Shareholder;
 - 13.18.3 alters the risk profile of the Company; or
 - 13.18.4 introduces a new type of payment out of the Scheme Property.
- 13.19 The ACD must give prior written notice to Shareholders of any proposed change which constitutes a "significant change". This is a change or event which is not fundamental, but which:
 - 13.19.1 affects a Shareholder's ability to exercise his rights in relation to his investment;
 - 13.19.2 would reasonably be expected to cause the Shareholder to reconsider his participation in the Company;
 - 13.19.3 results in any increased payments out of Scheme Property to the ACD, or an associate of the ACD; or
 - 13.19.4 materially increase other types of payment out of the Company property;the notice period must be a reasonable length and must not be less than 60 days.

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

14. Conflicts of interest

- 14.1 The ACD will take all appropriate steps to identify conflicts between the Depositary, the Company, the Sub-Funds, the Investment Manager and the ACD (including Associates), and between the Company and other clients or funds that it manages, as appropriate, as required by the FCA Rules.
- 14.2 The ACD, the Investment Manager and other companies within the ACD's and/or the Investment Manager's group may, from time to time, act as investment manager or adviser to other funds which follow similar investment objectives to those of the Company.
- 14.3 On occasion, the Investment Manager may also act as adviser or discretionary investment manager to clients who invest in the Sub-Funds such that a significant proportion of the Shares in issue in any one Sub-Fund may be owned by advisory and/or discretionary management client(s) of the Investment Manager.
- 14.4 It is therefore possible that the ACD and/or the Investment Manager may, in the course of their business, have potential conflicts of interest with the Company or that a conflict exists between the Company (or its Sub-Funds) and other funds managed or advised by the ACD or Investment Manager respectively.
- 14.5 The ACD and the Investment Manager will, however, have regard in such event to its own obligations under the relevant investment management agreement and all applicable law and regulation. In particular, each will have regard to its obligation to operate arrangements to take reasonable steps avoid such conflicts of interest, and where they cannot be avoided, manage, monitor and (where applicable) disclose those conflicts of interest in accordance with the FCA Rules, in order to prevent conflicts of interest adversely affecting the interests of the Company, the Sub-Funds and the Shareholders.
- 14.6 The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company, the Sub-Funds or the Shareholders will be prevented. Should any such situations arise the ACD will, as a last resort, disclose these to Shareholders in the report and accounts or such other appropriate format. Further details of the ACD's conflicts of interest policy are available on request.

15. Fair treatment

- 15.1 The ACD ensures fair treatment of investors by its compliance with the applicable rules in COLL and with the rules contained in the FCA Handbook.
- 15.2 The ACD is required, under the FCA Handbook, to treat its customers fairly when they become, remain or cease to be Shareholders. The ACD complies with the rules in the FCA Handbook, and has adopted a series of policies and procedures (including a conflict of interest policy) which are designed to achieve this outcome.
- 15.3 The ACD may in certain circumstances grant preferential treatment to investors. This may include, for example, access to certain Classes, a waiver or reduction of certain charges, the payment of rebates, or access to individuals within the ACD or the Investment Manager. If such rights are granted, this would typically be to Shareholders who invest significant amounts in the Company. Such investors would not typically be legally or economically linked to the ACD.
- 15.4 Any Shareholder may be granted preferential treatment in relation to the terms of its investment in the Company by the ACD, the Investment Manager and/or any other service provider to the Company.

16. Charges and expenses

16.1 Annual management charge

- 16.1.1 The ACD receives an annual management charge for managing the Company at a rate per annum of the value of the property of the Company accruing daily and payable out Scheme Property. The current rate of the annual management charge for the Company set out in Appendix 1.
- 16.1.2 The ACD is also entitled to receive a fee for its role as registrar (which may be delegated). This fee is taken from the Scheme Property, see paragraph 16.6 below.
- 16.1.3 Any increase to the annual management charge may be made by the ACD only after giving 60 days' written notice to the Shareholders.
- 16.1.4 The annual management charge is normally charged against the capital property of the Sub-Funds, in accordance with the FCA Rules, and will be paid monthly in arrears. **It should be noted that this policy may result in capital erosion or constrain capital growth.**

16.1.5 The Investment Manager's fee

- (a) The ACD is responsible for the payment of the fees of the Investment Manager and those of any sub-advisers. The annual management charge is calculated daily and charged to the Company on a monthly basis.

16.2 Initial charge

The ACD may receive, or waive in part or in whole, an initial (preliminary) charge upon the issue or sale of Shares. The current initial charge is set out in Appendix 1 in respect of each Sub-Fund. If not waived, the initial charge will be charged upon the issue or sale of Shares.

16.3 Redemption charge

16.3.1 At present no charge is levied on the redemption of Shares.

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

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

16.4 Charges on switching

16.4.1 The Instrument of Incorporation authorises the Company to impose a charge on the switching of Shares between Classes or Sub-Funds.

16.4.2 The charge will not exceed an amount equal to the then prevailing initial charge for the New Shares. If a redemption charge is payable in respect of the Original Shares, this may become payable instead of, or as well as, the then prevailing initial charge for the New Shares. The charge on switching is payable by the Shareholder to the ACD.

16.4.3 The ACD does not currently charge a switching fee.

16.5 Depositary's fees

16.5.1 Periodic fees

- (a) The Depositary's fee for the Company is currently calculated on a sliding scale as follows:

0.0275% per annum	up to and including £50,000,000 in value of the Scheme Property of the Company;
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0.025% per annum on the value of the Scheme Property of the Company above £50,000,000 up to £100,000,000;

0.02% per annum on the next £100,000,000 in value of the Scheme Property of the Company; and

0.015% per annum on the value of the Scheme Property of the Company thereafter.

- (b) The annual fee is subject to a minimum fee of £7,500 per Sub-Fund per annum and VAT at the standard rate is added to these fees.
- (c) Depositary's remuneration shall be paid out of Scheme Property. It shall accrue monthly and the first such interval shall commence on the first Valuation Point and shall terminate at the end of the last day in the same month. Each subsequent accrual interval shall commence immediately after the end of the preceding such interval and shall terminate at the end of the last day of the month following that in which the preceding accrual interval terminated. The value of the Scheme Property shall be determined in the same way as it is for the purposes of calculating the ACD's annual management charge.

16.5.2 Transaction and custody charges

- (a) In addition to the above periodic fees, the Depositary shall also be entitled to be paid transaction charges and custody charges out of Scheme Property in relation to transaction handling and safekeeping of Scheme Property from the property of the Company, as follows:

Item	Range
Transaction charges	Range from £7.50 to £180.00
Derivative charges	£20 per transaction (if applicable)
Custody charges ¹	up to 0.9% of the value of the holding involved subject to a minimum aggregate custody charge of £7,500 per Sub-Fund per annum.

¹ These charges vary from country to country depending on the markets and the type of transaction involved.

- 16.5.3 Global custody is provided by the Custodian. The custody fees and transaction charges are currently payable out of the Scheme Property of the Company.
- 16.5.4 Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the ACD and the Depositary. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.
- 16.5.5 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 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 Rules.
- 16.5.6 The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Depositary Agreement, the FCA Rules or by the general law.
- 16.5.7 On a winding-up of the Company, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.
- 16.5.8 Any VAT on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.
- 16.5.9 In each case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Rules by the Depositary.

16.6 Administration, registration and valuation fees

- 16.6.1 The administration of the Company will be carried out by Northern Trust Global Services SE, UK branch who will also act as Registrar and Fund Accountant.
- 16.6.2 The Registrar's fee is taken from the Scheme Property of the relevant Sub-Fund. The current registration fee is £18 per Shareholder per annum with a minimum of £2,000 per Sub-Fund per annum and £6 per Shareholder transaction effected through straight-through processing and £19 per Shareholder transaction recorded manually. Such fee may be payable to the ACD or to any person who has had the relevant duty delegated to it pursuant to the FCA Rules by the ACD.

- 16.6.3 The Administrator will be paid out of Scheme Property for its administration services. The administration fees are set percentages applied to the value of the Scheme Property. Subject to a minimum fee of £25,000 per sub-fund per annum, the current administration fee is:

0.04% per annum on the value of the Company's Scheme Property up to £50,000,000.

0.035% per annum on the value of the Company's Scheme Property above £50,000,000 up to £100,000,000.

0.025% per annum on the value of the Company's property thereafter.

Registration and administration fees are calculated and accrued daily and charged to the Company on a monthly basis.

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

- 16.6.5 The charges and expenses associated with the setting up of such transactions and any ongoing charges and expenses reasonably and properly incurred in respect of the processing and implementation of electronic transfers will also be payable by the ACD from the annual management charge.

16.7 Other expenses

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

- 16.7.1 the fees, costs and expenses relating to the authorisation and incorporation and establishment of the Company and the initial offer of Shares (including preparation and printing of this Prospectus and fees of professional advisers to the Company);
- 16.7.2 permitted commissions, fiscal charges (including stamp duty) and other costs or disbursements which are necessary to be incurred in effecting transactions for the Company and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

- 16.7.3 expenses properly incurred by the ACD in the performance of its duties as authorised corporate director of the Company, including without limitation, the costs of preparation and distribution of reports, accounts, and any prospectuses, key investor information documents or equivalent documents, (in the case of the key investor information documents or equivalent documents, only preparation and not distribution may be charged), the Instrument of Incorporation and any costs incurred as a result of changes to any Prospectus or Instrument of Incorporation, key investor information documents, or periodic updates of any other administrative documents, as well as the cost of maintaining other documentation required to be maintained in respect of the Company;
- 16.7.4 any costs incurred by the Company in publishing the price of the Shares;
- 16.7.5 any costs incurred in producing and despatching any payments made by the Company, or the periodic reports of the Company;
- 16.7.6 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;
- 16.7.7 any costs incurred in establishing or maintaining any services or facilities for electronic dealing in Shares;
- 16.7.8 any fees, expenses or disbursements of any legal or other professional adviser of the Company or of the ACD in relation to the Company;
- 16.7.9 any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- 16.7.10 any costs incurred in respect of meetings of Shareholders convened for any purpose including those convened on a requisition by Shareholders not including the ACD or an associate of the ACD;
- 16.7.11 liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Company in consideration for the issue of Shares as more fully detailed in COLL;
- 16.7.12 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 16.7.13 taxation and duties payable in respect of the property of the Company or the issue or redemption of Shares;
- 16.7.14 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;

- 16.7.15 the fees of the FCA as prescribed in the FEES Manual of the FCA Rules together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares in the Company are or may be marketed;
- 16.7.16 the total amount of any cost relating to the application for authorisation and incorporation of the Company and of its initial offer or issue of Shares;
- 16.7.17 any payments otherwise due by virtue of COLL;
- 16.7.18 any value added or similar tax relating to any charge or expense set out herein;
- 16.7.19 recovery by the ACD of reasonable expenses incurred; and
- 16.7.20 any costs associated with any CASS related support activity incurred by the Registrar.

16.8 Allocation of charges and expenses

- 16.8.1 Fees and expenses which may be paid out of the Scheme Property and which are attributable to a particular Sub-Fund shall be paid solely out of the Scheme Property attributable to that Sub-Fund. Expenses which are not attributable to any particular Sub-Fund shall be allocated, subject to the OEIC Regulations, between the Sub-Funds on a pro rata basis in accordance with the value of each Sub-Fund.
- 16.8.2 The ACD and the Depositary have agreed that the fees and expenses of the Company will be charged to the capital property attributable to each Sub-Fund.
- 16.8.3 **It should be noted that this policy may result in capital erosion or constrain capital growth.**

17. Inducements

- 17.1 In accordance with the FCA Rules and applicable law and regulation, the ACD and the Investment Manager, when executing orders or placing orders with other entities in relation to Financial Instruments for execution on behalf of the Company, must not accept and retain any fees, commissions or monetary benefits from a third party (**Third Party Payments**).
- 17.2 If the ACD, or the Investment Manager, receives any Third Party Payments, these will be returned to the Company as soon as reasonably possible and Shareholders will be informed of the amount received.

- 17.3 Neither the ACD, nor the Investment Manager can accept any non-monetary benefits when executing orders or placing orders with other entities for execution in relation to Financial Instruments on behalf of the Company, except those which are capable of enhancing the quality of the service provided to the Company, and which are of a scale and nature such that they could not be judged to impair the ACD's or Investment Manager's compliance with its duty to act honestly, fairly and professionally in the best interests of the Company.

18. Research

- 18.1 Certain brokers may from time to time provide research services to the Investment Manager. The Investment Manager pays for such research services (which may be used by the Investment Manager in their investment management process) out of their own resources.

19. Valuation of scheme property

- 19.1 The Company will be valued at the Valuation Point.
- 19.2 The Company will be valued on a Net Asset Value basis to determine the price of the Shares (**NAV price**). Except in circumstances where the application of a dilution levy applies shares will be redeemed at the NAV price (minus any redemption charge) and purchased at a price which may include an initial charge at the rate applying to the Company (see *Charges and Expenses*).
- 19.3 The Net Asset Value of the property of the Company (or Sub-Fund, as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions which are set out in the Instrument of Incorporation.
- 19.4 All the property of the Company (including receivables) is to be included when valuing the Company, subject to the following provisions:
- 19.4.1 property which is not cash (or other assets dealt with in paragraphs 19.4.7 and 19.4.8 and 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:
- 19.4.2 units or shares in a collective investment scheme:
- (a) if a single price for buying and selling units or shares is quoted, at that price; or
 - (b) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by a preliminary charge included therein and the selling price has been increased by an exit or redemption charge attributable thereto; or
 - (c) 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;

- 19.4.3 exchange-traded derivative contracts:
- (a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - (b) if separate buying and selling prices are quoted, at the average of the two prices;
- 19.4.4 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;
- 19.4.5 any other investment:
- (a) if a single price for buying and selling the security is quoted, at that price; or
 - (b) if separate buying and selling prices are quoted, at the average of the two prices; or
 - (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and
- 19.4.6 property other than that described in 19.4.2, 19.4.3, 19.4.4 and 19.4.5 above shall be valued at an amount which, in the opinion of the ACD, represents a fair and reasonable mid-market price;
- 19.4.7 cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values;
- 19.4.8 in determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed (unless the contrary is shown) to have been carried out (and any cash paid or received) and all consequential action required by the FCA Rules, the OEIC Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken;
- 19.4.9 subject to paragraphs 19.4.10 and 19.4.11 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount;
- 19.4.10 futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 19.4.9;

- 19.4.11 all agreements are to be included under paragraph 19.4.9 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;
- 19.4.12 deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Company; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax and stamp duty;
- 19.4.13 deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day-to-day;
- 19.4.14 deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings;
- 19.4.15 add an estimated amount for accrued claims for tax of whatever nature which may be recoverable;
- 19.4.16 add any other credits or amounts due to be paid into the Scheme Property;
- 19.4.17 add a sum representing any interest or any income accrued due or deemed to have accrued but not received; and
- 19.4.18 currencies or values in currencies other than base currency or (as the case may be) the designated currency of the Company shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

20. Risks

Potential investors should consider the following risk factors before investing in the Company.

20.1 General

- 20.1.1 Collective investment schemes should be regarded as long term investments.
- 20.1.2 The value of Shares in a Sub-Fund is based upon the value of the underlying investments attributable to that Sub-Fund.

- 20.1.3 The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in a Sub-Fund.

20.2 Effect of initial charge or redemption charge

- 20.2.1 Where an initial charge or redemption charge is imposed, an investor who realises their Shares may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.
- 20.2.2 In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased, the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares. The Shares therefore should be viewed as medium to long term investments.

20.3 Dilution

Any Sub-Fund may suffer a reduction in the value of its Scheme Property due to dealing costs incurred when buying and selling investments. To offset this dilution effect, the ACD may require the payment of a dilution levy in addition to the price of Shares when bought or as a deduction when sold. Further information about the dilution levy is set out at paragraph 11.19.

20.4 Suspension of dealings in units

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

20.5 Currency exchange rates

Currency fluctuations may adversely affect the value of the Scheme Property and the income thereon and, depending on a Shareholder's currency of reference, currency fluctuations may adversely affect the value of their investment in Shares.

20.6 Past performance

Past performance is not a reliable indicator or guide to future performance.

20.7 Derivatives and volatility

- 20.7.1 The prices of derivative instruments, including futures, options and swap prices can be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of

governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, amongst other things, interest rate fluctuations. The use of these techniques and instruments also involves certain special risks, including:

- (a) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates;
- (b) imperfect correlation between the price movements of the derivatives and price movements of related instruments;
- (c) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Company; and
- (d) the possible absence of a liquid market for any particular instrument at any particular time; which may result in possible impediments to effective portfolio management or the ability to meet redemption.

20.7.2 The Company may invest in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

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

20.7.4 Unless otherwise stated in Appendix 1, it is intended that the Company may use derivatives in accordance with the FCA Rules for the purpose of Efficient Portfolio Management (including hedging) in respect of any Sub-Fund. The use of derivatives and forward transactions for the purpose of Efficient Portfolio Management is

not expected to increase the risk profile of the Company or the relevant Sub-Fund.

20.8 Derivative techniques

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

20.9 Counterparty and settlement

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

20.10 Counterparty risk in OTC markets

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

20.11 Emerging markets

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

- 20.11.2 The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.
- 20.11.3 The following is a brief summary of some of the more common risks associated with emerging markets investment:
- (a) *Fraudulent Securities* – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.
 - (b) *Currency Fluctuations* – Significant changes in the currencies of the countries in which investments are made in respect of the currency of denomination of the Company may occur following the investment of the Company in these currencies. These changes may impact the total return of the Company to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.
 - (c) *Settlement and Custody Risks* – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement may be delayed and that cash or securities could be disadvantaged.
 - (d) *Custody Risk* - The Depositary may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint a custody agent. The Depositary or Custodian may hold Financial Instruments in fungible accounts (meaning the assets are interchangeable) or omnibus accounts (resulting in accounts being combined). The use of omnibus accounts gives rise to a potential risk that there could be a shortfall in the Financial Instruments held in such an account should the total of the Financial Instruments be less than the aggregate entitlement of the Company. It is expected that such risks will be mitigated by the Custodian's trade matching and reconciliation processes, however in the event of an irreconcilable shortfall, the affected clients would bear the risk of any shortfall on a pro-rata basis and the Company may not recover all of its Financial Instruments.
 - (e) *Investment and Remittance Restrictions* – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to the Company because the maximum permitted number of or investment by foreign Unitholders has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval. The Company will only invest in markets in

which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.

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

20.11.4 The Company may invest in such markets.

20.12 Credit and fixed interest securities

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

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

20.13 Equity swaps

20.13.1 An equity swap, often referred to as a contract for difference or 'CFD', is a contract between two parties, buyer and seller, stipulating that the seller will pay to the buyer the positive difference between the current value of an asset (a security, instrument, basket or index) and its value when the contract was first entered into. If the difference is negative, then the buyer pays this amount to the seller.

20.13.2 Equity swaps allow investors to take synthetic long or synthetic short positions with a variable margin, which, unlike futures contracts, have no fixed expiry date. Unlike shares, with equity swaps, the buyer is potentially liable for more than the amount they paid on margin. The Company may therefore employ risk management techniques to ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from equity swaps and other techniques and instruments.

20.14 Short sales

A short sale involves the sale of a security that the Company does not physically own in the expectation of purchasing the same security at a later date at a lower price to secure a profit. COLL prohibits the short selling of physical securities but

allow the creation of synthetic-short positions through the use of cash settled derivatives such as equity swaps (or CFDs), as long as any exposure created is covered by the Scheme Property. The establishment and maintenance of a synthetic short position in equities can involve greater risks than would be the case with a long position. These include the possibility of unlimited loss due to potentially unlimited price appreciation in the securities concerned, problems associated with the cost or availability of stock to borrow for the purposes of short selling and possible difficulties in purchasing stock to cover short positions in certain market conditions.

20.15 Market risk

The Scheme Property of each Sub-Fund will be diversified. However, the underlying investments attributable to each Sub-Fund will be subject to normal market fluctuations and to the risks inherent in investments in collective investment schemes.

20.16 Liquidity risk

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

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

20.17 Leverage

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

20.18 Tax

Tax laws currently in place may change in the future which could affect the value of your investments. See paragraph 24 headed 'Taxation' for further details about taxation of the Company and the Sub-Funds.

20.19 Inflation and interest rates

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

20.20 Custody

Where Scheme Property is held in custody, there may be a risk of loss that could result from the insolvency, negligence or fraudulent action of a custodian or sub-custodian.

20.21 Underlying collective investment schemes

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

20.22 Structured products

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

However, in addition to providing exposure to the asset classes described in the investment objective for each Sub-Fund, the intention is that the use of structured products should assist with keeping the volatility level of the Sub-Funds relatively low.

21. Risk management process and liquidity management

- 21.1 The ACD, in consultation with the Investment Manager, has adopted a risk management process in respect of the Company enabling it to monitor and measure the risk of each Sub-Fund's portfolio and the contribution of the underlying investments to the overall risk profile of each Sub-Fund. See paragraph 29 for further details.
- 21.2 The ACD operates a liquidity risk management policy with a view to ensuring that Shareholders are able to realise their Shares in accordance with this Prospectus and the requirements of the FCA Rules. This Prospectus provides information in relation to liquidity risk management, including the redemption rights of investors in normal and exceptional circumstances, and the existing redemption arrangements with investors.
- 21.3 Liquidity risk is the risk that a Sub-Fund is unable to meet its obligations as they fall due. Examples include insufficient cash to meet redemption requests or make margin payments requirements and the risk that a particular derivative position

cannot be easily unwound or offset due to insufficient market depth or market disruption or that the Sub-Fund's financial obligations arising from the derivative activity (such as margin calls) will not be able to be met. It is controlled for through monitoring of the liquidity of all instruments used, including derivatives, in the context of the investment objectives and liquidity requirements of each scheme or client account. Cash positions are monitored and reported to ensure that the Sub-Funds have sufficient capacity to meet obligations arising from any derivative positions.

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

22. Infectious Diseases

- 22.1 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 a Sub-Fund and the value of distributions paid to investors.

23. Summary of the ACD's haircut policy

23.1.1 The ACD may have to provide or receive collateral in entering into certain derivative transactions for a Sub-Fund. In doing so, the ACD may apply a haircut to that collateral. A "haircut" is a percentage that is subtracted from the market value of an asset that is being used as collateral.

23.1.2 The ACD will judge, on a case-by-case basis, the extent and type of collateral to use when negotiating with counterparties and clearing houses and the haircut policy which it will apply.

Where cash is received as collateral it will not be invested in anything other than cash or short-term deposit accounts.

23.1.3 Cash and specific types of collateral will be deemed to be permitted, at the ACD's discretion, for the purposes of the Company's collateral policy.

24. Taxation

- 24.1 **The following is only intended as a general summary of UK tax law and HM Revenue & Customs practice, as at the date of this Prospectus (which may change in the future), applicable to the Company and its Sub-Funds and to individual and corporate investors who are resident for tax purposes in the UK, and who are the absolute beneficial owners of shares in the Sub-Funds held as an investment. The summary's applicability will depend upon the particular circumstances of each investor (and it will not apply to persons, such as certain institutional investors, who are subject to a special tax regime). It should not be treated as legal or tax advice.** Accordingly, if investors are in any doubt as to their taxation position, they should consult their independent professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

24.2 General

- 24.2.1** The Company is an umbrella scheme. The effect of the Company being an umbrella scheme is that each Sub-Fund of the Company is treated as a separate entity for UK tax purposes. This paragraph 24 contains information on the taxation of both an equity fund (**Equity Fund**) and a bond fund (**Bond Fund**).
- 24.2.2 For UK tax purposes a Sub-Fund will be regarded as a Bond Fund for a particular distribution period where more than 60% of the market value of its assets consist of "**Qualifying Investments**" at all times during that distribution period. The term Qualifying Investments includes, but is not limited to, money placed at interest and securities that are not shares, including but not limited to government and corporate debt securities and certain derivative contracts.
- 24.2.3 For UK tax purposes a Sub-Fund will be regarded as an Equity Fund for any distribution period in which it is not regarded as a Bond Fund.
- 24.2.4 The distribution accounts for each Sub-Fund for any given distribution period may show that Sub-Fund's income as being available for distribution as either a dividend or as an interest distribution and the appropriate type of distribution will depend upon the source and composition of the income of the Sub-Fund for that period.
- 24.2.5 Broadly, any Sub-Fund which invests mainly in interest paying investments (i.e. a Bond Fund) may make interest distributions. Other Sub-Funds (Equity Funds) may only make dividend distributions.
- 24.2.6 The tax treatment of any distributions received by any of the Sub-Funds from any underlying investments in authorised unit trusts or ICVCs will follow the principles of tax transparency.
- 24.2.7** The tax issues relating to the Company (including its Sub-Funds) and the Shareholders are treated separately.

24.3 The Company - Taxation as an Equity Fund

Tax on capital gains

The Sub-Funds are generally not subject to UK taxation on capital gains arising on the disposal of their investments. Should a Sub-Fund be considered to be trading in securities (rather than holding them as investments), however, any gains made will be treated as income and will be subject to corporation tax. A Sub-Fund which invests in overseas securities may be liable to local tax on gains on disposals subject to the application of any double tax treaty with the UK.

24.4 Tax on income

Sub-Funds will be liable to corporation tax at a rate equal to the lower rate of income tax, currently 20%, on their income after relief for expenses (which include fees payable to the ACD and to the Depositary). Dividends and similar income distributions received by Sub-Funds from UK resident companies are exempt from corporation tax subject to certain exclusions and specific anti avoidance rules. Dividends and similar income distributions from UK authorised unit trusts and other

UK ICVCs are generally exempt from corporation tax to the extent the underlying income derives from dividends.

24.5 Non-UK dividends and relief for foreign withholding taxes

24.5.1 Dividends received from a Sub-Fund's holdings of non-UK equities are exempt from corporation tax, subject to certain exclusions and specific anti avoidance rules. It is not anticipated that the Sub-Funds will receive any dividends other than exempt dividends in respect of its non-UK shareholdings.

24.5.2 To the that any Sub-Fund receives income from, or realises foreign gains on disposal of investments in, jurisdictions outside the UK it may be subject to withholding or other taxation in those jurisdictions. To the extent it relates to income, this foreign tax may be able to be treated as an expense for UK corporation tax purposes, or it may be treated, up to certain limits, as a credit against UK corporation tax.

24.5.3 Certain Double Tax Agreements between the UK and other territories make provision for withholding taxes, or higher withholding taxes, to apply to dividends paid in circumstances where a resident of the state receiving the dividend is not charged to tax in respect of it. Chapter 4 of Part 9A of the Corporation Tax Act 2009 therefore provides for the making of an election that a dividend is not exempt, in order to ensure that it is subject to no, or lower rates of, withholding taxes. The ACD therefore reserves the right to make such an election if it results in a greater net receipt for a Sub-Fund.

24.6 The Company - Taxation as a Bond Fund

Tax on capital gains

Capital gains accruing to a Bond Fund will not be subject to UK taxation on capital gains arising on the disposal of its investments. If, however, the Bond Fund were considered to be trading in securities (rather than holding them as investments) any gains made would be treated as taxable trading income and subject to corporation tax.

24.7 Tax on income

The Bond Fund will be liable to UK corporation tax on income from investments in debt, debt related securities and cash deposits. However, a Bond Fund is not subject to UK corporation tax on such income to the extent that such income is distributed (or treated as distributed) by the Sub-Funds as an interest distribution, either by way of cash distribution or through accumulation or re-investment in the Sub-Funds. The restrictions on the tax deductibility of interest contained in Part 10 and Schedule 7A of the Taxation (International and Other Provisions) Act 2010 will not apply to interest distributions made by a Bond Fund.

24.8 Taxation of the Shareholder

Income

Where a Sub-Fund is deemed to be an Equity Fund

Accumulations and distributions of income (hereinafter **distributions**) constitute income for UK tax purposes.

24.9 UK resident individuals

- 24.9.1 UK resident individuals and (the trustees of) certain trusts liable to UK income tax will be taxable on the sum of the distribution.
- 24.9.2 UK residents have a tax-free dividend allowance of £2,000, which provides that distributions up to this amount received by UK resident individuals will not be subject to UK income tax. Any dividend income received in excess of this allowance will be taxed at 7.5% to the extent it falls within the taxpayer's basic rate band; 32.5% to the extent it falls within their higher rate band; and 38.1% to the extent it falls within their additional rate band. Dividends within the tax-free dividend allowance will count towards an individual's basic or higher rate bands and may therefore affect the rate of tax payable on dividends received in excess of the tax-free dividend allowance.
- 24.9.3 Trusts which are subject to UK tax do not qualify for the £2,000 dividend allowance. This means trustees pay tax on all dividends depending on the tax band they fall within.
- 24.9.4 Dividends received by pension funds that are exempt from tax and dividends received on shares held in an Individual Savings Account (ISA) will continue to be tax-free.
- 24.9.5** Individuals with a net adjusted income of over £100,000 will also have their personal allowances reduced by £1 for every £2 of gross income over £100,000. For the tax year 2021/2022 the personal allowance is reduced to nil at the point where an individual's income level reaches £125,140. These limits may change in the future.

24.10 UK resident companies

- 24.10.1 A distribution to a Shareholder within the charge to corporation tax will, if the income is not wholly derived from UK and other dividends (**franked investment income**), be split into "franked" and "unfranked" parts. The unfranked part corresponds to such part of the Sub-Fund's gross income as does not derive from franked investment income. The franked part is treated in the same way as a dividend received from a UK resident company. The unfranked part is treated as an annual payment received after deduction of income tax at the basic rate from a corresponding gross amount. A UK corporate Shareholder will be liable to corporation tax on the unfranked amount received, but with the benefit of credit for, or repayment of, the income tax that is deemed to have been deducted at source. If the unfranked part of a dividend comprises foreign source income the deemed deduction of income tax is reduced proportionately.
- 24.10.2 Details of those proportions of a distribution comprising franked investment income and unfranked investment income will be shown on the tax voucher issued by Sub-Fund.

- 24.10.3 These rules do not apply or are modified in relation to life insurance companies, in particular those with pensions and ISA business, life reinsurance business or overseas life assurance business.

24.11 Non-resident Shareholders

- 24.11.1 Non-resident Shareholders will generally not be liable to UK income tax in respect of a dividend received from Sub-Funds.
- 24.11.2 The does not at present require income tax to be deducted at source, or otherwise impose any withholding tax, on dividends paid by a UK company to a non-resident company.

Where a Sub-Fund is deemed to be a Bond Fund

24.12 Individual Shareholders

- 24.12.1 UK resident individual Shareholders will be subject to income tax at the relevant rate on any interest distributions (or deemed distribution from Accumulation Shares) from the Bond Sub-Funds. Interest distributions are paid gross. Some UK resident individual Shareholders will benefit from a tax-free allowance (a Personal Savings Allowance) on interest distributions. Basic rate tax payers will receive up to £1,000 of interest tax-free and higher rate tax-payers up to £500. Those paying tax at the additional rate are not eligible for the Personal Savings Allowance.
- 24.12.2 UK resident basic rate, higher rate and additional rate taxpayers will pay income tax (in the case of basic rate and higher rate taxpayers, the amount in excess of the applicable personal savings allowance) on any income distributions at the basic rate of 20%, the higher rate of 40% or the additional rate of 45% (as applicable).
- 24.12.3 Non-resident individual Shareholders will generally not be liable to UK income tax on interest distributions received from the Company or a Sub-Fund.
- 24.12.4 Individual investors who are not resident in the UK also receive interest distributions without deduction of income tax.

24.13 Corporate Shareholders

- 24.13.1 A corporate Shareholder which, whether UK resident or not, is within the charge to corporation tax in respect of a shareholding will be subject to corporation tax on the gross amount of any interest distributions (or deemed distributions from Accumulation Shares) from the Sub-Funds.
- 24.13.2 Interest distributions paid to UK corporate Shareholders may be paid without deduction of income tax at source.

24.14 Capital gains

24.15 UK resident individuals and exempt Shareholders

- 24.15.1 Whether a Sub-Fund is deemed to be either an Equity Fund or a Bond Fund Shareholders who are resident in the UK may be liable to UK

taxation on capital gains arising from the sale or other disposal, including redemption of Shares, and switching of Shares in one Sub-Fund to Shares in another Sub-Fund. Individuals and certain trusts generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of Shares. The resulting gains will be taxable at the capital gains tax rate and may be reduced by capital losses in the year, and by annual exemptions. The rate of capital gains tax is currently 10% where the total taxable gains and income are less than the upper limit of the income tax basic rate band and 20% where gains are above that limit.

- 24.15.2 Exempt Shareholders, which include UK charities, UK approved pension funds, ISAs (and their individual investors), would not normally be liable to capital gains tax on their disposal of Shares.

24.16 UK resident companies

- 24.16.1 Where a Sub-Fund is deemed to be an Equity Fund:

Shareholders within the charge to corporation tax are taxed on any capital gain made computed on the basis of the rules described above. Special rules apply to life assurance companies that beneficially own shares.

- 24.16.2 Where a Sub-Fund is deemed to be a Bond Fund:

Special rules apply to Shareholders within the charge to corporation tax which, in certain circumstances, can result in a holding of a Sub-Fund's Shares being treated as a creditor relationship for the purposes of the UK's corporate debt rules. The result is that a fair value basis of accounting has to be used for computing corporation tax liabilities with regard to that creditor relationship.

- 24.16.3 Non-resident Individual and Corporate Shareholders

Whether a Sub-Fund is deemed to be either an Equity Fund or a Bond Fund a Shareholder who is not resident in the UK will not normally be liable to UK tax on capital gains realised on the disposal (or deemed disposal) of Shares.

Part of any increase in the value of Accumulation Shares represents the accumulation of income. These amounts may be added to the acquisition cost when calculating the capital gain realised on their disposal.

24.17 Income equalisation – tax implications

The first income allocation received by an investor after buying Shares may include an amount of income equalisation, where this is provided for in the Instrument of Incorporation and Prospectus. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes.

24.18 Stamp duty reserve tax

- 24.18.1 Stamp Duty Reserve Tax (SDRT) is generally charged on any agreements to transfer shares of ICVCs (other than transactions handled by the fund manager) to third parties at a rate of 0.5% of the consideration.
- 24.18.2 Generally no SDRT charge arises on the issue of shares of ICVCs. However, sometimes SDRT can arise for example where there is an in specie contribution of chargeable securities or where the investor surrenders the shares in exchange for chargeable securities (although there are exceptions). **Investors should consult their independent professional adviser for more information if they are in any doubt as to whether this affects them.**

24.19 Withholding tax liability

- 24.19.1 To the extent the Company (or a Sub-Fund) is subject to withholding tax as a result of:
- (a) a Shareholder failing (or delaying) to provide relevant information to the ACD;
 - (b) a Shareholder failing (or delaying) to enter into a direct agreement with the IRS where required; or
 - (c) the Company (or a Sub-Fund) becoming liable under FATCA or any legislation or regulation to account for tax in any jurisdiction in the event that a Shareholder or beneficial owner of a Share receives a distribution, payment or redemption, in respect of their Shares or disposes (or be deemed to have disposed) of part or all of their Shares in any way,

each a Chargeable Event,

the ACD may take any action in relation to a Shareholder's holding in a Sub-Fund to ensure that such withholding is economically borne by the relevant Shareholder. The ACD and/or its delegate or agent shall be entitled to deduct from the payment arising on a Chargeable Event an amount equal to the appropriate tax. The action by the ACD may also include, but is not limited to, removal of a non-compliant Shareholder from the Sub-Fund or the ACD or its delegates or agents redeeming or cancelling such number of shares held by the Shareholder or such beneficial owner as are required to meet the amount of tax. Neither the ACD nor its delegate or agent, including the administrator, will be obliged to make any additional payments to the Shareholder in respect of such withholding or deduction.

- 24.20 **Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investment in any Sub-Fund.**

25. International tax compliance

- 25.1.1 The US Foreign Account Tax Compliance Act (**FATCA**) is designed to help the Internal Revenue Service (the **IRS**) combat US tax evasion. It requires "foreign financial institutions" (such as the Company) to report on

US investors. Failure to comply (or be deemed compliant) with these requirements may mean that foreign financial institutions are subject to US withholding taxes on certain US-sourced income and gains. Under an intergovernmental agreement between the US and the United Kingdom, the Company may be deemed compliant if it identifies and reports US taxpayer information directly to HMRC.

- 25.1.2 Similar reporting requirements may also apply to the Company in respect of Shareholders who are not solely UK tax resident following laws enacted for the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**).
- 25.2 There are also requirements to report cross-border arrangements to the tax authority if certain requirements are met under the International Tax Enforcement (Disclosable Arrangements) Regulations 2020 (as amended from time to time). Investors should consult their independent professional adviser for more information as the obligation to report can in some cases be with the taxpayer.
- 25.3 Accordingly, Shareholders should note that:
 - 25.3.1 they may be asked to provide additional information (including information regarding their tax residence) to the ACD to enable the Company to satisfy these obligations;
 - 25.3.2 the ACD may be required to report these details to HMRC; and
 - 25.3.3 HMRC may subsequently exchange this information with other governments or tax authorities in other jurisdictions.
- 25.4 Institutional Shareholders may be required to provide a Global Intermediary Identification Number (**GIIN**).
- 25.5 Failure to provide requested information may subject a Shareholder to liability for any resulting withholding taxes, tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its Shares.

26. **Winding up the Company or terminating a Sub-Fund**

- 26.1 The Company shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the FCA Rules. A Sub-Fund shall not be wound up except under Part V of the Insolvency Act 1986 (as modified by Regulation 33C of the OEIC Regulations) as an unregistered company and shall not be terminated except as under the FCA Rules.
- 26.2 Where the Company is to be wound up under the FCA Rules, or a Sub-Fund terminated, such winding up or termination may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company or the Sub-Fund) either that the Company or Sub-Fund will be able to meet its liabilities within 12 months of the date of the statement or that the Company or Sub-Fund will be unable to do so. The Company may not be wound up under the FCA Rules if there is a vacancy in the position of ACD at the relevant time.

- 26.3 The Company may be wound up or a Sub-Fund may be terminated under the FCA Rules:
- 26.3.1 if an extraordinary resolution to that effect is passed by Shareholders of the Company or Sub-Funds (as appropriate); or
 - 26.3.2 if the period (if any) fixed for the duration of the Company or a Sub-Fund by the Instrument expires, or an event (if any) occurs on the occurrence of which the Instrument provides that the Company is to be wound up, or a Sub-Fund terminated (for example, if the share capital of the Company or Sub-Fund is below its prescribed minimum); or
 - 26.3.3 on the date of effect stated in any agreement by the FCA to a request by the ACD for the winding up of the Company or the termination of a Sub-Fund; or
 - 26.3.4 in the case of a Sub-Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Sub-Fund ceasing to hold any scheme property; or
 - 26.3.5 on the date on which all of the Company's Sub-Funds fall within paragraph 26.3.4 or have otherwise ceased to hold Scheme Property, notwithstanding that the Company may have assets and liabilities which are not attributable to any particular Sub-Fund.
- 26.4 On the occurrence of any of the above:
- 26.4.1 the parts of the FCA Rules and the Instrument relating to pricing and dealing and investment and borrowing will cease to apply to the Company or, where a Sub-Fund is being terminated, to the shares and Scheme Property of that Sub-Fund;
 - 26.4.2 the Company will cease to issue and cancel shares in the Company or Sub-Fund and the ACD shall cease to sell or redeem shares or arrange for the Company or Sub-Fund to issue or cancel them (except in respect of final cancellation);
 - 26.4.3 no transfer of a share shall be registered and no other change to the Register shall be made without the sanction of the ACD;
 - 26.4.4 where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company; and
 - 26.4.5 the corporate status and powers of the Company and, subject to the provisions of paragraphs 26.4.1 to 26.4.4 above, the powers of the ACD shall remain until the Company is dissolved.
- 26.5 The ACD shall, as soon as practicable after the winding up of the Company or the termination of a Sub-Fund has commenced, arrange for all shares in issue to be cancelled, realise the assets and meet the liabilities of the Company or Sub-Fund

and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds remaining (if any) to Shareholders proportionately to their rights to participate in the Scheme Property. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the Sub-Fund to be discharged, the ACD shall arrange for the Depositary to also make a final distribution to Shareholders (if any Scheme Property remains to be distributed) on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to the rights of their respective shares to participate in Scheme Property at the commencement of the winding up or termination.

- 26.6 As soon as reasonably practicable after completion of the winding up of the Company or the termination of a Sub-Fund the Depositary shall notify the FCA and, at the same time, the ACD or the Depositary will request the FCA to revoke the relevant authorisation order (on the winding up of the Company) or to update its records (on the termination of a Sub-Fund).
- 26.7 On completion of a winding up of the Company, or the termination of a Sub-Fund, any money (including unclaimed distributions) standing to the account of the Company (or the Sub-Fund), will be paid into court within one month of dissolution.
- 26.8 Following the completion of the winding up of the Company or the termination of a Sub-Fund, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the Auditors' report must be sent to the FCA and to each Shareholder within four months of the termination of the winding up or termination.

27. General

27.1 Reports

- 27.1.1 Annual reports of the Company will be published by the ACD within four months of each annual accounting period. Half-yearly reports of the Company will be published by the ACD within two months of the end of each half-yearly accounting period.
- 27.1.2 Annual and half-yearly reports will be made available (free of charge) on request to the ACD. These reports shall be available, without charge, for inspection by the public during normal working hours at the ACD's place of business. The address, for the ACD, is set out in Appendix 8.
- 27.1.3 The annual report will also include (where relevant) information regarding the Company's use of SFTs and TRSs, as required by the Securities Financing Transactions Regulation.

27.2 Documentation

Copies of the Instrument of Incorporation, the Prospectus, the ACD Agreement and the most recent annual and half-yearly reports may be inspected at the head office of the ACD. Copies may be obtained free of charge by Shareholders on application.

The address, for the ACD, is set out in Appendix 8.

27.3 Address for service of notices (on the Company)

The address for service of notices, or other documents required or authorised to be served on the Company, may be sent to the registered office of the ACD. Please refer to Appendix 8 for details of the ACD's office address.

27.4 Notices and documents for Shareholders

27.4.1 Notices and documents will be sent by first class post to a Shareholder, to the address on the Register. Please refer to paragraph 13.14 for further details. Communications by electronic medium are permitted, provided in accordance with the FCA Rules. Please refer to paragraph 11.16 for further details.

27.4.2 Notwithstanding the above, where Shares are jointly held by two or more persons, in accordance with the FCA Rules certain documents may be sent by first class post or by electronic medium only to the first named Shareholder to its address on the Register.

27.5 Telephone recordings and electronic communications

27.5.1 The ACD, in accordance with the FCA Rules, must take all reasonable steps to record telephone conversations and keep a copy of electronic communications where such conversations and communications relate to activities in financial instruments as required by the FCA Rules.

27.5.2 The ACD may deliver copies of such recordings to any court or competent regulatory authority. Records of conversations and/or communications required to be kept by relevant regulation will be available on request for a period of five years (or, where requested by the FCA, for a period of up to seven years) from the date when the record is made.

27.5.3 Please note that the ACD may also record telephone calls for training and monitoring purposes and to confirm Shareholder's instructions.

27.6 Complaints

27.6.1 Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD, or, following that, may make their complaint direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

- 27.6.2 A copy of the ACD's complaints handling procedure is available upon request.

27.7 Amending the Prospectus

This Prospectus and/or any policies or procedures referred to herein may be reviewed or revised from time to time by the ACD in accordance with the FCA Rules.

27.8 Governing law

- 27.8.1 All transactions in Shares are governed by the laws of England and Wales.

- 27.8.2 By applying for Shares, the Shareholder agrees to be bound by the Instrument of Incorporation and this Prospectus (as may be amended from time to time). The Company and its Sub-Funds, the Instrument of Incorporation and this Prospectus are governed by the laws of England and Wales. The Company and its Sub-Funds, the ACD and Shareholders will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with a Shareholder's investment in a Sub-Fund or any related matter.

28. Risk management

Each Shareholder may obtain, on request from the ACD, information supplementary to this Prospectus relating:

- 28.1.1 the quantitative limits applying in the risk management of the Company;
- 28.1.2 the methods used in relation to paragraph 28.1.1; and
- 28.1.3 any recent development of the risk and yield of the main categories of investment.

29. Risk management Process

- 29.1 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.
- 29.2 The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:
- 29.2.1 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;
- 29.2.2 the methods for estimating risks in derivative and forward transactions.
- 29.3 The ACD must assess, monitor and periodically review:

- 29.3.1 the adequacy and effectiveness of the risk management policy and of the arrangements, processes and techniques referred to in COLL 6.12.5 R;
 - 29.3.2 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
 - 29.3.3 the adequacy and effectiveness of measures taken to address any deficiencies in the performance of the risk management process.
- 29.4 The ACD must notify the FCA of any material changes to the risk management process.

30. Historical performance data

Please see Appendix 4 for historical performance data in relation to the Sub-Funds.

Appendix 1

Investment objective, policy and other details of the Sub-Funds

The Scheme Property of each Sub-Fund must comply with the FCA Regulations and its own investment objective and policy.

Details of the Sub-Funds' investment objectives and policies are set out overleaf together with other information including available Classes, charges, minimum investment levels and distribution dates.

A detailed statement of the investment and borrowing restrictions applicable to the Company, and its Sub-Funds, is contained in Appendix 2. Lists of the eligible securities and derivatives markets on which the Company and its Sub-Funds may invest are contained in Appendix 5.

Part 1

Sub-Fund Information

TBL GLOBAL FUND

1. Investment objective

To provide both growth and income. The target gross yield will be 2.6% per annum.

2. Investment policy

The Sub-Fund will usually invest predominantly (i.e. at least 80% combined) in global equities and bonds, save that the Sub-Fund may hold less than 80% in such investments temporarily in times of extreme market volatility. Exposure may be achieved either directly, or indirectly, through investment in permitted collective investment vehicles including those which may be managed by the ACD (and either exposure method may be used on an ongoing basis). The Sub-Fund may also invest in money market instruments and deposits, cash and near cash and other permitted transferable securities.

Transactions in derivatives may be used for the purposes of efficient portfolio management. Such transactions are not intended to increase the risk profile of the Sub-Fund.

3. Performance Comparator

The objective of the Company is to achieve a return of 2.6% per annum but there is no guarantee that this will be achieved over that specific, or any time period, and capital could be at risk. Performance should be assessed using an absolute return on this basis.

The index below has been selected as a benchmark for performance because the constituents are representative of the areas in which the Company itself is likely to invest, and they are therefore appropriate comparators for the Company's performance.

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

4. Benchmark

The performance of the Sub-Fund will be measured against the Investment Association Mixed Investment 20-60% Shares benchmark for comparison purposes only.

5. Summary information - TBL Global Fund

Name of Sub-Fund	TBL Global Fund
Product Reference Number	828640
Commencement	The Sub-Fund was authorised by the FCA on 13 December 2018
Launch Date	18 January 2019
Initial offer period	The initial offer period expired on 21 January 2019
Annual accounting date	31 December
Annual income allocation date	28 February (29 February when applicable) (or, if not a Business Day, the next Business Day)

Interim accounting dates	31 March 30 June (half-yearly) 30 September
Interim income allocation dates	31 May 31 August 30 November (or, if any of the dates above are not a Business Day, the next Business Day)
Units Classes	Class A Income Shares Class A Accumulation Shares
Currency of denomination	Pounds sterling
Initial charge*	Class A Income Shares: 5% Class A Accumulation Shares: 5%
Redemption charge*	None (but may be introduced in the future at the ACD's discretion)
Switching charge*	None (but may be introduced in the future at the ACD's discretion)
Annual Management Charge	Class A Income Shares: Up to 1.2% (but currently 0.7%) Class A Accumulation Shares: Up to 1.2% (but currently 0.7%)
Charges and expenses taken from income or capital	Charges and expenses are taken from capital as set out in paragraph 16.8. It should be noted that this policy may result in capital erosion or constrain capital growth

Charge for Investment Research	None
Minimum initial investment*	Class A Income Shares: £1,000,000 Class A Accumulation Shares: £1,000,000
Minimum holding*	Class A Income Shares: £1,000,000 Class A Accumulation Shares: £1,000,000
Minimum subsequent investment*	Class A Income Shares: £1,000,000 Class A Accumulation Shares: £1,000,000
Minimum withdrawal*	Class A Income Shares: £100,000 Class A Accumulation Shares: £100,000
Invest in Eligible Markets	As listed in Appendix 5
Income Equalisation	Yes as set out in paragraph 11.13
Past Performance	Past performance is set out in Appendix 4
Securities Financing Transactions Regulation	The Sub-Fund is authorised to enter into Securities Financing Transactions and Total Return Swaps but does not currently do so. Please see the disclosures below and in Appendix 3 for further details.

*Investment minima and the initial and redemption charges may be waived by the ACD at its discretion.

6. Securities financing transactions regulation disclosure

6.1 The ACD is subject to the provisions of the Securities Financing Transactions Regulation.

6.2 As at the date of this Prospectus the Sub-Fund does not use SFTs or TRSs. However, the ACD reserves the right to permit the Sub-Fund to use such instruments in the future.

6.3 Additional detail on the Securities Financing Transactions Regulation, and the use of SFTs and TRSs, is given in Appendix 3.

7. Investor profile

7.1 The Sub-Fund is suitable for retail investors. The Sub-Fund is suitable for investors who can afford to set aside the capital for at least five years. If you are uncertain about whether this product is suitable for you, please contact an independent financial adviser.

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

7.3 Investors should be aware that there is no protection of capital and no guaranteed return and investors can lose the amount invested. Accordingly, Shares are not suitable for:

7.3.1 any investor who does not have sufficient resources to bear any loss resulting from the investment;

7.3.2 investors who are not prepared to take any risk with their money or put their capital at risk; and/or

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

Appendix 2

Investment and borrowing powers

The below provisions apply to the Company and its Sub-Funds. In this Appendix 2 except where indicated, Scheme Property means the property of each Sub-Fund.

1. Limitations on type of investments

- 1.1 The Scheme Property of each Sub-Fund will be invested with the aim of achieving the investment objective of that Sub-Fund but subject to the limits on investment set out in the FCA Rules and that Sub-Fund's investment policy.
- 1.2 Except where the investment policy for a Sub-Fund permits otherwise, **derivatives and forward transactions will only be used for Efficient Portfolio Management purposes.**
- 1.3 The investment objective and investment policy of each Sub-Fund are subject to the UCITS limits on investment under COLL 5, which are summarised below. The ACD must ensure that, taking account of the investment objective and investment policy, each Sub-Fund's investments provide a prudent spread of risk for that Sub-Fund.
- 1.4 By way of summary, the Scheme Property of UCITS may only, except where otherwise provided in the rules in COLL 5, consist of any one or more of:
 - 1.4.1 transferable securities;
 - 1.4.2 approved money-market instruments;
 - 1.4.3 units in permitted collective investment schemes;
 - 1.4.4 permitted derivatives and forward transactions;
 - 1.4.5 permitted deposits; and
 - 1.4.6 movable and immovable property which is essential for the direct pursuit of the Company's business.

2. Transferable securities

2.1 Types of transferable security

- 2.1.1 A transferable security is an investment which is a share, a debenture, an alternative debenture, a government and public security a warrant, or a certificate representing certain securities (as such terms are defined in the FCA Glossary).
- 2.1.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 2.1.3 In applying paragraph 2.1.2 to an investment which is issued by a body corporate, and which is a share or a debenture (as such terms are defined in the FCA Glossary), the need for any consent on the part of the

body corporate or any members or debenture holders of it may be ignored.

- 2.1.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

2.2 **Criteria for investment in transferable securities**

- 2.2.1 The Sub-Funds may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

- (a) the potential loss which that Sub-Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
- (b) its liquidity does not compromise the ACD's ability to comply with its obligations to redeem units at the request of any qualifying shareholder;
- (c) reliable valuation is available for it as follows:
 - (i) in the case of a transferable security admitted to or dealt in on an eligible market (see further paragraph 5 below for an explanation of 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;
 - (ii) 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;
- (d) appropriate information is available for it as follows:
 - (i) 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;
 - (ii) 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;
- (e) it is negotiable; and

- (f) its risks are adequately captured by the risk management process of the ACD.

2.2.2 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:

- (a) not to compromise the ability of the ACD to comply with its obligations to redeem shares at the request of any qualifying shareholder; and
- (b) to be negotiable.

2.3 **Closed ended funds constituting transferable securities**

A unit in a closed ended fund shall be taken to be a transferable security for the purposes of investment by the Sub-Fund, provided it fulfils the criteria for transferable securities set out in paragraph 2.2 above and either:

2.3.1 where the closed ended fund is constituted as an investment company or a unit trust:

- (a) it is subject to corporate governance mechanisms applied to companies; and
- (b) 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

2.3.2 where the closed ended fund is constituted under the law of contract:

- (a) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
- (b) it is managed by a person who is subject to national regulation for the purpose of investor protection.

2.4 **Transferable securities linked to other assets**

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

- (a) fulfils the criteria for transferable securities set out in paragraph 2.2 above; and
- (b) is backed by or linked to the performance of other assets which may differ from those in which the Sub-Fund can invest.

- 2.4.2 Where an investment in paragraph 2.4.1 contains an embedded derivative component, the requirements of the COLL Sourcebook with respect to derivatives and forwards will apply to that component.

3. Approved money-market instruments

- 3.1 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.
- 3.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:
- 3.2.1 has a maturity at issuance of up to and including 397 days;
 - 3.2.2 has a residual maturity of up to and including 397 days;
 - 3.2.3 undergoes regular yield adjustments in line with money-market conditions at least every 397 days; or
 - 3.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraph 3.2.1 or paragraph 3.2.2 or is subject to yield adjustments as set out in paragraph 3.2.3.
- 3.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem shares at the request of any qualifying shareholder.
- 3.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuation systems, which fulfil the following criteria, are available:
- 3.4.1 enabling the ACD to calculate a Net Asset Value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
 - 3.4.2 based either on market data or on valuation models including systems based on amortised costs.
- 3.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.
- ### **4. Transferable securities and money-market instruments generally to be admitted to or dealt in on an eligible market**
- 4.1 Transferable securities and approved money-market instruments held within the Sub-Funds must be:

- 4.1.1 admitted to or dealt in on an eligible market (as described in paragraph 5.2.1 or paragraph 5.3); or
- 4.1.2 dealt in on an eligible market (as described in paragraph 5.2.2); or
- 4.1.3 for an approved money-market instrument not admitted to or dealt in on an eligible market within paragraph 6; or
- 4.1.4 recently issued transferable securities provided that:
 - (a) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
 - (b) such admission is secured within a year of issue.
- 4.2 The Sub-Funds may invest up to 10% in transferable securities or money-market instruments other than those referred to in paragraph 4.1.
- 4.3 However, the ability to hold up to 10% of the Scheme Property in ineligible assets under paragraph 4.2 above is subject to the following limitations:
 - 4.3.1 for a qualifying money-market fund (as defined in the FCA Regulations), the 10% restriction is limited to high quality money-market instruments with a maturity or residual maturity of not more than 397 days, or regular yield adjustments consistent with such a maturity and with a weighted average maturity of no more than 60 days;

5. Eligible markets regime

- 5.1 To protect investors the markets in which investments of the Sub-Funds are dealt in or traded on should be of an adequate quality (**eligible**) at the time of acquisition of the investment and until it is sold. Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in paragraph 4.2 on investment in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.
- 5.2 A market is eligible for the purposes of the FCA Regulations if it is:
 - 5.2.1 a regulated market (as defined in the FCA Glossary); or
 - 5.2.2 a market in the UK or an EEA state which is regulated, operates regularly and is open to the public.
- 5.3 A market not falling within paragraph 5.2 is eligible for the purposes of the FCA Regulations if:
 - 5.3.1 the ACD after consultation with and notification to the Depositary decides that market is appropriate for investment of, or dealing in the Scheme Property;
 - 5.3.2 the market is included in a list in the Prospectus; and

5.3.3 the Depositary has taken reasonable care to determine that:

- (a) adequate custody arrangements can be provided for the investment dealt in on that market; and
- (b) all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

5.4 In paragraph 5.3.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid, and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

5.5 The eligible securities and derivatives markets for the Sub-Funds are set out in Appendix 5.

6. Money-market instruments with a regulated issuer

6.1 In addition to instruments admitted to or dealt in on an eligible market, the Sub-Funds may invest in an approved money-market instrument provided it fulfils the following requirements:

6.1.1 the issue or the issuer is regulated for the purposes of protecting investors and savings; and

6.1.2 the instrument is issued or guaranteed in accordance with paragraph 7.

6.2 The issue or the issuer of a money-market instrument other than one dealt in on an eligible market, shall be regarded as regulated for the purposes of protecting investors and savings if:

6.2.1 the instrument is an approved money-market instrument;

6.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investments in it) in accordance with paragraph 8 below; and

6.2.3 the instrument is freely transferable.

7. Issuers and guarantors of money-market instruments

7.1 The Sub-Funds may invest in an approved money-market instrument if it is:

7.1.1 issued or guaranteed by any one of the following:

- (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 EU 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; or
- 7.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
- 7.1.3 issued or guaranteed by an establishment which is:
 - (a) subject to prudential supervision in accordance with criteria defined by the UK or European Union law; or
 - (b) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by the UK or European Union law.
- 7.2 An establishment shall be considered to satisfy the requirement in paragraph 7.1.3(b) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
 - 7.2.1 it is located in the EEA;
 - 7.2.2 it is located in an OECD country belonging to the Group of Ten;
 - 7.2.3 it has at least one investment grade rating;
 - 7.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down the UK or by European Union law.

8. Appropriate information for money-market instruments

- 8.1 In the case of an approved money-market instrument within paragraph 7.1.2 or issued by a body referred to in the FCA Regulations at COLL 5.210EG; or which is issued by an authority within paragraph 7.1.1(b) or a public international body within paragraph 7.1.1(f), but is not guaranteed by a central authority within paragraph 7.1.1(a), the following information must be available:
 - 8.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
 - 8.1.2 updates of that information on a regular basis and whenever a significant event occurs; and

- 8.1.3 available and reliable statistics on the issue or the issuance programme.
- 8.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 7.1.3 the following information must be available:
- 8.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
- 8.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
- 8.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 8.3 In the case of an approved money-market instrument within paragraph 7.1.1(a), 7.1.1(d) or 7.1.1(e) or which is issued by an authority within paragraph 7.1.1(b) or a public international body within paragraph 7.1.1(f) and is guaranteed by a central authority within paragraph 7.1.1(a); information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

9. Spread: general

- 9.1 This paragraph, with the exception of paragraph 9.10, does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 11 applies. For the purposes of this paragraph a **single body** bears the meaning as set out in the FCA Regulations.
- 9.2 Not more than 20% in value of the Scheme Property can consist of deposits with a single body.
- 9.3 Not more than 5% in value of the Scheme Property can consist of transferable securities or approved money-market instruments issued by a single body.
- 9.4 The limit of 5% in paragraph 9.3 is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds (as defined in the FCA Regulations) need not be taken into account for the purpose of applying the limit of 40%.
- 9.5 The limit of 5% paragraph 9.3 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that where more than 5% of the Scheme Property is invested in covered bonds issued by a single body, the total value of covered bonds must not exceed 80% in value of the Scheme Property.
- 9.6 In applying paragraph 9.3 and paragraph 9.4, certificates representing certain securities (as defined in the FCA Regulations) are to be treated as equivalent to the underlying security.
- 9.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.

- 9.8 Not more than 20% in value of the Scheme Property is to consist of transferable securities and approved money-market instruments issued by the same group under the FCA Regulations at COLL 5.2.11R(2).
- 9.9 Not more than 20% in value of the Scheme Property is to consist of the units of any one collective investment scheme.
- 9.10 In applying the limits in paragraphs 9.2, 9.3, 9.4, 9.6 and 9.7 to investments in a single body and subject to paragraph 9.5, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
 - 9.10.1 transferable securities (including covered bonds) or approved money-market instruments issued by that body; or
 - 9.10.2 deposits made with that body; or
 - 9.10.3 exposures from OTC derivatives transactions made with that body.

10. Counterparty risk and issuer concentration

- 10.1 The ACD must ensure that counterparty risk arising from an OTC derivative transaction is subject to the limits in paragraphs 9.7 and 9.10.
- 10.2 When calculating the exposure of a Sub-Fund to a counterparty in accordance with the limits in paragraph 9.7, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 10.3 The ACD may net the OTC derivative positions of a UCITS scheme with the same counterparty, provided:
 - 10.3.1 it is able legally to enforce netting agreements with the counterparty on behalf of the Sub-Fund; and
 - 10.3.2 the netting agreements in paragraph 10.3.1 do not apply to any other exposures the Sub-Fund may have with that same counterparty.
- 10.4 The ACD may reduce the exposure of the property 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.
- 10.5 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with paragraph 10.7 when it passes collateral to the counterparty to an OTC derivative transaction on behalf of the Sub-Fund.
- 10.6 Collateral passed in accordance with paragraph 10.5 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 the Sub-Fund.

10.7 The ACD must calculate the issuer concentration limits referred to in paragraph 9 on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.

10.8 In relation to exposures arising from OTC derivative transactions, as referred to paragraph 9.10, the ACD must include in the calculation of any counterparty risk relating to the OTC derivative transactions.

11. Spread: government and public securities

11.1 Where no more than 35% in value of the Scheme Property is invested in:

11.1.1 the UK or an EEA state;

11.1.2 a local authority of the UK or an EEA state;

11.1.3 a non-EEA state; or

11.1.4 a public international body to which the UK one or more EEA states belong

issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

11.2 **A Sub-Fund may invest more than 35% of its Scheme Property in government and public securities issued by or on behalf of or guaranteed by a single named issuer which may be one of the following: the governments of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales) Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, LCR Finance plc, Japan, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United States (including Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), Private Export Funding Corporation (PEFCO)) or by one of the following international organisations: African Development Bank, Asian Development Bank (ADB), Council of Europe Development Bank, Deutsche Ausgleichsbank (DTA), Eurofima, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KfW) and the Nordic Investment Bank (NIB) provided that:**

11.2.1 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 authorised Fund;

11.2.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;

- 11.2.3 the Scheme Property of a Sub-Fund includes such securities issued by that or another issuer, of at least six different issues;
- 11.2.4 the disclosures in the Prospectus required by the FCA have been made.
- 11.3 In relation to such securities:
 - 11.3.1 issue, issued and issuer include guarantee, guaranteed and guarantor; and
 - 11.3.2 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.
- 11.4 Notwithstanding COLL 5.2.11R(1), and subject to COLL 5.2.12R(2) and COLL 5.2.12R(3), in applying the 20% limit in COLL 5.2.11R(10) with respect to a single body, government and public securities issued by that body shall be taken into account.

12. Collective investment schemes

- 12.1 Up to 100% in value of Scheme Property may be invested in units or shares in other collective investment schemes (hereafter a **second scheme**) although not more than 20% in value of the Scheme Property is to consist of the units or shares of any one second scheme.
- 12.2 Investment may be made in a second scheme managed by the ACD or an associate of the ACD, including in another Sub-Fund (hereafter a **second Sub-Fund**).
- 12.3 No more than 30% of the Scheme Property may be invested in second schemes under paragraphs 12.4.2 to 12.4.5. Investment may only be made in other collective investment schemes whose maximum annual management charge does not exceed 5%.
- 12.4 Any second scheme must either:
 - 12.4.1 be a UCITS or a scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive (as implemented in the EEA); or
 - 12.4.2 be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or
 - 12.4.3 be authorised as a non-UCITS retail scheme provided it complies with the requirements of COLL 5.2.13AR(1)(a), (3) and (4); or
 - 12.4.4 the scheme is authorised in an EEA state provided it complies with the requirements of COLL 5.2.13AR; or
 - 12.4.5 the scheme is authorised by the competent authority of an OECD member country (other than an EEA state) which has: or

- (a) signed the IOSCO Multilateral Memorandum of Understanding; and
- (b) approved the scheme's management company, rules and depositary/custody arrangements,

provided the requirements of COLL 5.2.13AR are met;

and the second scheme must satisfy all of the following conditions:

- 12.4.6 it complies with certain restrictions set out in the FCA Regulations including restrictions designated to avoid double charging as set out at COLL 5.2.15R and 5.2.16R; and
 - 12.4.7 it is a scheme which has terms which prohibit more than 10% in value of the scheme property consisting of units or shares in collective investment schemes; and
 - 12.4.8 where the second scheme is an umbrella the provisions of paragraphs 12.4.6 and 12.4.7 and paragraph 9 apply to each sub fund as if it were a separate scheme.
- 12.5 Subject to the limits specified in paragraph 12.1, the Scheme Property of a Sub-Fund may be invested in eligible second schemes, which are managed or operated by the ACD (or one of its associates and / or be invested in a second Sub-Fund). However, where such an investment or disposal of units or shares is made and there is a charge in respect of such investment or disposal, the ACD must pay the relevant Sub-Fund the amount referred to in either paragraph 12.9 or paragraph 12.10 within four Business Days following the date of the agreement to invest or dispose.
- 12.6 The requirements of COLL 5.2.13AR are that:
- 12.6.1 the second scheme is an undertaking:
 - (a) with the sole objective of collective investment in transferable securities or in other liquid financial assets, as referred to in Section 5 of the COLL Sourcebook, of capital raised from the public and which operate on the principle of risk spreading; and
 - (b) 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);
 - 12.6.2 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
 - 12.6.3 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 Section 5 of the COLL Sourcebook; and

- 12.6.4 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.
- 12.7 The second scheme must comply, where relevant with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes).
- 12.8 Where the Sub-Fund makes an investment in, or disposal of, units or shares of a second scheme detailed in paragraph 12.5 and there is a charge in respect of such investment or disposal, the ACD must pay the Sub-Fund the amount referred to in either paragraph 12.9 or paragraph 12.10 within four Business Day following the date of the agreement to invest or dispose.
- 12.9 When an investment is made, the amount referred to in paragraph 12.5 is either:
 - 12.9.1 any amount by which the consideration paid by Sub-Fund for the units or shares in the second scheme or second Sub-Fund exceeds the price that would have been paid for the benefit of the second scheme or second Sub-Fund had the units or shares been newly issued or sold by it; or
 - 12.9.2 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 or second Sub-Fund.
- 12.10 When a disposal is made, the amount referred to in paragraph 12.5 is any charge made for the account of the authorised fund manager or operator of the second scheme (or, in relation to a scheme managed or operated by the ACD) or an associate of any of them in respect of the disposal.
- 12.11 In paragraphs 12.9 and 12.10 above:
 - 12.11.1 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 or SDRT provision made in accordance with COLL 6.3.7 is to be treated as part of the price of the units and not as part of any charge.
 - 12.11.2 any 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.

13. Investment in nil and partly paid securities

A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the

Sub-Fund at the time when payment is required without contravening the COLL Sourcebook in the FCA Regulations.

14. Deposits

Up to 20% in value of the Scheme Property can consist of deposits with a single body. A Sub-Fund may only invest in deposits with an Approved Bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.

15. Derivatives and forward transactions

15.1 A Sub-Fund may use, under certain conditions, options and futures on indices and interest rates, for the purposes of Efficient Portfolio Management. The use of derivatives for Efficient Portfolio Management is not intended to increase the risk profile of the Sub-Funds.

15.2 The FCA Regulations contain detailed provisions related to the transactions which may be carried out for Efficient Portfolio Management, how they may be affected and the cover for them. The main provisions are summarised briefly below.

15.3 Efficient Portfolio Management is defined in the FCA Regulations as techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

15.3.1 they are economically appropriate in that they are realised in a cost effective way:

15.3.2 they are entered into for one or more of the following specific aims:

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

15.4 For transactions undertaken to reduce risk or cost (or both), the ACD must reasonably believe that the transaction (alone or in combination with one or more others) will diminish a risk or cost of a kind or level which it is sensible to reduce. In this context the ACD may, for example, use the technique of "tactical asset allocation", enabling him to switch exposure through the use of derivatives rather than through the sale and purchase of other investments. However, where the transaction relates to an actual or potential acquisition of transferable securities, such exposure may not be maintained indefinitely and the ACD must intend that the Sub-Funds should invest directly in transferable securities within a reasonable time and, unless the position is closed out, ensure that the intention is realised within that reasonable time.

- 15.5 Additional capital or income for the Sub-Funds may be generated with no, or with an acceptably low level of, risk if the ACD reasonably believes that the Sub-Funds is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction, and in this context the Sub-Funds may:
- 15.5.1 take 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 of a kind that the Sub-Funds hold or may properly hold;
 - 15.5.2 receive a premium for the writing of a covered call option or a covered put option, even if the benefit is obtained at the expense of surrendering the chance of yet greater benefit; and
 - 15.5.3 use the technique of stocklending under the conditions and limits referred to below
- 15.6 A transaction in derivatives or a forward transaction cannot be effected for the Sub-Funds unless:
- 15.6.1 it is a permitted derivatives and forward transaction (broadly a derivative must be effected on or under the rules of any eligible derivatives market and have underlying consisting of any or all of the following: transferable securities, approved money-market instruments, deposits, permitted derivatives, permitted collective investment schemes, permitted financial indices, interest rates, foreign exchange rates, currencies); and
 - 15.6.2 it is covered as required by the FCA Regulations at COLL 5.3.3AR.
- 15.7 The exposure to the underlying assets must not exceed the limits in paragraph 9 and paragraph 11 except as provided in paragraph 15.11.
- 15.8 Where a transferable security or approved money-market instrument embeds a derivative this must be taken into account for the purposes of complying with these investment restrictions.
- 15.9 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 15.9.1 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 standalone derivative;
 - 15.9.2 the economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
 - 15.9.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.

- 15.10 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.
- 15.11 If a Sub-Fund invests in an index-based derivative provided the relevant index falls within the FCA Regulations at COLL 5.2.20AR the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 9 and 11 above, provided the ACD takes account of the requirements in COLL 5.2.3 for a prudent spread of risk.

16. Permitted transactions (derivatives and forwards)

- 16.1 A transaction in a derivative must:
- 16.1.1 be in an approved derivative; or
 - 16.1.2 be an OTC derivative which complies with paragraph 16.8 and:
- 16.2 In addition:
- 16.2.1 the underlying must consist of any or all of the following to which the scheme is dedicated: permitted transferable securities; permitted approved money-market instruments; permitted deposits; permitted derivatives; permitted collective investment scheme units; certain financial indices; interest rates; foreign exchange rates and currencies; and
 - 16.2.2 the exposure to the underlying must not exceed the limits set out at paragraphs 9 and 10 above.
- 16.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 16.4 A derivatives transaction must not cause the Sub-Funds to diverge from its investment objectives as stated in the Instrument and the most recently published Prospectus and must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money-market instruments, collective investment scheme units or derivatives.
- 16.5 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 16.6 A derivative includes an instrument which fulfils the following criteria:
- 16.6.1 it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
 - 16.6.2 it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6A R (UCITS schemes: permitted types of scheme property) including cash;

- 16.6.3 in the case of an OTC derivative, it complies with the requirements in COLL 5.2.23 R (OTC transactions in derivatives);
 - 16.6.4 its risks are adequately captured by the risk management process of the ACD, 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.
- 16.7 A Sub-Fund may not undertake transactions in derivatives of commodities.
- 16.8 OTC transactions in under this paragraph 16.8 must be:
- 16.8.1 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:
 - (a) an Eligible Institution or an Approved Bank; or
 - (b) a person whose permission, (including any requirements or limitations) as published in the Financial Services Register or whose home state authorisation permits it to enter into the transaction as principal off-exchange;
 - (c) a CCP that is authorised in that capacity for the purposes of EMIR;
 - (d) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
 - (e) to the extent not already covered above, a CCP supervised in a jurisdiction that:
 - (i) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the UK; and
 - (ii) is identified has 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.
 - 16.8.2 on approved terms, the terms of the transaction in derivatives are approved only if 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 transaction at any time at its fair value;
 - 16.8.3 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:

- (a) on the basis of an up to date market value which the ACD and the Depositary have agreed is reliable; or
- (b) if the value referred to in sub-paragraph (a) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

16.8.4 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:

- (a) 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
- (b) 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.

16.9 For the purposes paragraph 16.8.2 **fair value** is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

16.10 For the purposes of paragraph 16.8 the ACD must:

16.10.1 establish, implement, and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Sub-Funds to OTC derivatives; and

16.10.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

16.11 The arrangements and procedures referred to in paragraph 16.11 must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

17. Financial indices underlying derivatives

17.1 The financial indices referred to in paragraph 16.2.1 are those where the index is sufficiently diversified, the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner.

17.2 A financial index is sufficiently diversified if:

17.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

- 17.2.2 where it is composed of assets in which the Sub-Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Annexure; and
 - 17.2.3 where it is composed of assets in which the Sub-Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Annexure.
- 17.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 17.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 17.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
 - 17.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 17.4 A financial index is published in an appropriate manner if:
- 17.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
 - 17.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 17.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 16.2.1 be regarded as a combination of those underlyings.
- 17.6 If the composition of an index is not sufficiently diversified in order to avoid undue concentration, its underlying assets should be combined with the other assets of the Sub-Fund when assessing compliance with the requirements on cover for transactions in derivatives and forward transactions set out in this Annexure.
- 17.7 In order to avoid undue concentration, where derivatives on an index composed of assets in which a UCITS scheme cannot invest are used to track or gain high exposure to the index, the index should be at least diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.
- 17.8 If derivatives on that index are used for risk-diversification purposes, provided that the exposure of the Company to that index complies with the 5%, 10% and 40%

ratios as set out in paragraphs 9.3 and 9.4, there is no need to look at the underlying components of that index to ensure that it is sufficiently diversified.

18. Transactions for the purchase of property

A derivative or forward transaction which would or could lead to the delivery of property to the Depositary may be entered into only if:

- 18.1 such property can be held for the account of the Sub-Funds; and
- 18.2 the ACD, having taken reasonable care, determines that delivery of the property pursuant to the transaction will not lead to a breach of COLL 5.

19. Requirement to cover sales

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

- 19.1 the obligation to make the disposal and any other similar obligation could immediately be honoured by the Sub-Fund by delivery of property or the assignment of rights; and
- 19.2 the property and rights at paragraph 19.1 are owned by the Sub-Fund at the time of the agreement.

20. Cover for transactions in derivatives and forward transactions

- 20.1 The ACD must ensure that the Sub-Fund's global exposure relating to derivatives and forwards transactions held for that Sub-Fund may not exceed the net value of the Scheme Property.
- 20.2 The ACD must calculate the Sub-Fund's global exposure on at least a daily basis in accordance with the methods described in COLL 5.3.7R to COLL 5.3.10R. For the purposes of this paragraph, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

21. Significant influence

(Please note that this section applies at the level of the Company only.)

- 21.1 The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:
 - 21.1.1 immediately before the acquisition, the aggregate of any such securities held for the Company gives the Company power significantly to influence the conduct of business of that body corporate; or
 - 21.1.2 the acquisition gives the Company that power.

- 21.2 For the purpose of paragraph 21.1 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).

22. Concentration limits

(Please note that this section applies at the level of the Company only.)

- 22.1 The Company:
- 22.1.1 must not acquire transferable securities (other than debt securities) which:
 - (a) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
 - (b) represent more than 10% of those securities issued by that body corporate;
 - 22.1.2 must not acquire more than 10% of the debt securities issued by any single body;
 - 22.1.3 must not acquire more than 25% of the units in a collective investment scheme; and
 - 22.1.4 must not acquire more than 10% of the approved money-market instruments issued by any single body.
- 22.2 The Company need not comply with the limits in paragraphs 22.1.2, 22.1.3 and 22.1.4 above if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

23. UCITS schemes that are umbrellas

- 23.1 In relation to the Company which is an umbrella, the provisions in COLL 5.2 to COLL 5.5 apply to each Sub-Fund as they would for an authorised fund, except the following rules which apply at the level of the umbrella only:
- 23.1.1 COLL 5.2.27 R (Significant influence for ICVCs)
 - 23.1.2 COLL 5.2.29 R (Concentration).
- 23.2 A Sub-Fund may invest in or dispose of units in a second Sub-Fund only if the following conditions are satisfied:
- 23.2.1 the second Sub-Fund does not hold units in any other Sub-Fund of the same umbrella;

- 23.2.2 the conditions in COLL 5.2.15 R (Investment in associated collective investment schemes) and COLL 5.2.16 R (Investment in other group schemes) are complied with (for the purposes of this rule, COLL 5.2.15 R and COLL 5.2.16 R are to be read as modified by COLL 5.2.15 R (2)); and
- 23.2.3 the investing or disposing Sub-Fund must not be a feeder UCITS to the second Sub-Fund.

24. Schemes replicating an index

- 24.1 **Notwithstanding paragraph 9, a Sub-Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the investment policy of the Sub-Fund is to replicate the performance or composition of an index which satisfies the criteria set out in paragraph 24. This limit may be raised for a Sub-Fund up to 35% of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.**
- 24.2 At present no Sub-Fund has an investment objective and policy to replicate the performance or composition of an index.

25. Relevant indices

The indices referred to in paragraph 24 are those which satisfy the following criteria and the further requirements in COLL 5.2.33 in the FCA Regulations. An index must:

- 25.1 have a sufficiently diversified composition;
- 25.2 be a representative benchmark for the market to which it refers; and
- 25.3 be published in an appropriate manner.
- 25.4 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.
- 25.5 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- 25.6 An index is published in an appropriate manner if:
 - 25.6.1 it is accessible to the public;
 - 25.6.2 the index provider is independent from the index-replicating UCITS scheme; this does not preclude index providers and the UCITS scheme from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

26. General

- 26.1 Underwriting and sub-underwriting contracts and placings may also, subject to certain conditions set out in the FCA Regulations, be entered into for the account of the Sub-Funds.
- 26.2 Cash or near cash must not be retained in the Scheme Property except in order to enable the pursuit of the investment objective; or for redemption of shares in the Sub-Funds; or efficient management of the Sub-Funds in accordance with its investment objective or for a purpose which may reasonably be regarded as ancillary to the investment objectives of the Sub-Funds.
- 26.3 The Company or the Depositary on behalf of the Company must not provide any guarantee or indemnity in respect of the obligation of any person and none of the property of the Company may be used to discharge any obligation arising under a guarantee or indirectly with respect to the obligation of any person.
- 26.4 Paragraph 26.3 does not apply to guarantees or indemnities specified in COLL 5.5.9(3)R.

27. Borrowing powers

- 27.1 The Company may, subject to the FCA Regulations, borrow money from an Eligible Institution or an Approved Bank for the use of the Company or a Sub-Fund on the terms that the borrowing is to be repayable out of the Scheme Property. The power to borrow is subject to the obligation of the Company or a Sub-Fund to comply with any restriction in the Instrument of Incorporation.
- 27.2 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property. Borrowing must be on a temporary basis and that borrowings are not persistent and for this purpose the ACD must have regard to:
 - 27.2.1 the duration of any period of borrowing, and
 - 27.2.2 the number of occasions on which it has resorted to borrowing in any period.
- 27.3 The ACD must ensure no period of borrowing exceeds three months without the prior consent of the Depositary.
- 27.4 The Depositary may only give its consent as required under paragraph 27.3 on such conditions as appear to the Depositary appropriate to ensure that borrowing does not cease to be on a temporary basis only.
- 27.5 The ACD must ensure that borrowing does not, on any day, exceed 10% of the value of the Scheme Property.
- 27.6 These borrowing restrictions do not apply to "back to back" borrowing under COLL 5.3.5R (2).

- 27.7 The Company must not issue any debenture unless it acknowledges or creates a borrowing that complies with COLL 5.5.4(1) to (6) inclusive.

28. Lending restrictions

- 28.1 The Company will not lend any part of the Scheme Property other than money by way of deposit or otherwise.

- 28.2 The Company will not lend any money which forms part of the Scheme Property.

However, providing an officer of the Company with money to meet expenditure does not constitute lending for the purposes of this prohibition. Neither acquiring a debenture nor placing money on deposit in a current account constitutes lending.

- 28.3 The Scheme Property must not be mortgaged.

- 28.4 Where transactions in derivatives or forward transactions are used for the account of a Sub-Fund in accordance with the FCA Regulations, this section does not prevent the Company (or the Depositary at the request of the Company), from:

28.4.1 lending, depositing, pledging or charging the Scheme Property of that Sub-Fund for margin requirements; or

28.4.2 transferring any of the Scheme Property of that Sub-Fund under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to shareholders.

29. Immovable property

No Sub-Fund will maintain an interest in immovable property or tangible movable property.

Appendix 3

Securities Financing Transactions and Total Return Swaps

1. The Sub-Funds are required by the Securities Financing Transactions Regulations to make certain disclosures in respect of the SFTs and Total Return Swaps that they are authorised to use.
2. As at the date of this Prospectus, whilst each Sub-Fund may use SFTs and Total Return Swaps, they currently do not do so. However, the ACD reserves the right to permit the use of such instruments in the future.
3. Where the ACD intends to allow the Sub-Funds to enter into SFTs or Total Return Swaps, not less than 60 days' written notice will be given to Shareholders in the relevant Sub-Fund. In addition, this Prospectus will be updated in accordance with the Securities Financing Transactions Regulation to include the following:
 - 3.1 a general description of the Total Return Swaps used and the rationale for their use;
 - 3.2 overall data for each type of Total Return Swap, including;
 - 3.2.1 the types of assets that can be subject to Total Return Swaps;
 - 3.2.2 the maximum and expected proportion of assets under management that will be subject to each type of Total Return Swap;
 - 3.3 the criteria used to select counterparties;
 - 3.4 a description of acceptable collateral;
 - 3.5 a description of the risks linked to the Total Return Swaps as well as risks linked to collateral management and, where applicable, the risks arising from its reuse;
 - 3.6 a specification of how assets subject to Total Return Swaps and collateral is received and safe-kept; and
 - 3.7 a description of the policy on sharing of return generated the Total Return Swaps.

Appendix 4

Historical performance data

TBL GLOBAL FUND

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

There is not a complete 5 year record for the Sub-Fund, as the Sub-Fund was launched on 18 January 2019. Where data is not available the table is marked 'N/A'.

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

Share class	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)
Class A Income Shares (GBP)	N/A	N/A	9.27	4.56	10.63

Source: These figures have been derived from information extracted from information provided through MorningStar

NOTES:

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

The value of investments, and the income from them, can go down as well as up and investors may not get back the amount originally invested.

Appendix 5

Eligible securities and derivatives markets

1. Eligible securities markets

1.1 The Company may deal through securities and derivative markets which are regulated markets and meet the requirements for Eligible Markets as set out in COLL 5.2.10. The Company may deal through the markets as indicated below:

1.1.1 a market is an 'eligible market' if it is:

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

1.2 Detailed below are the additional eligible markets on which the Company is currently permitted to deal, on behalf of any Sub-Fund.

Switzerland: SIX Swiss Exchange AG

United Kingdom: Alternative Investment Market

United States of America:

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

2. Eligible derivatives markets

For the purpose of COLL, the ACD, after consultation with the Depositary, has decided that the exchanges in the table below are eligible derivatives markets in the context of the investment policy of the Sub-Fund.

Italy: Equities Derivatives Market (IDEM) and Futures Market for Government Securities (MIF);

Japan: Tokyo Financial Exchange Inc;

New Zealand: New Zealand Futures and Options Exchange;

Spain: BME, Spanish Exchanges;

South Africa: South African Futures Exchange;

United Kingdom: Euronext.LIFFE and OMLX; and

USA: Chicago Board Options, CME Group Inc, New York Futures, New York Mercantile, Philadelphia BOT and Kansas BOT.

Appendix 6

Other authorised funds managed by the ACD

Authorised Investment Companies with Variable Capital

Abaco Fund ICVC
 Arch House Fund
 Ariel Fund
 Bryth ICVC
 CP Investment Funds
 Destiny Fund ICVC
 Harroway Capital ICVC
 Hawarwatta Fund
 Libero Portfolio Fund
 Lime Grove Fund
 Meadowgate Funds
 Scarp Fund
 Skiwi Fund
 The Ambrose Fund
 The Astral Fund
 The Capital Link Growth Fund
 The Contact Fund
 The Diversification Fund ICVC
 The Dunnottar Fund
 The Global Balanced Strategy Fund
 The Global Multi Asset Fund
 The Gulland Fund
 The Hector Fund
 The Juniper Fund
 The Lockerley Fund
 The Mazener Fund
 The Motim Fund
 The Northern Funds
 The Oenoke Fund
 The Ord Fund ICVC
 The Overstone Fund
 The Penare Fund
 The Saint Martins Fund
 The Staderas Fund
 The Stratford Fund
 The Sun Portfolio Fund
 The TM Lancewood Fund
 The TM Mitcham Fund
 The Vinings Fund
 The Wharton Fund
 Thesis JDS Fund
 TM Acer Fund
 TM Balanced Growth Fund
 TM Brown Advisory Funds
 TM Brunsdon OEIC
 TM Cerno Investment Funds
 TM Cresswell Fund
 TM CRUX Funds ICVC
 TM CRUX OEIC
 TM First Arrow Investment Funds
 TM Hearthstone ICVC
 TM Investment Exposures Fund
 TM Investment Funds
 TM Lime Fund
 TM Neuberger Berman Investment Funds
 TM Oak Fund
 TM Optimal Funds
 TM P1 Investment Funds
 TM Redwheel Funds
 TM Ruffer Portfolio

Authorised Unit Trusts

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

Authorised Investment Companies with Variable Capital

TM Stonehage Fleming Global Multi-Asset Umbrella Fund
TM Stonehage Fleming Investments Funds
TM Tellworth Investments Funds
TM Total Return Fund
TM UBS (UK) Fund
Trowbridge Investment Funds

Authorised Unit Trusts

Appendix 7

List of sub-custodians (as appropriate to the listed Eligible Markets)

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

Jurisdiction	Sub-custodian	Sub-custodian Delegate
China A Share	Bank of Communications Co., Ltd	Not applicable
China A Share	China Construction Bank Corporation	Not applicable
China A Share	Deutsche Bank (China) Co., Ltd, Shanghai Branch	Not applicable
China A Share	Industrial and Commercial Bank of China Limited	Not applicable
China A Share	Standard Chartered Bank (China) Limited	Not applicable
China B Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
China B Share	Citibank N.A., Hong Kong Branch	Not applicable
Clearstream	Clearstream Banking S.A.,	Not applicable
Colombia	Cititrust Columbia S.A. Sociedad Fiduciaria	Not applicable
Costa Rica	Banco Nacional de Costa Rica	Not applicable
Croatia	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
Cyprus	Citibank Europe PLC	Not applicable
Czech Republic	UniCredit Bank Czech Republic and Slovenia, a.s.	Not applicable
Denmark	Skandinaviska Enskilda Banken AB (publ)	Not applicable
Egypt	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Egypt SAE
Egypt	Citibank N.A., Cairo Branch	Not applicable
Estonia	Swedbank AS	Not applicable

Jurisdiction	Sub-custodian	Sub-custodian Delegate
Finland	Skandinaviska Enskilda Banken AB (publ)	Not applicable
France	The Northern Trust Company	Not applicable
Germany	The Northern Trust Company	Not applicable
Ghana	Standard Chartered Bank Ghana Limited	Not applicable
Greece	Citibank Europe PLC	Not applicable
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Hong Kong (Stock and Bond Connect)	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Hungary	UniCredit Bank Hungary Zrt.	Not applicable
Iceland	Landsbankinn hf	Not applicable
India	Citibank N.A.	Not applicable
India	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Indonesia	Standard Chartered Bank	Not applicable
Ireland	The Northern Trust Company, London	Not applicable
Israel	Citibank, N.A., Israel Branch	Not applicable
Italy	Citibank Europe plc	Not applicable
Japan	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Jordan	Standard Chartered Bank	Not applicable

Jurisdiction	Sub-custodian	Sub-custodian Delegate
Kazakhstan	Citibank Kazakhstan JSC	Not applicable
Kenya	Standard Chartered Bank Kenya Limited	Not applicable
Kuwait	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Latvia	Swedbank AS	Not applicable
Lithuania	AB SEB bankas	Not applicable
Luxembourg	Euroclear Bank S.A./N.V.	Not applicable
Malaysia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Mexico	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	Not applicable
Morocco	Société Générale Marocaine de Banques	Not applicable
Namibia	Standard Bank Namibia Ltd	Not applicable
Netherlands	The Northern Trust Company	Not applicable
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Nigeria	Stanbic IBTC Bank Plc	Not applicable
Norway	Skandinaviska Enskilda Banken AB (publ)	Not applicable
Oman	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
Pakistan	Citibank N.A., Karachi Branch	Not applicable

Jurisdiction	Sub-custodian	Sub-custodian Delegate
Panama	Citibank N.A., Panama Branch	Not applicable
Peru	Citibank del Peru S.A.	Not applicable
Philippines	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Poland	Bank Polska Kasa Opieki Spółka Akcyjna	Not applicable
Portugal	BNP Paribas Securities Services	Not applicable
Qatar	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Romania	Citibank Europe PLC	Not applicable
Russia	AO Citibank	Not applicable
Saudi Arabia	The Northern Trust Company of Saudi Arabia	Not applicable
Saudi Arabia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Saudi Arabia
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
Singapore	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Slovakia	Citibank Europe PLC	Not applicable
Slovenia	UniCredit Banka Slovenija d.d.	Not applicable
South Africa	The Standard Bank of South Africa Limited	Not applicable
South Korea	The Hongkong and Shanghai Banking Corporation Limited	Not applicable
Spain	Citibank Europe plc	Not applicable

Jurisdiction	Sub-custodian	Sub-custodian Delegate
Sri Lanka	Standard Chartered Bank	Not applicable
Sweden	Skandinaviska Enskilda Banken AB (publ)	Not applicable
Switzerland	Credit Suisse (Switzerland) Ltd	Not applicable
Taiwan	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
Taiwan	Citibank Taiwan Limited	Not applicable
Taiwan	JPMorgan Chase Bank N.A.	Not applicable
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
Thailand	Citibank N.A., Bangkok Branch	Not applicable
Tunisia	Union Internationale de Banques	Not applicable
Turkey	Citibank A.S.	Not applicable
Uganda	Standard Chartered Bank Uganda Limited	Not applicable
Ukraine (Market Suspended)	JSC "Citibank"	Not applicable
United Arab Emirates (ADX)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (DFM)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (NASDAQ)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates	First Abu Dhabi Bank PJSC	Not applicable
United Kingdom	Euroclear UK and Ireland Limited (Northern Trust self-custody)	Not applicable

Jurisdiction	Sub-custodian	Sub-custodian Delegate
United States	The Northern Trust Company	Not applicable
Uruguay	Banco Itau Uruguay S.A.	Not applicable
Vietnam	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
Vietnam	Citibank N.A., Hanoi Branch	Not applicable
West Africa (UEMOA)	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
Zambia	Standard Chartered Bank Zambia PLC	Not applicable
Zimbabwe	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Zambia Limited

Appendix 8
Directory of contact details

ACD	Thesis Unit Trust Management Limited Exchange Building St John's Street, Chichester, West Sussex PO19 1UP
Administrator and Registrar:	Northern Trust Global Services SE, UK branch 50 Bank Street, London E14 5NT
DEALING OFFICE:	Thesis Unit Trust Management Limited Sunderland SR43 4AZ Telephone 0333 300 0375
Auditors:	Ernst & Young LLP 1 More London Place, London SE1 2AF
Custodian	The Northern Trust Company <i>Principal place of business:</i> 50 South LaSalle Street, Chicago, Illinois USA <i>Who may also act under this power through its London branch:</i> 50 Bank Street, London E14 5NT
Depository:	NatWest Trustee and Depositary Services Limited <i>Principal place of business:</i> House A, Floor 0, Gogarburn, 175 Glasgow Road, Edinburgh EH12 1HQ
Investment Manager:	Investec Wealth & Investment Limited 30 Gresham Street, London EC2V 7QN https://www.investec.com/en_gb/legal/UK.html
Financial Conduct Authority (FCA)	12 Endeavour Square, London E20 1JN