



PROSPECTUS
of
THE TM STOCKWELL FUND
A NURS
authorised unit trust

Valid as at and dated 18 August 2025

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

Thesis Unit Trust Management Limited

Authorised and regulated by the Financial Conduct Authority.

FCA firm reference number: 186882

PROSPECTUS
OF
THE TM STOCKWELL FUND

The Trust has been established as a Non-UCITS retail scheme. It is not intended that the Trust will be marketed outside the UK. This Prospectus is intended for distribution in the United Kingdom. The distribution of this Prospectus and the offering of Units in the Trust may be restricted in other jurisdictions. Potential Unitholders 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 Units have not been and will not be registered under the 1933 Act, as amended, or any applicable securities laws of any state of the United States of America. They may not be offered or sold directly or indirectly in the United States of America, its territories and possessions, any state of the United States or the District of Columbia, or to US Persons. Any re-offer or resale of any of the Units in the United States or to US Persons may constitute a violation of United States law. The Trust has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Manager has not been and will not be registered under the United States Investment Advisers Act of 1940, as amended.

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

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

Copies of this document have been sent to the Financial Conduct Authority and to the Trustee in accordance with the COLL Sourcebook.

The Prospectus is based on information, law and practice at the date hereof. The Trust 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 Manager. Investors should check with the Manager that this is the most recently published version of the Prospectus.

Potential Unitholders 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 Units.

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

Data Protection

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

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 Manager will take steps to ensure that your privacy rights are respected.

Unitholders have the right to access their personal data processed by the Manager together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons.

A copy of the Manager'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 and Controls sourcebook and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the Manager must check your identity and the source of the money invested. The Manager 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 Units you are giving the Manager 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 Manager 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 Trust.

Table of Contents

1.	Definitions	1
2.	The Trust	6
3.	Investment objectives, policies and other details	7
4.	Characteristics of Units	7
5.	The Manager	8
6.	The Trustee	11
7.	The Investment Managers	13
8.	Auditor	14
9.	The Registrar, Administrator and Fund Accountant	14
10.	Register of Unitholders	14
11.	Dealing in Units	15
12.	Distributions and accounting dates	23
13.	Meetings and Voting rights	24
14.	Conflicts of interest	28
15.	Fair treatment	29
16.	Charges and expenses	29
17.	Inducements	35
18.	Research	35
19.	Valuation of Scheme Property and Pricing	35
20.	Risks	38
21.	Risk Management Process and Liquidity Management	44
22.	Leverage (as defined by the UK AIFM regime)	45
23.	Summary of the Manager's Haircut Policy	46
24.	Taxation	46
25.	Winding up the Trust	51
26.	General	52
	Appendix 1 Investment objective, policy and other details of the Trust	56
	Appendix 2 Investment and borrowing powers of the Trust	59
	Appendix 3 Securities Financing Transactions and Total Return Swaps	74
	Appendix 4 Historical Performance Data	75
	Appendix 5 Eligible securities and derivatives market	76
	Appendix 6 Other authorised fund managed by the Manager	78
	Appendix 7 Directory	80

THE TM STOCKWELL FUND PROSPECTUS

1. Definitions

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

Accumulation Units means Units as may be in issue from time to time in respect of which income allocated to the Unit is credited periodically to capital pursuant to the FCA Rules.

Act means the Financial Services and Markets Act 2000 as amended or replaced from time to time.

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

AIF means an alternative investment fund.

AIFM means an alternative investment fund manager as defined in the FCA Glossary.

AIFMD means the Alternative Investment Fund Managers Directive (2011/61/EU).

AIFMD Level 2 regulation as defined in the FCA Glossary.

AIFMD UK regulation means the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773).

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.

Approved Bank (in relation to a bank account opened by the Trust) 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; or
- (d) a credit institution established in an EEA State and duly authorised by the relevant home state regulator.

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

Associate as defined in the FCA Glossary.

Auditor means KPMG LLP, or such other entity as is appointed to act as auditor of the Trust from time to time.

Business Day means a weekday being Monday to Friday (excluding any public or bank holiday in England).

CASS means the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook made under the Act as may be amended, or replaced, from time to time;

CCP as defined in the FCA Glossary.

Class means a particular class of Units in the Trust as may be in issue from time to time.

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

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

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);
- v. all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws

Dealing Day means a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value (unless stated otherwise in this Prospectus) and any such other day as the Manager may decide from time to time and agree with the Trustee.

Depositary Agreement means the agreement between the Manager and the Trustee regarding the appointment of the Trustee as depositary.

EEA means the European Economic Area.

EEA State means a member state of the European Union and any other state which is within the EEA.

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:

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

Eligible Institution as defined in the FCA Glossary.

EMIR as defined in the FCA Glossary.

EU Member States means the member states of the European Union.

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 Appendix 7.

FCA Glossary means the glossary giving 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, including COLL and FUND, as amended from time to time.

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

Financial Instruments as defined in the FCA Glossary.

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

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

Income Units means Units as may be in issue from time to time in respect of which income allocated to the Unit is distributed periodically to the Unitholder pursuant to the FCA Rules.

International Tax Compliance Regulations means the International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time.

Investment Managers means the investment managers listed in Appendix 7 and as further described in paragraph 7 and **Investment Manager** shall mean each investment manager or a particular investment manager as the context shall dictate.

Leverage bears the meaning as set out in the UK AIFM regime and as further described at paragraph 22.

Losses means any losses, costs, expenses, damages, charges, liabilities or claims, judgments, actions and proceedings.

Master Scheme means any of the following:

- a master UCITS (in the case of a feeder UCITS);
- a qualifying master scheme (in the case of a feeder NURS);
- a property authorised investment fund (in the case of a scheme dedicated to units in a single property authorised investment fund); or
- or the master recognised scheme (in the case of a scheme dedicated to units in a recognised scheme being a scheme recognised under section 272 of the Act).

Manager means the authorised fund manager 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 fund manager of the Trust.

Net Asset Value or **NAV** the value of the Scheme Property less the liabilities of the Trust as calculated in accordance with the Trust Deed.

Non-UCITS retail scheme or **NURS** means an authorised fund which is neither a UK UCITS, a qualified investor scheme nor a long-term asset fund.

OECD means the Organisation for Economic Co-operation and Development.

OTC derivative means over-the-counter derivative.

Prospectus means this Prospectus of the Trust 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 Unitholders of the Trust.

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 means the property of the Trust to be given to the Trustee for safekeeping, as required by the FCA Rules.

SFT means a Securities Financing Transaction.

Securities Financing Transactions as defined in the FCA Glossary.

Securities Financing Transactions Regulation as defined in the FCA Glossary.

Total Return Swaps or **TRSs** means total return swaps as defined by the UK SFTR;

Trust Deed means the trust deed constituting the Trust as amended or supplemented from time to time in accordance with the FCA Rules.

Trustee means NatWest Trustee and Depository Services Limited acting in its capacity of trustee and depository of the Trust.

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

UK AIF as defined in the FCA Glossary.

UK AIFM means an AIFM established in the UK and with a permission under Part 4A of the Act to carry on the regulated activity of managing an AIF.

UK AIFM regime means (a) the AIFMD UK regulation, (b) the AIFMD Level 2 regulation; and (c) all other UK law and regulation (including FUND) which, when made, implemented AIFMD in the UK.

UK GDPR Regulation (EU) 2016/679 as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as modified by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019.

UK SFTR as defined in the FCA Glossary.

UK UCITS as defined in the FCA Glossary.

Unit or **Units** means a unit or units in the Trust including fractional Units being a thousandth of a Unit.

Unitholder(s) means a registered holder of Units in the Trust.

switch means the exchange of Units of one Class for Units of another Class.

UK or **United Kingdom** 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.

US Person means a person who is in either of the following two categories:

- (a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act; or

- (b) a person excluded from the definition of a “Non-United States person” as used in the Commodity Futures Trading Commission (CFTC) Rule 4.7.

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

Valuation Point means the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the Manager carries out a valuation of the Scheme Property for the Trust for the purpose of determining the price at which Units 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 Manager considers it desirable to do so.

VAT means value added tax.

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

- 1.2 Headings used in this Prospectus are for convenience only and shall not affect their meaning or legal effect.
- 1.3 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.
- 1.4 References to the plural shall include the singular and vice versa.
- 1.5 Unless otherwise defined in paragraph 1.1 above or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the Act or the FCA Handbook shall bear the same meaning in this Prospectus.
- 1.6 References to statutes, statutory provisions or regulations (including any provision of the FCA Handbook) shall include those statutes, provisions, regulations, or provision of the FCA Handbook as amended, extended, consolidated, substituted or re-enacted from time to time and, in particular, references to Regulations and/or Directives of the European Union shall, where appropriate, include all domestic law and regulation enacted (or re-enacted) for the purpose of bringing such European Union law and regulation into domestic law and regulation.

2. The Trust

- 2.1 The TM Stockwell Fund is an authorised unit trust and has been established as a Non-UCITS retail scheme. It is not intended that the Trust will be marketed outside the UK. The effective date of the authorisation order of the Trust made by the FCA was 7 December 2018. The Trust was launched on 22 January 2019; the FCA product reference number (PRN) of the Trust is 822970.
- 2.2 The Trust is a UK AIF for the purposes of the UK AIFM regime. Further details are set out under paragraph 5.1.12 below.
- 2.3 The Trust is established by way of the Trust Deed entered into by the Manager and the Trustee. The duration of the Trust is unlimited.

- 2.4 The base currency of the Trust is pounds sterling (or such other currency or currencies as may be the lawful currency of the UK from time to time). The accounts of the Trust will be prepared in the base currency.
- 2.5 Units in the Trust have no par value and therefore the unitised capital of the Trust at all times equals the Trust's current Net Asset Value.
- 2.6 Unitholders are not liable for the debts of the Trust.
- 2.7 The Trust is a collective investment scheme in which each investor's funds are pooled with all other investors' funds. The Manager takes reasonable steps to ensure that each investment transaction carried out within the Trust is suitable for the Trust, having regard to the investment objective and policy of the Trust. This Prospectus is intended to provide information to potential investors about the Trust.
- 2.8 Historical performance figures for the Trust are set out in Appendix 4.
- 2.9 The circumstances, and manner, in which the Trust may be wound up is set out at paragraph 25.

3. Investment objectives, policies and other details

- 3.1 Investment of the Scheme Property must comply with the FCA Rules and Investment Objective and Investment Policy of the Trust. Further details, including the Investment Objective and Investment Policy, are set out in Appendix 1.
- 3.2 A detailed statement of the general investment and borrowing restrictions in respect of the Trust is set out in Appendix 2.
- 3.3 The eligible securities markets and eligible derivatives markets on which the Trust may invest are set out in Appendix 5.

4. Characteristics of Units

- 4.1 A Unitholder's right in respect of the Trust as represented by their Units is that of a beneficial interest under a trust.
- 4.2 Each Unitholder is entitled to participate in the property of the Trust and the income thereof in the proportion that the value of their Units bears to the value of the property in the Trust.
- 4.3 The Trust may issue any kind of Unit permitted by the FCA Rules. The Trust Deed allows the issue of Income and Accumulation Units. These Units may be further classified as set out in the Trust Deed.
- 4.4 The Classes currently available for investment are detailed in Appendix 1. Further Classes may be made available in due course, as the Manager may decide.
- 4.5 The prices of the Units are expressed in the currency or currencies set out in Appendix 1. The Trust reserves the right to issue Units expressed in a different currency from time to time.

- 4.6 Within each Class and subject to their denomination, Units are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the Trust.
- 4.7 Units do not carry preferential or pre-emptive rights to acquire further Units.
- 4.8 The rights attached to a Class in the Trust may be varied in accordance with the FCA Rules.
- 4.9 Names and addresses of Unitholders will be entered in the Register to evidence title to the Units. Unitholders will not be issued with a certificate. Unitholders may, but need not support, an instruction to the Manager by enclosing the contract note or the most recent annual statement or copies of such documents.
- 4.10 Where the Trust has different Classes, 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 Trust will be adjusted accordingly.
- 4.11 All transactions in Units are governed by the laws of England and Wales.
- 4.12 The Units are not listed or dealt in on any Stock Exchange.

5. The Manager

5.1 General information

- 5.1.1 The Manager is Thesis Unit Trust Management Limited, a private company limited by shares, incorporated in England and Wales under the Companies Act 1985 on 6 February 1998 with company number 3508646.
- 5.1.2 The Manager is authorised and regulated by the FCA and is authorised to carry on certain permitted regulated activities in the United Kingdom in accordance with the Act.
- 5.1.3 The Manager's head office and registered office is at Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP.
- 5.1.4 As at the date of this Prospectus, the amount of the Manager's authorised share capital is £5,673,167 issued and paid up.
- 5.1.5 The main business activities of the Manager are acting as manager of authorised unit trusts and authorised corporate director of open ended investment companies, and acting as a UK AIFM.
- 5.1.6 The directors of the Manager are:
- | | |
|-------------|--------------------------|
| S R Mugford | Finance Director |
| D W Tyerman | Chief Executive Officer |
| S E Noone | Client Services Director |
| D K Mytnik | Non-Executive Director |
| V R Smith | Non-Executive Director |

C A E Lawson	Independent Non-Executive Director
S Macdonald	Independent Non-Executive Director
L R Robinson	Independent Non-Executive Director
C J Willson	Independent Non-Executive Director
N C Palios	Non-Executive Chair

- 5.1.7 S R Mugford is also a director of Tutman Fund Solutions Limited and a member of the governing body of TUTMAN LLP, both authorised fund managers with the same group as the Manager, performing a senior management function. He holds directorships of other companies within the Thesis group and performs a senior management function within Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Manager.
- 5.1.8 D W Tyerman is also a member of the governing body of TUTMAN LLP, an authorised fund manager with the same group as the Manager, performing senior management functions. He holds directorships of other companies within the Thesis group and performs senior management functions within Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Manager.
- 5.1.9 S E Noone is also a member of the governing body of TUTMAN LLP, an authorised fund manager with the same group as the Manager, performing a senior management function.
- 5.1.10 N C Palios is also a director of Tutman Fund Solutions Limited and a member of the governing body of TUTMAN LLP, both authorised fund managers with the same group as the Manager, performing a senior management function. She holds directorships of other companies within the Thesis group and performs a senior management function within Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Manager.
- 5.1.11 D K Mytnik and V R Smith also hold non-executive directorships of other companies within the Thesis group and are members of the governing body of TUTMAN LLP, an authorised fund manager within the same group as the Manager.
- 5.1.12 C J Willson, C A E Lawson, S Macdonald and L R Robinson are also independent non-executive directors of Tutman Fund Solutions Limited, an authorised fund manager within the same group as the Manager. They are not engaged in other business activities that are of significance to the Trust.
- 5.1.13 The Manager 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.
- 5.1.14 Investors buy and redeem Units through the Manager who nets them to reduce the number of Units issued or cancelled by the Trust. When carrying out deals in Units the Manager acts as principal but does not profit from this activity.

5.1.15 The fees to which the Manager is entitled are set out in paragraph 16.

5.1.16 The UK AIFM regime

- (a) The Manager is the UK AIFM of the Trust for the purposes of the UK AIFM regime.
- (b) The Manager will cover at all times the risk of loss or damage caused by any relevant person through the negligent performance of activities for which the Manager has legal responsibility by maintaining an amount of own funds, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the UK AIFM regime and the FCA Rules. In addition, the Manager holds significant professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the UK AIFM regime and the FCA Rules.
- (c) The Manager has internal operational policies and procedures in place to identify, measure, manage and monitor appropriately operational risks to which the Manager is or could be reasonably exposed in accordance with the requirements of the the UK AIFM regime.

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

5.1.18 The Manager has delegated the investment management of the Trust to the Investment Managers, who in turn execute decisions to deal on behalf of the Trust. Please refer to paragraph 7.1.5 for information of the Investment Manager's execution policies.

5.2 Delegation by the manager

5.2.1 Subject to the FCA Rules and the UK AIFM regime, the Manager may delegate certain of its functions as UK AIFM. Accordingly:

- (a) the Manager has delegated the provision of investment management services to the Investment Managers; and
- (b) the Manager has delegated certain administrative functions to the Registrar, the Administrator and the Fund Accountant.

5.2.2 The Manager has informed the FCA of such delegations in accordance with the FCA Rules and the UK AIFM regime.

6. The Trustee

6.1 General information

- 6.1.1 The Trustee and depositary of the Trust is NatWest Trustee and Depositary Services Limited a private limited company registered in England and Wales with company number 11194605.
- 6.1.2 The ultimate holding company of the Trustee is NatWest Group plc which is incorporated in Scotland.
- 6.1.3 The Trustee's registered and head office address is at 250 Bishopsgate, London EC2M 4AA. The address of its office that handles matters relating to the Trust is set out in the Directory at Appendix 7.
- 6.1.4 The Trustee's principal activity is trustee and depositary services.
- 6.1.5 The Trustee is established in the UK and is authorised and regulated by the FCA to act as a depositary of a UK UCITS or a UK AIF.

6.2 Duties of the Trustee

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

6.3 Terms of appointment

- 6.3.1 The appointment of the Trustee as trustee has been made under the terms of Trust Deed between the Trust, the Manager and the Trustee. The Trustee has also been appointed as the depositary of the Trust pursuant to the Depositary Agreement.
- 6.3.2 The Depositary Agreement provides that the Trustee be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties required in COLL and FUND.
- 6.3.3 The powers, duties, rights and obligations of the Trustee, the Trust and the Manager under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.
- 6.3.4 Under the Depositary Agreement the Trustee has the power to appoint sub-custodians and may include in such appointment powers of sub-delegation. The Trustee has delegated custody services to The Northern Trust Company (the Custodian). Contact details for the Custodian are set out in Appendix 7. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Trust may invest to various sub-delegates ("sub-custodians").
- 6.3.5 Under the Depositary Agreement the Trustee will be liable to the Trust for any loss of a Financial Instruments held in custody or for any liabilities incurred by the Trust as a direct result of the Trustee's fraud, negligence or negligent or intentional failure to fulfil its obligations under the Depositary Agreement or the UK AIFM regime.

- 6.3.6 However where the event which led to the loss of a Financial Instrument is not the result of the Trustee's own act or omission (or that of its sub-custodian), the Trustee is discharged of its liability for the loss of a Financial Instrument where the Trustee can prove that the Trustee could not have reasonably prevented the occurrence of the event which led to the loss, despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice and despite rigorous and comprehensive due diligence. The Manager will inform investors without delay any changes with respect to the Trustee's liability.
- 6.3.7 The Depositary Agreement provides that the Trust will be indemnified from the net assets of the Trust for any liabilities suffered or incurred by the Trustee 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 any applicable laws.
- 6.3.8 The Depositary Agreement may be terminated on six months' written notice by the Trust, the Trustee or the Manager or earlier on certain breaches or the insolvency of a party. However termination of the Depositary Agreement will not take effect, nor may the Trustee retire voluntarily until the appointment of a new trustee has taken place.
- 6.3.9 Other than to exercise the rights of lien or set off over the Scheme Property in relation to unpaid fees and expenses in relation to the proper performance of services under the Depositary Agreement or sub-custody agreement and unless otherwise agreed by the Manager on behalf of the Trust, the Trustee shall not be entitled to, and no sub-custodian of the Trustee shall be authorised by the Trustee to transfer or re-use for its own purpose and benefit any of the Scheme Property it has been entrusted with.
- 6.3.10 Details of fees payable to the Trustee are set out in the "Trustee's Fees" section of this Prospectus at paragraph 16.5.

6.4 **Conflicts of Interest**

- 6.4.1 The Trustee 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.
- 6.4.2 It is possible that the Trustee 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 Trust or a particular sub-fund, one or more unitholders, the Manager and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee 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 Unitholders collectively so far as practicable, having regard to its obligations to other clients.
- 6.4.3 As the Trustee operates independently from the Trust, Unitholders, the Manager and the Custodian the Trustee does not anticipate any

conflicts of interest arising between it and any of the aforementioned parties and has confirmed that it is not aware of any conflict of interest arising from its delegation of custody of the Scheme Property to the Custodian. Should any such conflict arise, the Trustee shall notify the Manager and take necessary steps to address the conflict.

- 6.4.4 The Trustee is under no obligation to account to the Manager, the Trust or the Unitholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as trustee.

7. The Investment Managers

7.1 General

- 7.1.1 The Manager has appointed the Investment Managers to provide discretionary investment management and related advisory services in relation to the Scheme Property, in each case pursuant to an investment management agreement.
- 7.1.2 Each Investment Manager has the authority to make investment decisions on behalf of the Manager. Notwithstanding any termination provisions outlined below, the Manager may terminate any investment management agreement immediately if it is in the interests of Unitholders.
- 7.1.3 Subject to the FCA Rules and the UK AIFM regime, each Investment Manager has power under its investment management agreement to sub-delegate all or any part of its functions as investment manager. Where the Manager has agreed that the Investment Manager may appoint persons as delegated sub-investment managers those persons will be specified in the Prospectus as amended from time to time and the FCA will be informed of this sub-delegation in accordance with the FCA Rules and the UK AIFM regime.
- 7.1.4 The Investment Managers' fees and expenses are paid out of the Manager's annual management charge which is paid out of Scheme Property. Please see paragraph 16 for further details.
- 7.1.5 Each Investment Manager is required to comply with its own execution policy. A copy of each Investment Manager's execution policy may be available on the relevant website (listed in Appendix 7) or, alternatively, on request from the Manager.

7.2 Schroder & Co Limited (trading as Cazenove Capital)

- 7.2.1 The investment management agreement with Schroder & Co Limited (trading as Cazenove Capital) may be terminated on three months' written notice by either the Manager or Schroder & Co Limited (trading as Cazenove Capital).
- 7.2.2 The principal business activity of Schroder & Co Limited (trading as Cazenove Capital) is as a provider of investment management services.
- 7.2.3 Schroder & Co Limited (trading as Cazenove Capital) is not part of the same corporate group as the Manager.

7.3 W1M Investment Management Limited

- 7.3.1 The investment management agreement with W1M Investment Management Limited may be terminated on three months' written notice by either the Manager or W1M Investment Management Limited.
- 7.3.2 The principal business activity of W1M Investment Management Limited is as a provider of investment management services.
- 7.3.3 W1M Investment Management Limited is not part of the same corporate group as the Manager.

8. Auditor

The Auditor of the Trust are KPMG LLP whose address is set out in Appendix 7.

9. The Registrar, Administrator and Fund Accountant

- 9.1 The Manager 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.
- 9.2 Northern Trust Global Services SE, UK branch registered office is set out in in Appendix 7.
- 9.3 The duties of the Registrar, Administrator and Fund Accountant include:
 - 9.3.1 maintaining the Register;
 - 9.3.2 receiving and processing requests for subscriptions for, or redemptions of, Units in the Trust;
 - 9.3.3 administrating the payment of distributions to Unitholders in the Trust;
 - 9.3.4 dealing with certain regulatory reporting requirements on behalf of the Trust and the Manager;
 - 9.3.5 maintaining the accounting records of the Trust; and
 - 9.3.6 assisting in calculating the Net Asset Value of the Trust, as well as to provide fund accounting services in respect of the Trust.
- 9.4 In line with the regulations that govern such operational outsourcing, the Manager retains responsibility for all work performed on its behalf and investors' rights are not affected by this delegation.
- 9.5 There are no conflicts of interest through delegation of these functions by the Manager.
- 9.6 The Trust does not currently require the services of a prime broker.

10. Register of Unitholders

- 10.1 The register is Unitholders is maintained by the Registrar and is kept and may be inspected by any Unitholder (or any Unitholder's duly authorised agent) at 50 Bank Street, London E14 5NT during normal business hours.

11. Dealing in Units

11.1 Initial offer period

There will be no initial offer period. Units will not be sold or issued in any other currency.

11.2 Buying Units

- 11.2.1 The dealing office of the Manager is open from 9:00am until 5:00pm (London time) each Business Day during which the Manager may receive requests for the buying and selling and switching of Units.
- 11.2.2 The Manager'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.
- 11.2.3 Units 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 or by obtaining an application form by telephoning the Manager's Customer Enquiry Line on 0333 300 0375 or by electronic communication as set out in paragraph 11.16. The Manager has the right to establish facilities for recording telephone calls made or received on these telephone lines; please refer to paragraph 26.5 for further details. The address for the Administrator and the dealing office is set out in Appendix 7.
- 11.2.4 A contract note giving details of the Units purchased will be issued no later than the next Business Day after the Business Day on which an application to purchase Units is instrumented by the Manager. Payment in full should be made not later than the fourth Business Day after the date of purchase, and the Manager reserves the right to require payment in advance.
- 11.2.5 An annual statement made up to 5 April will be issued to Unitholders. This will detail the Unitholder's current holding, transactions during the year, and income paid. Interim statements are available on request.

11.3 Minimum initial subscription, minimum holding and minimum redemption

The minimum initial subscription and the minimum subsequent subscription for Units are set out in Appendix 1. Minimum holding requirements and minimum redemption requirements are also set out in Appendix 1. The Manager reserves the right to reduce or waive minimum investment and/or holding levels.

11.4 Publication of Unit Prices

- 11.4.1 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.
- 11.4.2 For reasons beyond the control of the Manager, these may not necessarily be the current prices.

- 11.4.3 The cancellation price last notified to the Trustee is available from the Manager upon request.

11.5 **Redeeming Units**

- 11.5.1 At any time during a Dealing Day when the Manager is willing to issue Units it must also be prepared to redeem Units. The Manager will buy back Units from registered holders at not less than the price determined at the next Valuation Point following receipt of redemption instructions less any dilution levy.
- 11.5.2 The Manager may refuse to redeem a certain number of Units if the redemption will mean the Unitholder is left holding Units below the minimum holding set out in Appendix 1 or where such redemption is below the minimum redemption amount set out in Appendix 1.
- 11.5.3 Requests to redeem Units in the Trust may be made to the Manager by telephone on 0333 300 0375, by electronic communication (as set out in paragraph 11.16), or by sending clear written instructions by post to the address stated in Appendix 7.
- 11.5.4 A contract note giving details of the number and price of the Units sold back to the Manager will be sent to Unitholders no later than the next Business Day after the Units were sold. In the event that the Manager 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.
- 11.5.5 When Units are redeemed, a BACS or telegraphic transfer will be made, or a cheque will be sent out, in satisfaction of the redemption monies within four Business Days of the Valuation Point of the Trust immediately following receipt by the Manager of the request to redeem Units or the time when the Manager has received all duly executed instruments and authorisations as will vest title in the Manager or enable it to arrange to do so, whichever is the later.
- 11.5.6 The Manager is not required to issue payment of redemption monies in respect of the redemption of Units where it has not yet received the money due on the earlier issue of those Units.

11.6 **Suspension of Dealing**

- 11.6.1 The Manager may, if the Trustee agrees, or shall, if the Trustee so requires, at any time temporarily suspend the issue, cancellation, sale and redemption of Units if the Manager or the Trustee (in the case of any requirement by the Trustee), believes that, due to exceptional circumstances, it is in the interests of Unitholders or potential Unitholders.
- 11.6.2 On suspension, the Manager or the Trustee (if the Trustee has required the Manager to suspend dealing) must immediately inform the FCA of the suspension, stating the reasons for its action.
- 11.6.3 The Manager 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 Unitholders.

- 11.6.4 The Manager must ensure that a notification of the suspension is made to the Unitholders as soon as practicable after the suspension commences. On notification to Unitholders the Manager must ensure that Unitholders' attention is drawn to the exceptional circumstances resulting in the suspension and ensure that notification is clear, fair and not misleading. Unitholders will be kept informed about the suspension and, if possible, advised of its duration (if known) by written updates by the Manager.
- 11.6.5 The Manager 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.
- 11.6.6 The Manager may agree, during the suspension, to deal in Units, 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 Units.
- 11.6.7 Re-calculation of prices will commence on the Business Day immediately following the end of the suspension, at the relevant Valuation Point.
- 11.6.8 In addition, the FCA Rules may require the Manager to temporarily suspend the issue, cancellation, sale and redemption of Units in certain circumstances (for example, where the Trust is invested in other authorised funds which are themselves suspended).

11.7 **Deferred Redemption of Units**

If requested redemptions of Units on a particular Dealing Day exceed 10% of the Trust's value, redemptions of Units 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 Unitholders who had sought to redeem Units 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 Manager to protect the interests of continuing Unitholders by allowing it to match the sale of property of the Trust to the level of redemptions of Units.

11.8 **The Manager's right to refuse applications**

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

11.9 **Mandatory Transfers and Redemptions**

- 11.9.1 The Manager may from time to time take such action and impose such restrictions as it thinks necessary for the purpose of ensuring that no Units are acquired or held by any person in circumstances (**relevant circumstances**):
 - (a) which constitute or are reasonably considered by the Manager 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 Units were acquired or held in like circumstances) result in the Trust 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 Units as specified in the Prospectus; and/or
- (d) which the Manager reasonably believes would have an adverse effect on the Trust and/or Unitholders.

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

- 11.9.2 If it comes to the notice of the Manager either through the Unitholder informing the Manager or otherwise that a Unitholder holds Units (**affected Units**) either beneficially or otherwise in any of the relevant circumstances referred to in paragraph 11.9.1 or if the Manager reasonably believes this to be the case, the Manager may give notice to the holder(s) of the Affected Units requiring either transfer of such Affected Units 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 Affected Units 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 their Affected Units to a person qualified to hold them or establish to the satisfaction of the Manager (whose judgement is final and binding) that they or the beneficial owner is qualified and entitled to own the Affected Units, they 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 Units pursuant to the FCA Rules.
- 11.9.3 A Unitholder who becomes aware that they have acquired or hold, whether beneficially or otherwise, affected Units in any of the relevant circumstances referred to in paragraph 11.9.1 shall immediately inform the Manager and the Manager will take action in accordance with this paragraph 11.9.1 unless it has already received such a notice pursuant to paragraph 11.9.3 either to transfer or procure the transfer of all the affected Units to a person qualified to own the same or give a request in writing or procure that a request is so given for the redemption or cancellation of all the affected Units pursuant to the FCA Rules.
- 11.9.4 An amount equal to any tax charge incurred by the Trust or for which the Trust may be held liable as a result of a transfer pursuant to this paragraph 11.9 shall be recoverable from the Unitholder concerned.
- 11.9.5 Provided that they shall have exercised due care and diligence, no liability shall attach to the Manager or the Trustee by reason of any action taken or not taken by either of them with respect to the matters referred to in this paragraph 11.9.

11.10 In specie purchases

- 11.10.1 If a Unitholder requests, the Manager may, at its discretion arrange acceptance of securities in settlement of a purchase of Units. In particular, the Manager and Trustee 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 Unitholders.
- 11.10.2 The Manager will not issue Units in exchange for assets the holding of which would be inconsistent with the investment objective of the Trust.

11.11 In specie redemptions

- 11.11.1 Where a Unitholder requests the redemption or cancellation of Units, the Manager may, at its discretion, give written notice to the Unitholder before the proceeds would otherwise become payable that, in lieu of paying such proceeds in cash, the Manager will transfer to that Unitholder property attributable to the Trust having the appropriate value.
- 11.11.2 The Manager will select the property to be transferred in consultation with the Trustee. The Trustee must take reasonable care to ensure that the property transferred would not be likely to result in any material prejudice to the interests of Unitholders.
- 11.11.3 The Manager 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 Units.

11.12 Income equalisation

- 11.12.1 Income equalisation, as explained below, may apply in relation to the Trust.
- 11.12.2 When an incoming Unitholder purchases a Unit during an accounting period, part of the purchase price of a Unit reflects the relevant share of accrued income received or to be received by the Trust.
- 11.12.3 The first allocation of income in respect of that Unit 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 Units of that 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 Units and applying the resultant average to each of the Units in question.
- 11.12.4 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 Units will be annual accounting periods. Grouping is permitted by the Trust Deed for the purposes of income equalisation.

11.13 **Switching**

- 11.13.1 A Unitholder may at any time switch all or some of their Units of one Class (**Original Units**) for Units of another Class (**New Units**), subject to the restrictions defined in this Prospectus. The number of New Units issued will be determined by reference to the respective prices of New Units and Original Units at the Valuation Point applicable at the time the Original Units are redeemed and the New Units are issued.
- 11.13.2 A request to switch may be made in writing to the dealing office of the Manager. The Unitholder will be required to provide written instructions to the Registrar or their client adviser, as appropriate (which, in the case of joint Unitholders must be signed by all the joint Unitholders) before switching is effected. Switching forms may be obtained from the Registrar or the client's client adviser.
- 11.13.3 If the switch would result in the Unitholder holding a number of Original Units or New Units of a value which is less than the minimum holding in the Class concerned, the Manager may, if it thinks fit, convert the whole of the applicant's holding of Original Units to New Units (and made a charge on switching on such conversion) or refuse to effect any switch of the Original Units. No switch will be allowed during any period when the right of Unitholders to require the redemption of their Units 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 Manager before the Valuation Point on a Dealing Day to be dealt with at the prices at the Valuation Point on that Dealing Day, or at such other date as may be approved by the Manager. Switching requests received after a Valuation Point will be held over until the next day that is a Dealing Day.
- 11.13.4 The Manager may adjust the number of New Units 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 Units or redemption or cancellation of the Original Units as may be permitted pursuant to COLL.

11.14 **Market Timing**

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

11.15 **Large Deals**

For the purpose of Chapter 6 of COLL, a large deal will be a deal in respect of Units exceeding 5% of the value of the Trust.

11.16 **Electronic communications**

The Manager will accept instructions to transfer or renunciation of title to Units on the basis of an authority communicated by electronic means and sent by the Unitholder, 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 Manager 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 Unitholder.

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 Trust, provided that:

- (a) the Manager receives the money from a client in relation to the Manager's obligation to issue Units in the Trust in accordance with COLL; or
- (b) the money is held in the course of redeeming Units, 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 Manager 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 Trustee or the client or, if direct issues and cancellations of Units by the Trust are permitted, to the Trust, as applicable.

11.17.3 In order to facilitate management of the Trust, the Manager makes use of the delivery versus payment exemption on the issue and redemption of Units in respect of money received other than in the form of cheques. Money received in other payment forms for the issue of Units is, therefore, not protected under the Client Money Rules until the delivery versus payment exemption period has expired. Money

received by the Manager in the form of redemptions, cheques or other remittances is paid directly into a client money account maintained by the Manager 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 Manager on monies credited to this account.

- 11.17.4 In certain circumstances, if the Manager has lost touch with an investor, the Manager will be permitted to pay the investor's client money balance to a registered charity after six years. The Manager will not do so until reasonable efforts have been made to contact the investor. The investor will still be entitled to recover this money from the Manager at a later date irrespective of whether the Manager has paid the money to charity. This is subject to the rules in COLL, which require the Manager to transfer any distribution payment which remains unclaimed after a period of six years from the date of payment to the Trust's capital property.

11.18 Dilution Levy

- 11.18.1 The actual cost of purchasing or selling investments may be higher or lower than the mid-market value used in calculating the Unit price. For example, due to dealing charges or through dealing at prices other than the mid-market price.
- 11.18.2 Under certain circumstances (for example, large volumes of deals), this may have an adverse effect on the Unitholders' interest in the Trust. In order to prevent this effect (**dilution**), the Manager has the power to charge a 'dilution levy' on the sale and/or redemption of Units.
- 11.18.3 The Manager currently intends to charge a dilution levy in respect of 'large deals' (which, for these purposes are deals in respect of Units exceeding 5% of the value of the Trust) and reserves the right to charge a dilution levy based on prevailing market conditions. If the Manager charges a dilution levy it will be calculated by reference to the costs of dealing in the underlying investments of the Trust, including any dealing spreads, permitted commissions and transfer taxes.
- 11.18.4 The need to charge a dilution levy will depend on the volume of sale and redemptions. The Manager may charge a discretionary dilution levy on the sale and redemption of Units if, in its opinion, the existing Unitholders (for sales) or remaining Unitholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged where the Scheme Property is in continual decline or in any case where the Manager is of the opinion that the interests of remaining Unitholders 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.
- 11.18.5 It is not possible to predict accurately whether dilution is likely to occur at any point in time. Based on future projections the Manager expects that the vast majority of sales and/or redemptions of Units will be 'large deals' and that a dilution levy may be charged on the majority of deals.

- 11.18.6 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 Manager's projections of the likely impact of deals to which the dilution levy is applied on remaining Unitholders.
- 11.18.7 The number of days on which a dilution levy has been applied between 1 October 2023 and 30 September 2024 is nil.

12. Distributions and accounting dates

- 12.1 The accounting reference date, accounting periods and income allocation dates are set out in Appendix 1.
- 12.2 The annual accounting period for the Trust ends each year on 30 September. The annual accounting period of the Trust ended on 30 September 2019.
- 12.3 The interim accounting period for the Trust ends each year on 31 March. The first interim accounting period for the Trust ended on 31 March 2020.
- 12.4 Distributions of income for the Trust are made on or before the annual income allocation date and on or before the interim allocation date in each year.
- 12.5 Payment of Distributions
- 12.5.1 The income available for distribution is determined in accordance with COLL. It comprises all income received or receivable for the account of the Trust 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 Manager considers appropriate, after consulting with the Trust's auditors, in accordance with COLL, in relation to taxation and other matters.
- 12.5.2 Each holder of Income Units is entitled, on the interim income allocation date and the annual income allocation date, to the net income attributable to their holding.
- 12.5.3 Holders of Accumulation Units are not entitled to be paid the income attributable to such Units, but that income is automatically transferred to (and retained as part of) the capital assets of the Trust at the end of the relevant distribution period and is reflected in the price of an Accumulation Unit.
- 12.5.4 The Manager reserves the right to change or create additional accounting and income distribution dates, usually as a result of accounting or taxation changes.
- 12.5.5 On the income allocation dates, an amount, as determined by the Manager in accordance with the Trust Deed, is either paid, reinvested or accumulated to those Unitholders 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 Unitholder's nominated bank account.
- 12.5.6 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 Trust.

13. Meetings and Voting rights

- 13.1 For the purposes of this paragraph 13:
- 13.1.1 a **physical meeting** is a general meeting convened at a physical location where Unitholders, or their proxy, must be physically present;
 - 13.1.2 a **hybrid meeting** is a general meeting which allows Unitholders, or their proxy, to be physically present at the location where the meeting is convened, or to attend and vote remotely; and
 - 13.1.3 a **virtual meeting** is a general meeting where all Unitholders, or their proxy, attend and vote remotely.
- 13.2 The provisions below, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of Unitholders.
- 13.3 The Manager and the Trustee may convene a general meeting of Unitholders at any time in accordance with the FCA Rules. The Manager may hold a virtual meeting or a hybrid meeting as this is not inconsistent with any provisions in the Trust Deed.
- 13.4 Unitholders may request the convening of a general meeting by a requisition which must:
- 13.4.1 state the objective of the meeting;
 - 13.4.2 be dated;
 - 13.4.3 be signed by Unitholders who, at that date, are registered as the Unitholders of Units representing not less than one-tenth in value of all of the Units then in issue; and
 - 13.4.4 be deposited with the Trustee.
- 13.5 Any Unitholder who participates remotely in a hybrid meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights as a Unitholder who is physically present at the meeting.
- 13.6 Any Unitholder who participates in a virtual meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights that the Unitholder would have at a physical meeting.
- 13.7 Any Unitholder who participates remotely may do so without having to appoint a proxy and is not required to submit their vote on a resolution in advance of the meeting.
- 13.8 A meeting of Unitholders 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.
- 13.9 An extraordinary resolution is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for the resolution at a general meeting, or, as the case may be, a Class meeting of Unitholders.

- 13.10 Except where an extraordinary resolution is specifically required or permitted, any resolution of Unitholders is passed by a simple majority of the votes validly cast.
- 13.11 A meeting of Unitholders has no powers other than those contemplated by the FCA Rules.
- 13.12 Where a meeting of Unitholders is convened by the Manager or the Trustee, Unitholders must receive at least 14 days' written notice (inclusive of the date on which the notice is first served and the day of the meeting) and the notice shall specify:
- 13.12.1 whether the meeting is to be a physical meeting, a hybrid meeting or a virtual meeting;
 - 13.12.2 if the meeting is a physical meeting or a hybrid meeting, the place of the meeting;
 - 13.12.3 if the meeting is a hybrid meeting or a virtual meeting, the means by which a Unitholder may participate, including any requirements for Unitholders to register before the meeting begins or to provide proof of their right to attend, and an explanation of how participating Unitholders may vote in a show of hands or in a poll, if they do not appoint a proxy;
 - 13.12.4 the day and hour of the meeting;
 - 13.12.5 the terms of the resolutions to be proposed; and
 - 13.12.6 the address of the website where the minutes of the meeting will subsequently be published.
- 13.13 Where the notice is served by the Manager a copy shall be sent to the Trustee.
- 13.14 The accidental omission to give notice to, or the non-receipt of notice by any Unitholder will not invalidate the proceedings at any meeting.
- 13.15 Notice of an adjourned meeting of Unitholders must be given to each Unitholder, stating that while two Unitholders are required to be present, in person, by proxy or remotely, to constitute a quorum at the adjourned meeting, this may be reduced to one in accordance with COLL 4.4.6R(3), should two such Unitholders not be present after a reasonable time of convening of the meeting.
- Where the meeting is a hybrid meeting or a virtual meeting, the Manager shall take reasonable care to ensure that the necessary supporting technology to enable Unitholders to attend and vote is in place at the start of the meeting and operates adequately throughout its proceedings, so that Unitholders who attend or vote remotely are not unfairly disadvantaged.
- 13.16 The quorum at a meeting of Unitholders shall be two Unitholders present in person, by proxy or (where applicable) remotely using the means specified in the notice. If, after a reasonable time after the start of the meeting, a quorum is not present, the meeting:
- 13.16.1 if convened on the requisition of Unitholders, must be dissolved;
 - 13.16.2 in any other case, must stand adjourned to:

- (a) a day and time which is seven or more days after the day and time of the meeting;
 - (b) in the case of a physical meeting or a hybrid meeting, a place to be appointed by the chair; and
- 13.16.3 if, at an adjourned meeting under paragraph 13.16.2 above, a quorum is not present after a reasonable time from the time for the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum.
- 13.17 The chair of a meeting which permits Unitholders to attend and vote remotely shall take reasonable care to give such Unitholders:
 - 13.17.1 an adequate opportunity to be counted as present in the quorum; and
 - 13.17.2 sufficient opportunities to participate fully in the proceedings of the meeting, in particular when a vote is taken on a show of hands or by poll.
- 13.18 In the case of an equality of votes cast, the chair is entitled to a casting vote.
- 13.19 At any meeting of Unitholders, on a show of hands every Unitholder who is present in person or who attends the meeting remotely using the means specified in the notice, shall have one vote.
- 13.20 On a poll, votes may be given either personally or by proxy or in another manner permitted by the Trust Deed. The voting rights for each Unit must be the proportion of the voting rights attached to all of the Units in issue that the price of the Units bears to the aggregate price or prices of all of the Units in issue at a cut-off date selected by the Manager which is a reasonable time before notice of the meeting is sent out.
- 13.21 A Unitholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way. For joint Unitholders, the vote of the first Unitholder, or the proxy of the first Unitholder, stated in the Register will be accepted to the exclusion of the votes of other joint Unitholders.
- 13.22 In the context of despatch of notice, **Unitholders** 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.
- 13.23 To be included in the quorum and entitled to vote at the meeting, **Unitholders** means the persons entered on the Register at a time determined by the Manager and stated in the notice of the meeting, which must not be more than 48 hours before the time fixed for the meeting.
- 13.24 The Manager is not entitled to vote at or be counted in a quorum at a meeting of Unitholders in respect of Units held or deemed to be held by the Manager, except where the Manager holds Units on behalf of, or jointly with, a person who, if themselves as the sole registered Unitholder would be entitled to vote, and from whom the Manager has received voting instructions. Associates of the Manager are entitled to be counted in a quorum and, if they hold Units on behalf of a person who would have been entitled to vote if they had been a registered Unitholder and they have received voting instructions from that person, may vote in respect of such Units pursuant to such instructions.

- 13.25 The Manager will publish the minutes on a website accessible to the general public without charge, no later than five Business Days after the meeting has taken place (but in the case of an original meeting which is adjourned, the minutes will be published no later than five Business Days after the adjourned meeting has taken place).
- 13.26 Any notice or document to be served upon a Unitholder will be duly served if it is:
- 13.26.1 delivered to the Unitholder's address as appearing in the Register; or
 - 13.26.2 sent using an electronic medium in accordance with paragraph 11.16 above.
- 13.27 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.
- 13.28 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.
- 13.29 Any notice or document served by post on one joint Unitholder is deemed to also have been served on each other joint Unitholder whose address, as appearing on the Register, is the same address to which the notice or document was sent.
- 13.30 Any document or notice to be served on, or information to be given to a Unitholder, must be in legible form. For this purpose, any form is a legible form if it:
- 13.30.1 is consistent with the Manager's knowledge of how the recipient of the document wishes or expects to receive the document;
 - 13.30.2 is capable of being provided in hard copy by the Manager;
 - 13.30.3 enables the recipient to know or record the time of receipt; and
 - 13.30.4 is reasonable in the context.
- 13.31 Any requirement that a document be signed may be satisfied by an electronic signature or electronic evidence of assent. Where transfer of title to Units is to be effected on the authority of an electronic communication, the Manager must take reasonable steps to ensure that any electronic communication purporting to be made by the Unitholder or their agent is in fact made by that person.
- 13.32 Changes to the Trust are classified as fundamental, significant or notifiable.
- 13.33 The Manager must obtain the prior approval of Unitholders by extraordinary resolution for any proposed change to the Trust which constitutes a "fundamental change". This is a change or event which:
- 13.33.1 changes the purpose or nature of the Trust;
 - 13.33.2 may materially prejudice a Unitholder;
 - 13.33.3 alters the risk profile of the Trust; or
 - 13.33.4 introduces a new type of payment out of the Scheme Property.

- 13.34 The Manager must give prior written notice to Unitholders of any proposed change which constitutes a "significant change". This is a change or event which is not fundamental, but which:
- 13.34.1 affects a Unitholder's ability to exercise their rights in relation to their investment;
 - 13.34.2 would reasonably be expected to cause the Unitholder to reconsider their participation in the Trust;
 - 13.34.3 results in any increased payments out of Scheme Property to the Manager, or an associate of the Manager; or
 - 13.34.4 materially increases other types of payment out of the Scheme Property.
- 13.35 The notice period must be a reasonable length and must not be less than 60 days.
- 13.36 The Manager must inform Unitholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Trust. This is a change or event, other than a fundamental or significant change, which a Unitholder must be made aware of unless the Manager concludes the change is insignificant. The appropriate manner and timescale of notification will depend on the nature of the change or event. An appropriate manner of notification could include the information being included in the next report of the Trust.
- 13.37 Changes to the investment objective and policy of the Trust will normally require approval by Unitholders at an extraordinary general meeting if the changes alter the nature or risk profile of the Trust, or on giving 60 days' notice to Unitholders where the changes do not alter the nature or risk profile of the Trust. In exceptional circumstances, changes may be made to the investment objective and policy of the Trust with no minimum period of notice where these are for clarification purposes only. In all cases, changes may only be made to the investment objective and policy following notification to the FCA pursuant to the Act and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Trust.

14. Conflicts of interest

- 14.1 The Manager will take all appropriate steps to identify conflicts between the Trustee, the Trust, the Investment Managers and the Manager (including Associates), and between the Fund and other clients or funds that it manages, as appropriate, as required by the FCA Rules.
- 14.2 The Manager, the Investment Managers and other companies within the Manager's and/or the Investment Managers' groups may, from time to time, act as investment manager or adviser to other funds which follow similar investment objectives to those of the Trust.
- 14.3 On occasion, the Investment Managers may also act as investment adviser or discretionary investment manager to clients who invest in the Trust such that a significant proportion of a Trust's Units in issue may be owned by advisory and/or discretionary management client(s) of the Investment Manager.

- 14.4 It is therefore possible that the Manager and/or the Investment Managers may, in the course of their business, have potential conflicts of interest with the Trust or that a conflict exists between the Trust and other funds managed or advised by the Manager or Investment Managers respectively.
- 14.5 The Manager and each 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 Trust and its investors.
- 14.6 The Manager 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 Trust or its Unitholders will be prevented. Should any such situations arise the Manager will, as a last resort disclose, these to Unitholders in the report and accounts or such other appropriate format. Further details of the Manager's conflicts of interest policy are available on request.

15. Fair treatment

- 15.1 The Manager ensures fair treatment of investors by its compliance with the applicable rules in COLL and FUND and with the rules contained in the FCA Handbook.
- 15.2 The Manager is required, under the FCA Handbook, to treat its customers fairly when they become, remain or cease to be Unitholders. The Manager 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 Manager 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 Manager or the Investment Managers. If such rights are granted, this would typically be to investors who invest significant amounts in the Trust. Such investors would not typically be legally or economically linked to the Manager.
- 15.4 Any Unitholder may be granted preferential treatment in relation to the terms of its investment in the Trust by the Manager, the Investment Managers and/or any other service provider to the Trust.

16. Charges and expenses

16.1 Annual Management Charge

- 16.1.1 The Manager receives an annual management charge for managing the Trust at a rate per annum of the value of the property of the Trust accruing daily and payable out Scheme Property. The current rate of the annual management charge for the Trust is set out in Appendix 1.
- 16.1.2 The Manager is responsible for the payment of the fees of the Investment Managers, those of any sub-advisers, and the payment of

the administration fees set out at paragraph 16.7 below. The annual management charge is calculated daily and charged to the Trust on a monthly basis.

- 16.1.3 The Manager 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 16.7.2 below.
- 16.1.4 Any increase of the initial charge or annual management charge may be made by the Manager only after giving 60 days' written notice to the Unitholders (in the case of the periodic change) or to the Trustee and any regular savers (in the case of the initial charge).
- 16.1.5 The annual management charge is normally charged against the income of the Trust, in accordance with the FCA Rules, and will be paid monthly in arrears. **If there is insufficient income, the balance will be paid from capital*.**

***Please note that, if all or part, of an income expense payment is treated as a capital expense this policy may result in capital erosion or constrain capital growth.**

16.2 Initial Charge

The Manager may receive, or waive in part or in whole, an initial charge upon the issue or sale of Units. The current initial charge is set out in Appendix 1 in respect of all Classes. If not waived, the initial charge will be charged upon the issue or sale of Units.

16.3 Redemption Charge

- 16.3.1 At present, no charge is levied on the redemption of Units.
- 16.3.2 The Manager 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 Manager:
 - (a) gave notice in writing of that introduction or change and of the date of its commencement, to the Trustee and to all the persons who ought reasonably to be known to the Manager to have made an arrangement for the purchase of Units 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 On the switching of Units between Classes the Trust Deed authorises the Trust to impose a charge on switching.
- 16.4.2 The charge will not exceed an amount equal to the then prevailing initial charge for the New Units. If a redemption charge is payable in respect of the Original Units, this may become payable instead of, or as well as, the then prevailing initial charge for the New Units. The charge on switching is payable by the Unitholder to the Manager.

16.4.3 The Manager does not currently charge a switching fee.

16.5 **Trustee's Fees**

16.5.1 Periodic fee

(a) The Trustee's fee for the Trust 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;

0.025% per annum on the value of the Scheme Property above £50,000,000 up to £100,000,000;

0.02% per annum on the value of the Scheme Property above £100,000,000 up to £200,000,000; and

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

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

16.5.2 Trustee'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 of the Trust 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 Manager's annual management charge.

16.6 **Transaction and Custody charges**

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

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

Item**Range**

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

- 16.6.2 Global custody is provided by the Custodian (please refer to paragraph 6.3). The custody fees and transaction charges are currently payable out of the Scheme Property of the Trust.
- 16.6.3 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 Manager and the Trustee. Custody charges accrue and are payable as agreed from time to time by the Manager and the Trustee.
- 16.6.4 Where relevant, the Trustee may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions in relation to the Trust 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.
- 16.6.5 The Trustee will also be entitled to payment and reimbursement of all costs, 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.
- 16.6.6 On a winding up of the Trust the Trustee 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.
- 16.6.7 Any VAT on any fees, charges or expenses payable to the Trustee will be added to such fees, charges or expenses.
- 16.6.8 In each case such payments, expenses and disbursements may be payable to any person (including the Trustee or the Manager or any associate or nominee of the Trustee or of the Manager) who has had the relevant duty delegated to it pursuant to the FCA Rules by the Trustee.
- 16.7 **Administration, registration and valuation fees**
- 16.7.1 The administration of the Trust will be carried out by Northern Trust Global Services SE, UK branch, who also act as Registrar and Fund Accountant.
- 16.7.2 The Registrar's fee is taken from the Scheme Property. The current registration fee is £18 per Unitholder per annum with a minimum of £2,000 per annum and £6 per Unitholder transaction effected through straight through processing and £19 per Unitholder transaction

recorded manually. Such fee may be payable to the Manager or to any person who has had the relevant duty delegated to it pursuant to the FCA Rules by the Manager.

- 16.7.3 The Administrator will be paid by the Manager for administration services out of the fees and expenses payable to the Manager. The administration fees are set percentages applied to the value of the Scheme Property. Subject to a minimum fee of £25,000 per annum, the current administration fee is:

0.04% per annum	up to and including £50,000,000 in value of the Scheme Property;
0.035% per annum	on the value of the Scheme Property above £50,000,000 up to £100,000,000; and
0.025% per annum	on the value of the Scheme Property thereafter.

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

- 16.7.4 The minimum fee of £25,000 (referred to above) applies where there are no more than two Investment Managers in respect of the Trust. If more than two Investment Managers are appointed in respect of the Trust, the minimum administration fee will increase by £5,000 per annum for each additional Investment Manager.
- 16.7.5 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 Manager from the annual management charge.

16.8 **Other expenses**

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

- 16.8.1 The fees, costs and expenses relating to the authorisation and establishment of the Trust may be paid out of the Scheme Property and may be amortised over the first accounting period following launch of the Trust.
- 16.8.2 permitted commissions, fiscal charges (including stamp duty) and other costs or disbursements which are necessary to be incurred in effecting transactions for the Trust and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 16.8.3 expenses properly incurred by the Manager in the performance of its duties as authorised corporate director of the Trust, 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 Trust Deed and any costs incurred as a result of changes to any Prospectus or Trust Deed, 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 Trust;

- 16.8.4 any costs incurred by the Trust in publishing the price of the Units;
- 16.8.5 any costs incurred in producing and despatching any payments made by the Trust, or the periodic reports of the Trust;
- 16.8.6 any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Trust, which are currently carried on by the Registrar;
- 16.8.7 any costs incurred in establishing or maintaining any services or facilities for electronic dealing in Units;
- 16.8.8 any fees, expenses or disbursements of any legal or other professional adviser of the Trust or of the Manager in relation to the Trust;
- 16.8.9 any costs incurred in taking out and maintaining an insurance policy in relation to the Trust;
- 16.8.10 any costs incurred in respect of meetings of Unitholders convened for any purpose including those convened on a requisition by Unitholders not including the Manager or an associate of the Manager;
- 16.8.11 liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Trust in consideration for the issue of Units as more fully detailed in COLL;
- 16.8.12 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 16.8.13 taxation and duties payable in respect of the property of the Trust or the issue or redemption of Units;
- 16.8.14 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 16.8.15 the fees of the FCA as prescribed in the FEES Manual of the FCA's Handbook of Rules and Guidance together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Units in the Trust are or may be marketed;
- 16.8.16 the total amount of any cost relating to the application for authorisation and incorporation of the Trust and of its initial offer or issue of Units;
- 16.8.17 any payments otherwise due by virtue of COLL;
- 16.8.18 any costs incurred in maintaining the Register and any plan register;

- 16.8.19 costs associated with the publication of Unit prices;
- 16.8.20 any costs associated with any CASS related support activity incurred by the Administrator; and
- 16.8.21 any value added or similar tax relating to any charge or expense set out herein; and

16.9 **Allocation of expenses**

- 16.9.1 The Manager and the Trustee have agreed that the fees and expenses of the Trust will first be charged to capital* and then to income (except those charges and expenses relating directly to the purchase and sale of investments), with the expected apportionment of 75% to 25%.
- 16.9.2 ***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 Manager and the Investment Managers, when executing orders or placing orders with other entities in relation to financial instruments for execution on behalf of the Trust, must not accept and retain any fees, commission or monetary benefits from a third party (**Third Party Payments**).
- 17.2 If the Manager, or an Investment Manager, receives any Third Party Payments, these will be returned to the Trust as soon as reasonably possible and Unitholders will be informed of the amount received.
- 17.3 Neither the Manager nor any 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 Trust, except those which are capable of enhancing the quality of the service provided to the Trust, and which are of a scale and nature such that they could not be judged to impair the Manager's or relevant Investment Manager's compliance with its duty to act honestly, fairly and professionally in the best interests of the Trust.

18. **Research**

- 18.1 Certain brokers may from time to time provide research services to the Investment Managers. The Investment Managers each pay for such research services, which may be used by the Investment Managers their investment management process, out of their own resources.

19. **Valuation of Scheme Property and Pricing**

- 19.1 The Trust deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the issue or redemption is agreed.
- 19.2 The Trust will be valued at the Valuation Point.
- 19.3 There will only be a single price for any Unit as determined from time to time by reference to a particular Valuation Point.
- 19.4 The Units will be priced in pounds sterling.

- 19.5 The Trust will be valued on a net asset value basis to determine the price of the Units (**NAV price**). Except in circumstances where the application of a dilution levy applies Units will be redeemed at the NAV price and purchased at a price that includes an initial charge at the rate applying to the Trust (see *Charges and Expenses*).
- 19.6 The Net Asset Value of the property of the Trust 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 Trust Deed:
- 19.7 All the property of the Trust (including receivables) is to be included when valuing the Trust, subject to the following provisions:
- 19.7.1 property which is not cash (or other assets dealt with in paragraphs 19.7.7 and 19.7.8 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:
- 19.7.2 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 an initial 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 Manager, 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 Manager, is fair and reasonable;
- 19.7.3 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;
- 19.7.4 over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the Manager and the Trustee;
- 19.7.5 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 Manager, the price obtained is unreliable or no recent traded price is available or if the most recent price does not reflect the Manager's best estimate of the value, at a

value which, in the opinion of the Manager, is fair and reasonable; and

- 19.7.6 property other than that described in paragraphs 19.7.2, 19.7.3, 19.7.4 and 19.7.5 above shall be valued at an amount which, in the opinion of the Manager, represents a fair and reasonable mid-market price;
- 19.7.7 cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values;
- 19.7.8 in determining the value of the Scheme Property, all instructions given to issue or cancel Units 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 or the Trust Deed shall be assumed (unless the contrary has been shown) to have been taken;
- 19.7.9 subject to paragraphs 19.7.10 and 19.7.11 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 Manager, their omission will not materially affect the final net asset amount;
- 19.7.10 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 19.7.9;
- 19.7.11 all agreements are to be included under paragraph 19.7.9 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement;
- 19.7.12 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 Trust; 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 and advance corporation tax, value added tax and stamp duty;
- 19.7.13 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;
- 19.7.14 deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings;
- 19.7.15 add an estimated amount for accrued claims for tax of whatever nature which may be recoverable;
- 19.7.16 add any other credits or amounts due to be paid into the Scheme Property;

- 19.7.17 add a sum representing any interest or any income accrued due or deemed to have accrued but not received; and
- 19.7.18 currencies or values in currencies other than base currency or (as the case may be) the designated currency of the Trust 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 Unitholders or potential Unitholders.

20. Risks

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

20.1 General

- 20.1.1 Collective investment schemes should be regarded as long term investments.
- 20.1.2 The value of the Units in the Trust is based upon the value of the underlying investments.
- 20.1.3 The investments of the Trust are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Trust.

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 Units 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 Units. If the market value of the Units has increased, the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Units. The Units therefore should be viewed as medium to long term investments.

20.3 Dilution

The Trust may suffer a reduction in the value of the Scheme Property due to dealing costs incurred when buying and selling investments. To offset this dilution effect, the Manager may require the payment of a dilution levy in addition to the price of Units when bought or as a deduction when sold. Further information about the dilution levy is set out at paragraph 11.18.

20.4 Suspension of Dealings in Units

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

20.5 **Currency Exchange Rates**

Currency fluctuations may adversely affect the value of the Trust's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of their investment in Units.

20.6 **Past Performance**

Past performance is not a reliable indicator of 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 (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the price movements of the derivatives and price movements of related instruments, (3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Trust, (4) the possible absence of a liquid market for any particular instrument at any particular time; which may result in possible impediments to effective portfolio management or the ability to meet redemption. The Trust 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.

20.7.2 The Trust 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.

20.7.3 Unless otherwise stated in Appendix 1, it is intended that the Trust can use derivatives in accordance with the FCA Rules for the purpose of Efficient Portfolio Management (including hedging). The use of derivatives and forward transactions for the purpose of Efficient Portfolio Management is not expected to increase the risk profile of the Trust.

20.8 **Derivative Techniques**

The COLL Sourcebook permits the Manager to use certain techniques when investing in derivatives in order to manage the Trust'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 Trust may take collateral from counterparties with whom it has an OTC derivative position and use that collateral to net off against the exposure it has to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits the Trust 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 Trust 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 Trust to greater counterparty risk and potentially to loss in excess of the counterparty's obligations to the Trust.

20.10 **Counterparty Risk in OTC Markets**

The Trust may enter into transactions in over-the-counter markets, which will expose the Trust to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Trust may enter into agreements or use other derivative techniques, each of which expose the Trust 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 Trust could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Trust 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 Trust may occur following the investment of the Trust in these currencies. These changes may impact the total return of the Trust 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) *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 Trust 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 Trust 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.
- (e) *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 Trust 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 Fund will therefore employ risk management techniques to ensure it can dispose of the necessary assets at any time in order to pay redemption proceeds resulting from redemption requests and to meet its obligations resulting from equity swaps and other techniques and instruments.

20.14 **Short sales**

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

20.15 **Market risk**

The Fund will be diversified. However, the underlying investments of the 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 Trust to realise an investment at short notice without suffering a discount to market value. In such circumstances the investor may suffer a delay in realising their investment or may incur a dilution adjustment.

20.16.2 Depending on the types of assets the Trust 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 Sub-funds.

20.19 **Inflation and Interest rates**

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

20.20 **Custody**

The Trustee may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint custody agents. The Trustee or Custodian or custody agents may hold Financial Instruments in fungible accounts (meaning the assets are interchangeable) or omnibus accounts (resulting in accounts being combined). The use of omnibus accounts gives rise to a potential risk that there could be a shortfall in the Financial Instruments held in such an account should the total of the Financial Instruments be less than the aggregate entitlement of the Trust. 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 Trust may not recover all of its Financial Instruments.

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

20.21 **Underlying Collective Investment Schemes**

Where the Trust'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 Trust 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 Trust.

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

20.23 **Unregulated Collective Investment Schemes**

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

20.24 **Infectious Diseases**

Infectious Diseases that pose significant threats to human health may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious diseases could significantly impact the value of the Scheme Property of the Trust and the value of distributions paid to investors.

21. Risk Management Process and Liquidity Management

- 21.1 The Manager, in consultation with the Investment Managers, has adopted a risk management process in respect of the Trust enabling it to monitor and measure the risk of the Trust's portfolio and contribution of the underlying investments to the overall risk profile of the Trust.
- 21.2 The Manager operates a liquidity risk management policy with a view to ensuring that Unitholders are able to realise their Units 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 the Trust 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 Trust'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 Fund has sufficient capacity to meet obligations arising from any derivative positions.

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

22. Leverage (as defined by the UK AIFM regime)

- 22.1 This section explains in what circumstances and how the Manager may use leverage as defined by the UK AIFM regime (**Leverage**) in respect of the Trust and maximum level of Leverage permitted.
- 22.2 Leverage means any method by which the Trust increases its exposure whether through borrowing cash or securities or leverage embedded in derivative positions or any other means. The increase in exposure may lead to a higher level of risk. The sources of Leverage which can be used when managing the Trust include:
- 22.2.1 cash borrowing; and
 - 22.2.2 financial derivative instruments.
- 22.3 The Manager is required to calculate and monitor the level of Leverage of the Trust. Leverage is expressed as a ratio between the exposure of the Trust and its Net Asset Value (**Exposure/NAV**). The exposure of the Trust shall be calculated in accordance with the commitment method (**Commitment Method**) and the gross method (**Gross Method**).
- 22.4 Gross Method: under the Gross Method, the exposure of the Trust is calculated as follows:
- 22.4.1 include the sum of all assets purchased, plus the absolute value of all liabilities;
 - 22.4.2 exclude the value of cash and cash equivalents which are highly liquid investments held in the base currency of the Trust, that:
 - (a) are readily convertible to a known amount of cash;
 - (b) are subject to an insignificant risk of change in value; and
 - (c) provide a return no greater than the rate of a three month high quality government bond;
 - 22.4.3 derivative instruments are converted into the equivalent position in their underlying assets;
 - 22.4.4 exclude cash borrowings that remain in cash or cash equivalents and where the amounts payable are known;
 - 22.4.5 include exposure resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of the cash borrowed; and

- 22.4.6 include positions within repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements. (The Manager currently does not intend to enter into repurchase or reverse repurchase agreements and securities lending or borrowing or other similar arrangements).
- 22.5 Under the Commitment Method, the exposure of the Trust is calculated in the same way as under the Gross Method; however, the exposure of derivative or security positions employed in hedging and netting arrangements are not included in this calculation, provided certain conditions are met.
- 22.6 Further information regarding these different Leverage calculation methods found in the AIFMD is available upon request from the Manager.
- 22.7 The maximum level of leverage of the Trust will be as follows:

Maximum level of leverage using the Commitment Method	200%
Maximum level of leverage using the Gross Method	300%

- 22.8 As these calculations of regulatory leverage do not take into account whether a particular financial derivative instrument increases or decreases investment risk, they will not necessarily be representative of the actual level of investment risk within the Trust.

23. Summary of the Manager's Haircut Policy

- 23.1 The Manager may have to provide or receive collateral in entering into certain derivative transactions for the Trust. In doing so, the Manager 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.
- 23.2 The Manager 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.
- 23.3 Cash and any form of security, guarantee or indemnity provided by way of security in accordance with COLL requirements and as agreed between the Investment Managers and the Manager for the discharge of any liability arising from a transaction will be deemed to be permitted for the purposes of the Trust's collateral policy, at the Manager's discretion.

24. Taxation

24.1 General

The following summary is based on current UK law and HM Revenue & Customs practice. It summarises the UK tax position of Authorised Unit Trusts (AUTs) and Unitholders who are UK tax resident. However, it should not be regarded as exhaustive and investors are advised to

obtain specific advice from their professional tax adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

24.2 **Taxation of the Trust**

The Trust is an AUT and is treated as an Authorised Investment Fund for tax purposes. Income of the Trust is deemed to be distributed for tax purposes, even when it is accumulated. References to distributions include deemed distributions of accumulated income.

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

(A) Income

The Trust is liable to corporation tax on its income after relief for management expenses (which include fees payable to the Manager and to the Trustee) at the basic rate of income tax. The rate of corporation tax applicable to the Trust is equal to the basic rate of income tax.

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

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

(B) Capital Gains

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

(C) Stamp Duty Reserve Tax

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

No SDRT charge arises on the issue of units in AUTs. However, investors may be subject to an SDRT charge where Units in the Trust are surrendered and the

investors receive assets from the Trust (rather than cash) which are not in proportion to each investor's share of the total assets held by the Trust.

24.3 **Taxation of Unitholders**

(A) Income

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

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

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

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

Interest distributions

UK resident individuals

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

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

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

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

UK corporate Unitholders

If, at any point in an accounting period of a UK corporate Unitholder, the Trust fails to satisfy the "qualifying investment" test, Units held by the UK corporate

Unitholder in respect of the Trust are treated as if the Units in respect of such a corporate's accounting period (including gains, profits and losses) are rights under a creditor loan relationship and will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a corporate Unitholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Units (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Units).

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

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

Dividend distributions

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

UK resident individuals

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

UK corporate Unitholders

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

(B) Chargeable gains

UK resident individuals

Unitholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including a redemption, of Units in the Trust. Gains will be tax-free if after deduction of allowable losses they fall within an individual's annual capital gains exemption.

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

UK corporate Unitholders

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

The Manager reserves the right to redeem the Units of any Unitholder who jeopardises the tax status of the Trust.

24.4 **Income equalisation – tax implications**

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

24.5 **UK information reporting regime**

AUTs are required to report details of interest distributions paid to UK, and many non-UK investors. Dividend distributions and payments made to ISA investors are not within the scope of these rules but see the paragraphs dealing with "International tax compliance" below.

24.6 **Tax Elected Fund (TEF) regime**

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

24.7 **International tax compliance**

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

The International Tax Compliance Regulations transpose into UK law rules and obligations derived from international standards and inter-governmental agreements entered into by the UK which are aimed at increasing transparency and reducing tax evasion. The regulations include rules derived from the US

Foreign Account Tax Compliance Act (**FATCA**) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**).

To be compliant with the International Tax Compliance Regulations the Trust must collect information about each Unitholder's tax residence and, in certain circumstances, provide information about Unitholders' holdings in Units to HMRC. HMRC may in turn share this information with overseas tax authorities. Such tasks may be delegated to the Administrator.

Unitholders should note that:

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

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

25. Winding up the Trust

25.1 The Trust is to be wound up if:

- 25.1.1 the order declaring the Trust to be an authorised unit trust scheme is revoked; or
- 25.1.2 an extraordinary resolution is passed winding up the Trust, provided the FCA's prior consent to the resolution has been obtained by the Manager or the Trustee; or
- 25.1.3 in response to a request to the FCA by the Manager or the Trustee for the revocation of the order declaring the Trust to be an authorised unit trust scheme the FCA has agreed, subject to there being no material change in any relevant factor, that, on the conclusion of the winding up of the Trust, the FCA will agree to that request; or
- 25.1.4 an approved scheme of amalgamation or reconstruction becomes effective pursuant to COLL.

25.2 On a winding up (otherwise than in accordance with an approved scheme of amalgamation or reconstruction) the Trustee is required, as soon as practicable after the Trust falls to be wound up, to realise the property of the Trust and, after paying out or retaining adequate provision for all liabilities properly so payable and retaining provision for the costs of the winding up, to distribute the proceeds of that realisation to the Unitholders and the Manager proportionately

to their respective interests in the Trust. The Trustee may, in certain circumstances, (and with the agreement of the affected Unitholders) distribute property of the Trust (rather than the proceeds on the realisation of that property) to Unitholders on a winding-up.

- 25.3 Any unclaimed net proceeds or other cash held by the Trustee after the expiration of 12 months from the date on which the same became payable are to be paid by the Trustee into court subject to:
- 25.3.1 the Trustee having a right to retain thereout any expenses incurred in making the payment into court; and
 - 25.3.2 the requirement that such proceeds or other cash be distributed for charitable purposes.
- 25.4 If the Trust is to be wound up in accordance with an approved scheme of amalgamation or reconstruction, the Trustee is required to wind up the Trust in accordance with the resolution of Unitholders approving such scheme.
- 25.5 Distributions will only be made to Unitholders entered on the Register. Any net proceeds or cash (including unclaimed distribution payments) held by the Trustee which have not been claimed after 12 months will be paid into court, after the deduction by the Trustee of any expenses it may incur.
- 25.6 On completion of the winding up, the Trustee will notify the FCA in writing of that fact and the Trustee or Manager will request the FCA to revoke the order or authorisation.

26. General

26.1 Reports

- 26.1.1 Annual reports of the Trust will be published by the Manager within four months of each annual accounting period. Half-yearly reports of the Trust will be published by the Manager within two months of the end of each half-yearly accounting period. The accounting and distribution dates are set out in Part 2 of Appendix 1.
- 26.1.2 Annual and half-yearly reports will be made available (free of charge) on request to the Manager. Alternatively, these reports shall be available, without charge, for inspection by the public during normal working hours at the Manager's place of business. The address for the Manager's place of business is set out in Appendix 7.
- 26.1.3 The first report addressed the period from launch to 30 September 2019.
- 26.1.4 Pursuant to the AIFMD the Manager will disclose the following information for the Trust in each annual report:
 - (a) the percentage of the Trust's assets which are subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to the assets which are subject to such

arrangements and how management and performance fees, if any, apply to these assets;

- (b) if risk limits set for the Trust by the Manager have been or are likely to be exceeded and, where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken;
- (c) the total amount of Leverage employed by the Trust;
- (d) the current risk profile of the Trust;
- (e) any material changes to the following information:
 - (i) the arrangements for managing the liquidity of the Trust;
 - (ii) the risk management systems employed by the Manager to manage the risks to which the Trust is or may be exposed;
 - (iii) the current risk profile of the Trust and the maximum level of Leverage that the Manager may employ on behalf of the Trust; and
 - (iv) where applicable, any right for re-use of collateral or any guarantee under the Trust's leveraging arrangements as well as the nature of such rights or guarantees;
- (f) any additional disclosures required by the UK AIFM regime.

26.1.5 The annual report will also include (where relevant) information regarding the Trust's use of SFTs and TRs, as required by the Securities Financing Transactions Regulation.

26.2 **Documentation**

Copies of the Trust Deed, the Prospectus and the most recent annual and half-yearly reports may be inspected at the head office of the Manager and copies may be obtained free of charge upon application. The address, for the office of the Manager, is set out in Appendix 7.

26.3 **Address for service of notices on the Trust**

The address for service of notices or other documents required or authorised to be served on the Trust is at the registered office of the Manager, as set out in Appendix 7.

26.4 **Notices and documents for Unitholders**

26.4.1 Notices and documents will be sent by first class post to a Unitholder to the address on the Register. Please refer to paragraph 13.12 for details. Communications by electronic medium is permitted provided in accordance with the FCA Rules. Please refer to paragraph 11.16 for further information.

26.4.2 Notwithstanding the above, where Units are jointly held by two or more persons, in accordance with the FCA Rules certain documents

may be sent by first class post only to the first named Unitholder to its address on the Register.

26.5 **Telephone recordings and electronic communications**

- 26.5.1 The Manager, 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.
- 26.5.2 The Manager 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.
- 26.5.3 Please note that the Manager may also record telephone calls for training and monitoring purposes and to confirm investors' instructions.

26.6 **Complaints**

- 26.6.1 Unitholders who have complaints about the operation of the Trust should in the first instance contact the Manager, or, following that, may make their complaint direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.
- 26.6.2 A copy of the Manager's complaints handling procedure is available on request.

26.7 **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 Manager in accordance with the FCA Rules.

26.8 **Non-accountability of profits**

Neither the Manager, the Trustee, the Investment Managers (or any Associates of same) or the Auditor is liable to account to either each other or to Unitholders for any profits or benefits it makes or receives that are made or derived from or in connection with:

- 26.8.1 dealings in the Units of the Trust; or
- 26.8.2 any transaction in the Scheme Property; or
- 26.8.3 the supply of services to the Trust.

26.9 **Governing Law**

- 26.9.1 All transactions in Units are governed by the laws of England and Wales.

- 26.9.2 By applying for Units, the Unitholder agrees to be bound by the Trust Deed and this Prospectus (as may be amended from time to time). The Trust, the Trust Deed and this Prospectus are governed by the laws of England and Wales. The Trust, the Manager and Unitholders 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 Unitholder's investment in the Trust or any related matter.
- 26.9.3 The UK AIFM regime requires the Manager to give details of legal instruments providing for the recognition and enforcement of judgments in England and Wales (which is the territory in which the Trust is established). The laws of England and Wales provide a number of legal mechanisms for the recognition and enforcement of judgments.

Appendix 1

Investment objective, policy and other details of the Trust

1. Investment Objective

To achieve capital growth and income.

2. Investment Policy

The Trust aims to achieve its objective by investing in a diversified global portfolio of investments across all economic sectors. The Trust invests primarily in equities and fixed income securities, both directly and through collective investment schemes. The Trust may also invest in money market instruments, deposits and other collective investment schemes (both regulated and unregulated). **Derivatives will be used for Efficient Portfolio Management (including hedging) only.**

In extraordinary market conditions, it may not be appropriate for the Trust to be invested primarily in equities and fixed income securities and the Trust may temporarily invest up to 100% of its total assets in money market instruments, deposits and units in collective investment schemes. **Examples of extraordinary market conditions include periods of heightened volatility caused by a sudden economic downturn or events such as political unrest, war or bankruptcy of large financial institutions.**

3. Performance Comparator

The Trust uses the Investment Association Flexible Investment peer group for performance comparison purposes.

The peer group has been selected as a comparator for performance because the constituents are representative of the areas in which the Trust itself is likely to invest, and it is therefore an appropriate comparator for the Trust's performance.

The Manager reserves the right to change the peer group following consultation with the Trustee and in accordance with the rules of COLL. A change could arise, for example, where the Manager determines that an alternative may be more appropriate. Unitholders 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.

Part 2

1. Summary information

Commencement	The Trust was established by a trust deed dated 7 December 2018 and authorised by the FCA on 7 December 2018.
Launch Date	22 January 2019
Initial offer period	None
Annual accounting date	30 September
Annual income allocation date	2 clear Business Days before 31 January

Interim accounting dates	31 March
Interim income allocation dates	2 clear Business Days before 31 May
Units Classes	Income Units Accumulation Units
Currency of denomination	Pounds sterling
Initial charge*	Income Units: 5% Accumulation Units: 5%
Redemption charge*	Income Units: 0% Accumulation Units: 0%
Annual Management Charge	Income Units: 0.75% Accumulation Units: 0.75%
Charge for Investment Research	None
Charges and expenses taken from income or capital	Charges and expenses are taken first from capital^y as set out in paragraph 16.9.
Minimum initial investment*	Income Units: £500,000 Accumulation Units: £500,000
Minimum holding*	Income Units: £100,000 Accumulation Units: £100,000
Minimum subsequent investment*	Income Units: £100,000 Accumulation Units: £100,000
Minimum withdrawal*	Income Units: £N/A Accumulation Units: £N/A
Invest in Eligible Markets	As listed in Appendix 5
Income Equalisation	Yes
Past Performance	Past Performance is set out in Appendix 4.
Securities Financing Transactions Regulation	The Trust does not currently intend to use Securities Financing Transactions and Total Return Swaps.

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

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

2. Securities Financing Transactions Regulation disclosure

- 2.1 The Manager is subject to the provisions of the Securities Financing Transactions Regulation.
- 2.2 As at the date of this Prospectus the Trust does not use SFTs or TRS. However, the Manager reserves the right to permit the Trust to use such instruments in the future.
- 2.3 Additional detail on the Securities Financing Transactions Regulation and the use of SFTs and TRS is given in and set out in Appendix 3.

3. Investor profile

- 3.1 The Trust is suitable for investors who see collective investment schemes as a convenient way of participating in both equity markets and fixed income markets. It is only suitable for more experienced investors wishing to attain defined investment objectives. The investors must have experience with capital at risk products. The investor must be able to accept significant losses, thus the Trust is suitable for investors who can afford to set aside the capital for at least 5 years. It is designed for the investment objective of maximising total return.
If you are uncertain about whether this product is suitable for you, please contact an independent financial adviser.
- 3.2 Units of the Trust might be suitable for investors that are comfortable that the value of investments in the Trust can go down as well as up, that capital may be at risk and that performance varies over time and returns are not guaranteed.
- 3.3 **Investors should be aware that there is no protection of capital and no guaranteed return and investors can lose the amount invested.** Accordingly, Units of the Trust are not suitable for:
 - 3.3.1 any investor who does not have sufficient resources to bear any loss resulting from the investment;
 - 3.3.2 investors who are not prepared to take any risk with their money or put their capital at risk; and/or
 - 3.3.3 any investor looking for guaranteed income or a guaranteed total return.

Appendix 2

Investment and borrowing powers of the Trust

1. Investment restrictions

- 1.1 The Scheme Property will be invested with the aim of achieving the investment objective of the Trust but subject to the limits on investment set out in the FCA Rules and the relevant investment policy.
- 1.2 Except where the Investment Policy permits otherwise, **derivatives and forward transactions will only be used by the Trust for Efficient Portfolio Management purposes.**
- 1.3 The Investment Objective and Investment Policy are subject to the NURS limits on investment under COLL 5, which are summarised below. The Manager must ensure that, taking account of the Investment Objective and Investment Policy of the Trust, the Scheme Property of the Trust aims to provide a prudent spread of risk.
- 1.4 By way of summary, the Scheme Property of NURS may only, except where otherwise provided in the rules in COLL 5.6, consist of any one or more of:
 - 1.4.1 transferable securities;
 - 1.4.2 money-market instruments;
 - 1.4.3 units in collective investment schemes permitted under COLL 5.6.10R (Investment in collective investment schemes);
 - 1.4.4 derivatives and forward transactions permitted under COLL 5.6.13R (Permitted transactions (derivatives and forwards));
 - 1.4.5 deposits permitted under COLL 5.2.26R (Investment in deposits);
 - 1.4.6 immovables permitted under COLL 5.6.18R (Investment in property) to COLL 5.6.19R (Investment limits for immovable); and
 - 1.4.7 gold up to a limit of 10% in value of the Scheme Property.

2. Transferable securities and money market instruments

- 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 unit 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 Trust may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

- (a) the potential loss which that Trust may incur with respect to holding the transferable security is limited to the amount paid for it;
- (b) its liquidity does not compromise the Manager's ability to comply with its obligations to redeem Units at the request of any qualifying Unitholder;
- (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 2.11 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 Manager 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 Manager.

2.2.2 Unless there is information available to the Manager 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 Manager to comply with its obligations to redeem Units at the request of any qualifying Unitholder; 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 Trust, provided it fulfils the criteria for transferable securities set out in paragraph 2.2 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 Trust may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Trust provided the investment:

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

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

2.5 Approved money-market instruments

An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

2.6 A money-market instrument shall be regarded as normally dealt in on the money market if it:

2.6.1 has a maturity at issuance of up to and including 397 days;

- 2.6.2 has a residual maturity of up to and including 397 days;
 - 2.6.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
 - 2.6.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 2.6.1 or 2.6.2 above or is subject to yield adjustments as set out in paragraph 2.6.3 above.
- 2.7 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 Manager to redeem Units at the request of any qualifying Unitholder.
- 2.8 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:
- 2.8.1 enabling the Manager 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
 - 2.8.2 based either on market data or on valuation models including systems based on amortised costs.
- 2.9 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 Manager that would lead to a different determination.
- 2.10 Transferable securities and money-market instruments generally to be admitted to or dealt in on an eligible market.
- 2.10.1 Transferable securities and money market instruments held within the Trust must be:
 - (a) admitted to or dealt in on an eligible market as described in paragraph 2.11.2(a); or
 - (b) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market and such admission is secured within a year of issue; or
 - (c) an approved money-market instrument not admitted to or dealt in in respect of an eligible market within paragraphs 2.12 and 2.13, subject to paragraph 2.14.
 - 2.10.2 The Trust may invest up to 20% of its Scheme Property in investments in transferable securities other than those referred to in paragraph 2.10.1 or money-market instruments which are liquid and have a value which can be determined accurately at any time.

2.11 Eligible markets regime

- 2.11.1 To protect investors the markets in which investments of the Trust 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 20% restriction in paragraph 2.10.2 above 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.
- 2.11.2 A market is eligible for the purposes of the FCA Rules if it is:
- (a) a regulated market (as defined in the FCA Glossary);
 - (b) a market in an EEA State which is regulated, operates regularly and is open to the public; or
 - (c) any market within 2.11.3.
- 2.11.3 A market not falling within paragraph 2.11.2 is eligible for the purposes of the FCA Rules if:
- (a) the Manager, after consultation with and notification to the Trustee, decides that market is appropriate for investment of, or dealing in the Scheme Property;
 - (b) the market is included in a list in this Prospectus; and
 - (c) the Trustee has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market; and all reasonable steps have been taken by the Manager in deciding whether that market is eligible.
- 2.11.4 In paragraph 2.11.3(a) 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.
- 2.11.5 The eligible securities and derivatives markets for the Trust are set out in Appendix 5. New eligible securities markets may be added to the existing list in accordance with the FCA Rules governing approvals and notifications.

2.12 Money-market instruments with a regulated issuer

- 2.12.1 In addition to instruments admitted to or dealt in on an eligible market, the Trust may invest in an approved money-market instrument provided it fulfils the following requirements:
- (a) the issue or the issuer is regulated for the purposes of protecting investors and savings; and

- (b) the instrument is issued or guaranteed in accordance with paragraph 2.13.

2.12.2 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:

- (a) the instrument is an approved money-market instrument;
- (b) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit rates risks related to investments in it) in accordance with paragraph 2.14 below; and
- (c) the instrument is freely transferable.

2.13 Issuers and guarantors of money-market instruments

2.13.1 The Trust may invest in an approved money-market instrument if it is:

- (a) issued or guaranteed by any one of the following:
 - (i) 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;
 - (ii) a regional or local authority of the UK or an EEA State;
 - (iii) the Bank of England, the European Central Bank or a central bank of an EEA State;
 - (iv) the EU or the European Investment Bank;
 - (v) a non-EEA State, or in the case of a federal state one of the members making up the federation; or
 - (vi) a public international body to which the UK or one or more EEA States belong;
- (b) issued by a body, any securities of which are dealt in on an eligible market; or
- (c) issued or guaranteed by an establishment which is:
 - (i) subject to prudential supervision in accordance with criteria defined by UK or EU law; or
 - (ii) an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

2.13.2 An establishment shall be considered to satisfy the requirement in paragraph 2.13.1(c)(ii) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

- (a) it is located in the EEA;

- (b) it is located in an OECD country belonging to the Group of Ten;
- (c) it has at least one investment grade rating;
- (d) 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 by the UK or EU law.

2.14 Appropriate information for money-market instruments

- 2.14.1 In the case of an approved money-market instrument within paragraph 2.13.1(b) or issued by a body of the type referred to at COLL 5.2.10E G; or which is issued by an authority within paragraph 2.13.1(a)(ii) or a public international body within paragraph 2.13.1(a)(iv), but is not guaranteed by a central authority within paragraph 2.13.1(a)(i), the following information must be available:
- (a) 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;
 - (b) updates of that information on a regular basis and whenever a significant event occurs; and
 - (c) available and reliable statistics on the issue or the issuance programme.
- 2.14.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 2.13.1(c) the following information must be available:
- (a) 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;
 - (b) updates of that information on a regular basis and whenever a significant event occurs; and
 - (c) 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.
- 2.14.3 In the case of an approved money-market instrument within paragraphs 2.13.1(a)(i), 2.13.1(a)(iv) or 2.13.1(a)(v) or which is issued by an authority within paragraph 2.13.1(a)(ii) or a public international body within paragraph 2.13.1(a)(vi) and is guaranteed by a central authority within paragraph 2.13.1(a)(i), 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.

3. Spread limits

- 3.1 This paragraph does not apply to government and public securities. Please see paragraph 4 below. For the purpose of this paragraph a "single body" bears the meaning as set out in the FCA Rules.
- 3.2 Not more than 20% in value of the Scheme Property may consist of deposits with a single body.
- 3.3 Not more than 10% in value of the Scheme Property may consist of transferable securities or money-market instruments issued by any single body subject to COLL 5.6.23R. This limit is increased to 25% in value of the Scheme Property in respect of covered bonds. In applying the increased limit of 25% certificates representing certain securities are to be treated as equivalent to the underlying security.
- 3.4 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Trust. For the purposes of calculating this limit, the rules and conditions set out in COLL 5.6.7 R (7) to (11) inclusive apply.
- 3.5 Not more than 35% in value of the Trust may consist of the units of any one collective investment scheme.

4. Government and Public Securities

- 4.1 Where no more than 35% in value of the Scheme Property is invested in government and public securities ("such securities") issued or guaranteed by the UK or any one EEA State or a local authority of the UK or an EEA State, a non-EEA State, or a public international body to which the UK or one or more EEA States belong, there is no limit on the amount which may be invested in such securities in any one issue.
- 4.2 **More than 35% of the Trust property may be invested in Government and public securities issued by or on behalf of or guaranteed by the Government 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 fur Wiederaufbau (KfW) and the Nordic Investment Bank (NIB).**
- 4.3 The Manager has consulted with the Trustee and considers that the issuers named in paragraph 4.2 above are ones which are appropriate in accordance with the Investment Objective. If more than 35% in value of the Scheme Property is invested in government and public securities issued by any one issuer, no more than 30% in value of the Scheme Property may consist of such

securities of any one issue and the Scheme Property must include at least six different issues whether of that issuer or another issuer.

5. Collective Investment Schemes

- 5.1 Up to 100% in value of Scheme Property may be invested in units or shares in other collective investment schemes (referred to in this paragraph as a **second scheme**).
- 5.2 Investment may be made in a second scheme managed by the Manager or its Associate.
- 5.3 Any second scheme must either:
- 5.3.1 be a UCITS or a scheme that satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive (as implemented in the EEA); or
 - 5.3.2 be an authorised NURS;
 - 5.3.3 be a recognised scheme (as defined in the FCA Glossary); or
 - 5.3.4 be constituted outside the UK and the investment and borrowing powers of which are the same or more restrictive than those of a NURS; or
 - 5.3.5 be a scheme not falling within paragraphs 5.3.1 to 5.3.4 above and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested;
- 5.4 The second scheme must also:
- 5.4.1 operate on the principle of the prudent spread of risk;
 - 5.4.2 be prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes;
 - 5.4.3 entitle participants to have their units redeemed in accordance with the scheme at a price related to the net value of the property to which the units relate and determined in accordance with the scheme.
- 5.5 Where the second scheme is an umbrella collective investment scheme, paragraphs 5.4.1 to 5.4.3 and the spread limits set out at paragraph 3 apply to each sub-fund of the second scheme as if it were a separate scheme.
- 5.6 The Trust may invest in eligible second schemes which are managed or operated by the Manager or its Associate. 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 Manager must pay the Trust the amount referred to in either paragraph 5.7 or paragraph 5.8 within four Business Days following the date of the agreement to invest or dispose.
- 5.7 When an investment is made, the amount referred to in paragraph 5.6 is either:
- 5.7.1 any amount by which the consideration paid by the Trust for the units or shares in the second scheme exceeds the price that would have

been paid for the benefit of the second scheme had the units or shares been newly issued or sold by it; or

5.7.2 if such price cannot be ascertained by the Manager, the maximum amount of any charge permitted to be made by the seller of units or shares in the second scheme.

5.8 When a disposal is made, the amount referred to in paragraph 5.6 is any charge made for the account of the authorised fund manager or operator of the second scheme or an Associate of any of them in respect of the disposal.

5.9 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 (Dilution) is to be treated as part of the price of the units and not as part of any charge.

6. Feeder schemes

6.1 Up to 100% in value of Scheme Property may be invested in units or shares in other collective investment schemes which are feeder schemes (**feeder second schemes**).

6.2 Any feeder second scheme must be:

6.2.1 a feeder UCITS;

6.2.2 a feeder NURS;

6.2.3 a scheme dedicated to units in a single property authorised investment fund;

6.2.4 a scheme dedicated to units in a recognised scheme (as defined in the FCA Glossary).

6.3 The relevant Master Scheme of the feeder second scheme must comply with the relevant COLL requirements to be a second scheme for the purposes of COLL 5.2.13R and COLL 5.6.10R (as applicable).

6.4 Not more than 35% in value of the Scheme Property may consist of units of one or more schemes permitted under paragraph 6.2 above.

6.5 The Trust must not invest directly in units of the relevant Master Scheme.

6.6 The Manager will only invest in a feeder second scheme where it can show on reasonable grounds that such investment is in the interests of investors and no less advantageous than if the non-UCITS retail scheme had held units directly in the relevant Master Scheme.

7. Warrants and nil and partly paid securities

7.1 Warrants may only be held if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene the FCA Rules.

7.2 Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any

sum unpaid could be paid by the Sub-Fund at any time when the payment is required without contravening the FCA Rules.

- 7.3 A warrant may not be included in the Scheme Property unless it is listed on an eligible securities market.

8. Deposits

Up to 20% in value of the Trust can consist of deposits with a single body. The Trust may only invest in deposits with an Approved Bank and which are repayable on demand, or have the right to be withdrawn, and matures in no more than 12 months.

9. Derivatives: General

- 9.1 Except where the Investment Policy permits otherwise, **derivatives may be used by the Trust for Efficient Portfolio Management purposes only.**

The use of derivatives for Efficient Portfolio Management is not intended to increase the risk profile of the Trust. However, please also see "Risks" set out in paragraph 20 of the main body of this Prospectus.

- 9.2 The Trust may make use of a variety of derivative instruments in accordance with the FCA Rules.

- 9.3 A transaction in derivatives or a forward transaction cannot be effected for the Trust unless:

9.3.1 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

9.3.2 it is covered as required by COLL 5.3.3A R.

- 9.4 The exposure to the underlying assets must not exceed the limits in paragraph 3 and paragraph 3.1 except as provided in paragraph 9.6.

- 9.5 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.

- 9.6 If the Trust invests in an index-based derivative provided the relevant index falls within COLL 5.6.23 R the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 3 and 3.1 above, provided the Manager takes account of COLL 5.6.3R in relation to the prudent spread of risk.

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

9.7.1 that property can be held for the account of the Trust; and

- 9.7.2 the Manager, having taken reasonable care, determines that delivery of the property under the transaction will not occur or will not lead to a breach of the FCA Rules.
- 9.8 No agreement by or on behalf of the Trust to dispose of property or rights (except for a deposit) may be made unless:
- 9.8.1 the obligation to make the disposal and any other similar obligation could immediately be honoured by the Trust by delivery of property or the assignment of rights; and
- 9.8.2 the property and rights at paragraph 9.8.1 are owned by the Trust at the time of the agreement.

10. Permitted transactions (derivatives and forwards)

- 10.1 A transaction in a derivative must:
- 10.1.1 be in an Approved Derivative; or
- 10.1.2 be an OTC derivative which complies with paragraph 10.5.
- 10.2 In addition:
- 10.2.1 the underlying must be within COLL 5.6.4.R(4) or COLL 5.2.20R(2)(f)-(i); and
- 10.2.2 the exposure to the underlying must not exceed the limits set out at paragraphs 3 and 4 above.
- 10.3 A transaction in an Approved Derivative must be effected on or under the rules of an eligible derivatives market. A transaction in an Approved Derivative must not cause the Trust to diverge from its investment objectives as stated in the Trust Deed and the most recently published Prospectus and must not be effected 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.
- 10.4 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 10.5 OTC transactions under this paragraph 10.5 must be:
- 10.5.1 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 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 as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019.
- 10.5.2 on approved terms; the terms of the transaction in derivatives are approved only if the Manager:
- (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;
- 10.5.3 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager 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 Manager and the Trustee have agreed is reliable; or
 - (b) if the value referred to in paragraph (a) (above) is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- 10.5.4 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 Manager is able to check it; or
 - (b) a department within the Manager which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

11. Cover for transactions in derivatives and forward transactions

- 11.1 The Manager must ensure that the Trust's global exposure relating to derivatives and forwards transactions may not exceed the net value of its Scheme Property.

- 11.2 The Manager must calculate the Trust's global exposure on at least a daily basis. 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.

12. General

- 12.1 Underwriting and sub-underwriting contracts and placings may also, subject to certain conditions set out in the FCA Rules, be entered into for the account of the Trust.
- 12.2 Cash or near cash may be retained in the Scheme Property to enable the pursuit of the investment objective; or for redemption of Units; or efficient management of the Trust in accordance with its Investment Objective or for a purpose which may reasonably be regarded as ancillary to the Investment Objective.
- 12.3 The Trust or the Trustee on behalf of the Trust must not provide any guarantee or indemnity in respect of the obligation of any person and none of the Scheme Property may be used to discharge any obligation arising under a guarantee or indirectly with respect to the obligation of any person.
- 12.4 Paragraph 12.3 does not apply to guarantees or indemnities specified in COLL 5.5.9 R (3).
- 12.5 Where investment in gold is permitted by the Investment Policy, no more than 10% in value of the Scheme Property may consist of gold.

13. Immovables

It is not intended that the Trust will have an interest in any immovable property or tangible movable property.

14. Borrowing and lending powers

- 14.1 The Trust may, subject to the FCA Rules and in accordance with this paragraph, borrow money from an Eligible Institution or an Approved Bank for the use of the Trust 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 Trust to comply with any restriction in the Trust Deed.
- 14.2 The Trust will not lend any money which forms part of the Scheme Property. However, providing an officer of the Trust 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.
- 14.3 Where transactions in derivatives or forward transactions are used for the account of the Trust in accordance with the FCA Rules, this paragraph does not prevent the Trust (or the Trustee at the request of the Trust), from:
- 14.3.1 lending, depositing, pledging or charging the Scheme Property for margin requirements; or
 - 14.3.2 transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the Manager 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 Unitholders.

- 14.4 The Manager must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property.
- 14.5 **As at the date of this Prospectus, whilst the Trust may use repurchase / reverse repurchase agreements and stock lending agreements, it currently does not do so.** However, the Manager reserves the right to permit the use of such SFTs in the future. If this were to change in the future this Prospectus will be reviewed and updated.

15. Leverage

- 15.1 Transactions introducing leverage are generally undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates or involve receiving a premium for the writing of a covered call option or cash covered put option on the Scheme Property which the Trust is willing to buy or sell at the exercise price.
- 15.2 The types and sources of leverage and risks the Trust may employ are as follows:
- 15.2.1 the Trust may borrow up to 10% of its NAV from an Approved Bank, and the result of actively investment borrowing may be that the Trust would display leveraged characteristics; and
- 15.2.2 the use of derivatives.
- 15.3 Any exposure by the Trust through the use of derivatives must be covered by cash or readily realisable assets held by the Trust. Restrictions on the use of derivatives are outlined in the Investment Objective and Investment Policy of the Trust and at paragraphs 10 and 11 above.
- 15.4 The maximum level of Leverage, as defined by the AIFMD, the Trust may employ at any time is set out at paragraph 22.7 of the main body of this Prospectus.

Appendix 3

Securities Financing Transactions and Total Return Swaps

1. The Manager is required by the UK SFTR to make certain disclosures in respect of the SFTs and Total Return Swaps that the Trust is authorised to use.
2. As at the date of this Prospectus, whilst the Trust may use SFTs and Total Return Swaps, they currently do not do so. However, the Manager reserves the right to permit the use of such instruments in the future.
3. Where the Manager intends to allow the Trust to enter into SFTs or Total Return Swaps, not less than 60 days' written notice will be given to Unitholders. In addition, this Prospectus will be updated in accordance with the UK SFTR 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 collateral valuation methodology used;
 - 3.6 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;
 - 3.7 a specification of how assets subject to Total Return Swaps and collateral is received and safe-kept;
 - 3.8 a specification of any restrictions on re-use of collateral; and
 - 3.9 a description of the policy on sharing of return generated by the Total Return Swaps.

Appendix 4

Historical Performance Data

The comparisons in the below table represent Units 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 Trust as the Trust was launched on 22 January 2019. Where data is not available for a five year period the table is marked 'N/A'.

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

	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)
The TM Stockwell Fund	8.23	10.16	-10.49	10.78	11.62

Source of performance data – Morningstar

NOTES:

Investors should note these figures refer to the past and past performance is not a reliable indicator of future 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 market

A market is “eligible market” if it is:

- a) a regulated market (as defined in the FCA Glossary);
- b) a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public; or
- c) a market which the Manager, after consultation with, and notification to, the Trustee, determines is appropriate for the purpose of investment of, or dealing in, the property of the Trust. 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; be open to the public; be adequately liquid; and have adequate arrangements for unimpeded transmission of income and capital to, or to the order of, investors.

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

Eligible Securities Markets

- Australia - Australian Securities Exchange;
- Canada - TSX Venture Exchange;
- Hong Kong - Hong Kong Exchanges;
- Japan - Stock exchanges of Nagoya, Osaka and Tokyo (JASDAQ Securities Exchange);
- Korea - Korea Stock Exchange Incorporated;
- Mexico - Mexican Stock Exchange;
- New Zealand - New Zealand Stock Exchange;
- Singapore - Singapore Exchange;
- South Africa - JSE Securities Exchange;
- Switzerland - SIX Swiss Exchange AG;
- Thailand - The Stock Exchange of Thailand;
- United Kingdom - Alternative Investment Market;
- United States of America:
 - NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc);
 - any exchange registered with the Securities and Exchange Commission as a national stock exchange, including the New York Stock Exchange, the American Stock Exchange, and the stock exchanges of Chicago, NYSE Arca and Philadelphia;

- the market in transferable securities issued by or on behalf of the Government of the United States of America conducted through persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealer;
- the Over-the-Counter Market regulated by the National Association of Securities Dealers Inc.

Eligible Derivatives Markets

- Italy - 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 fund managed by the Manager

The Manager also manages the following authorised unit trusts and authorised open-ended investment companies:

<u>Authorised Contractual Schemes</u>	<u>Authorised Open-Ended Investment Companies</u>	<u>Authorised Unit Trusts</u>
TM Brunel Pension Partnership ACS	Abaco Fund ICVC Arch House Fund Ariel Fund Bryth ICVC Canterbury Investment Fund CP Investment Funds Destiny Fund ICVC Harroway Capital ICVC Hawarwatza Fund Libero Portfolio Fund Lime Grove Fund Mellifera OEIC Meadowgate Funds Moulsoe Fund Scarp Fund Skiwi Fund The Ambrose Fund The Astral Fund The Capital Link Growth Fund The Contact Fund The Diversification Fund ICVC The Dunnottar Fund The Global Multi Asset Fund The Hector Fund The Juniper Fund The Lockerley Fund The Mazener Fund The MCMLXIII 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 TBL Fund The TM Lancewood Fund The TM Mitcham Fund The Torridon Growth Fund The Vinings Fund	BPM Trust Eden Investment Fund Elfynn International Trust Glenhuntley Portfolio Trust Hawthorn Portfolio Trust KES Diversified Trust KES Growth Fund KES Income and Growth Fund KES Ivy Fund KES Strategic Investment Fund Latour Growth Fund Lavaud Fund Mossylea Fund Pippin Return Fund The Argo Fund The Castor Fund The Darin Fund The Delta Growth Fund The Deribee Funds The Eldon Fund The Endeavour II Fund The Hall Fund The HoundStar Fund The Iceberg Trust The Maiden Fund The Millau Fund The Norfolk Trust The Notts Trust The Palfrey Fund The White Hill Fund Thesis Headway Fund Thesis Lion Growth Fund Thesis PM A Fund Thesis PM B Fund Thesis Thameside Managed Fund TM Balanced Fund TM Chainpoint Fund TM Gravis UK Listed Property (Feeder) Fund TM Growth Fund TM Hearthstone UK Residential Feeder Fund TM Managed Fund

	The Wharton Fund Thesis JDS Fund TM Acer Fund TM Admiral Fund TM Balanced Growth Fund TM Brickwood Funds TM Brown Advisory Funds TM Brunsdon OEIC TM Castlefield Funds TM Castlefield Portfolio Funds TM Cerno Investment Funds TM Cresswell Fund TM First Arrow Investment Funds TM Gravis Funds ICVC TM Gravis Real Assets ICVC TM Hearthstone ICVC TM Investment Exposures Fund TM James Hambro Umbrella Fund TM Lime Fund TM Natixis Investment Funds U.K. ICVC TM Oak Fund TM Oberon Funds ICVC TM OEIC TM Optimal Funds TM P1 Investment Funds TM Redwheel Funds TM Ruffer Portfolio TM Sanford DeLand Funds TM Stonehage Fleming Global Multi-Asset Umbrella Fund TM Stonehage Fleming Investments Funds TM Timeline NURS Funds TM Total Return Fund TM UBS (UK) Fund TM Veritas Investment ICVC Trowbridge Investment Funds Vastata Fund	TM Masonic Charitable Foundation Investment Fund TM Merlin Fund TM New Court Fund TM New Court Growth Fund TM New Court Return Assets Fund TM New Institutional World Fund TM Preservation Fund TM Private Portfolio Trust TM Stonehage Fleming Global Equities Fund TM Stonehage Fleming Global Equities Umbrella Fund
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Appendix 7 **Directory**

Manager

Thesis Unit Trust Management Limited

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

Trustee

NatWest Trustee and Depositary Services Limited

Trustee & Depositary Services, House A, Floor 0, Gogarburn,
175 Glasgow Road, Edinburgh EH12 1HQ

Investment Managers

Schroder & Co Limited (trading as Cazenove Capital)

1 London Wall Place, London EC2Y 5AU

<https://www.cazenovecapital.com>

W1M Investment Management Limited

16 Babmaes Street, London SW1Y 6AH

<https://www.w1m.com>

Custodian

*Principal place of
business:*

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

Administrator, Registrar and Fund Accountant

The Northern Trust Company

50 South LaSalle Street, Chicago, Illinois, USA

50 Bank Street, London E14 5NT

Northern Trust Global Services SE, UK branch

Location of Register of Unitholders:

50 Bank Street, London E14 5NT

Dealing office

Thesis Unit Trust Management Limited

Sunderland SR43 4AZ

Auditor

KPMG LLP

8 Salisbury Square, London EC4Y SBB

Address for Correspondence

15 Canada Square, London E14 5GL

Financial Conduct Authority (FCA)

25 The North Colonnade, Canary Wharf, London E14 5HS