



PROSPECTUS
OF
THESIS THAMESIDE MANAGED FUND
(A Non-UCITS retail scheme)

This document constitutes the Prospectus for Thesis Thameside Managed Fund which has been prepared in accordance with the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND), which form part of the FCA Handbook of Rules and Guidance, and complies with the requirements of COLL 4.2.5R and FUND 3.2.2R.

This Prospectus is dated and is valid as at 2 May 2023. This document replaces any previous prospectuses issued by the Trust.

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

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THESIS THAMESIDE MANAGED FUND

IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

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

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

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of Units other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Manager. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of the Trust have not changed since the date hereof.

The distribution of this Prospectus and the offering of Units in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Manager to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Units have not been and will not be registered under the 1933 Act or the securities laws of the United States. The Units may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Units in the United States or to US Persons may constitute a violation of US law. The Trust has not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The Units have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful. The Units are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Trust is, accordingly, not open for investment by any US Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the Manager. A prospective investor may be required at the time of acquiring Units to represent that such investor is a qualified holder and not a US Person or acquiring Units for the account or benefit, directly or indirectly, of a US Person or with the assets of an ERISA Plan. The granting of prior consent by the Manager to an investment does not confer on the investor a right to acquire Units in respect of any future or subsequent application.

Potential investors 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.

The provisions of the Trust Deed are binding on each of the Unitholders a summary of which are included in this Prospectus and a copy of the Trust Deed is available on request.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Thesis Unit Trust Management Limited.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

This Prospectus is based on information, law and practice at the date hereof. The Manager cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with Thesis Unit Trust Management Limited that this is the most recently published prospectus.

This document is the Prospectus of Thesis Thameside Managed Fund (the 'Trust'). In this Prospectus the following words and expressions shall have the following meanings:

1. **DEFINITIONS**

"Act"	the Financial Services and Markets Act 2000, as amended or replaced from time to time
"Administrator"	Northern Trust Global Services SE, UK branch, or such other entity as is appointed to act as administrator from time to time
"AIF"	as defined in the FCA Glossary
"AIFM"	an alternative investment fund manager
"AIFMD"	the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers, and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) no. 1060/2009 and (EU) no. 1095/2010
"AIFMD Level 2 regulation"	as defined in the FCA Glossary
"AIFMD UK regulation"	the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773)
"Approved Bank"	<p>in relation to a bank account opened for the Trust:</p> <p>(a) if the account is opened at a branch in the UK:</p> <ul style="list-style-type: none"> (i) the Bank of England; or (ii) the central bank of a member state of the OECD; or (iii) a bank; or (iv) a building society; or (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or <p>(b) if the account is opened elsewhere:</p> <ul style="list-style-type: none"> (i) a bank in (a); or (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or <p>(c) a bank supervised by the South African Reserve Bank; or</p> <p>(d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator,</p> <p>as such definition may be updated in the FCA Glossary from time to time</p>

"Auditor"	Shipleys LLP or such other entity as is appointed to act as auditor to the Trust from time to time
"Business Day"	a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Trust's portfolio of securities or a significant portion thereof, the Manager may decide that any Business Day shall not be construed as such
"CASS"	the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook
"CCP"	as defined in the FCA Glossary
"Class" or "Classes"	in relation to Units, means (according to the context) a particular class or classes of Unit
"COLL"	refers to the appropriate chapter or rule in the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority as part of their Handbook of rules made under the Act
"the COLL Sourcebook"	the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time
"Custodian"	the person entrusted to handle custody services of the Trust, being The Northern Trust Company and its successor or successors as custodian
"Data Protection Laws"	<p>all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances:</p> <ul style="list-style-type: none"> a) the UK GDPR; b) the Data Protection Act 2018; c) any laws which implement any such laws; and d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); e) any final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding)
"Dealing Day"	Monday to Friday where these are Business Days in London
"Depositary Agreement"	the agreement between the Manager and the Trustee
"EEA State"	as defined in the FCA Glossary
"Efficient Portfolio"	techniques and instruments which relate to transferable securities

Management” or “EPM”	<p>and approved money-market instruments and which fulfil the following criteria:</p> <ul style="list-style-type: none"> a) they are economically appropriate in that they are realised in a cost-effective way; b) they are entered into for one or more of the following specific aims: <ul style="list-style-type: none"> i. reduction of risk; ii. reduction of cost; iii. generation of additional capital or income for the Trust with a risk level which is consistent with the risk profile of the Trust and the risk diversification rules in the COLL Sourcebook
“Eligible Institution”	as defined in the FCA Glossary
“EMIR”	as defined in the FCA Glossary
“ERISA Plan”	(i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan’s investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans)
“EUWA”	as defined in the FCA Glossary
“FATCA”	the Foreign Account Tax Compliance Act (US)
“the FCA”	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time
“the FCA Glossary”	the glossary giving the meanings of the defined expressions used the FCA Handbook as amended from time to time
“the FCA Handbook”	the FCA’s Handbook of rules and guidance, as amended or replaced from time to time
“the FCA Rules”	the rules from time to time contained in the COLL Sourcebook but, for the avoidance of doubt, not including guidance or evidential requirements in the COLL Sourcebook
“Financial Instrument”	as defined in the FCA Glossary
“the Financial Services Register”	<p>the public record, as required by section 347 of the Financial Services and Markets Act 2000 (The public record) of every:</p> <ul style="list-style-type: none"> (a) authorised person;

- (b) AUT;
- (c) ICVC;
- (d) recognised scheme;
- (e) recognised investment exchange;
- (f) recognised clearing house;
- (g) individual to whom a prohibition order relates;
- (h) approved person; and
- (i) person within such other class (if any) as the FCA may determine; except as provided by any transitional provisions

"FUND"	refers to the appropriate chapter or rule in the Investment Funds Sourcebook published by the FCA as part of their Handbook made under the Act as it may be amended or replaced from time to time
"Fund Accountant"	the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch, and its successor or successors as fund accountant;
"Home State"	as defined in the FCA Glossary
"Investment Managers"	an investment manager retained by the Manager pursuant to the FCA Rules, being Citibank N.A., London Branch and Thesis Asset Management Limited and their successor or successors as investment managers for the Trust
"Manager"	Thesis Unit Trust Management Limited, the manager of the Trust
"NAV" or "value"	the value of the Scheme Property less the liabilities of the Trust as calculated in accordance with the Trust Deed
"Non UCITS retail scheme"	in accordance with the FCA Handbook, an authorised fund which is neither a UK UCITS, a qualified investor scheme nor a long-term asset fund
"OECD"	the Organisation for Economic Cooperation and Development
"Register"	the register of Unitholders of the Trust
"Registrar"	Northern Trust Global Services SE, UK branch, or such other entity as is appointed to act as Registrar to the Trust from time to time
"Regulated Activities Order"	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544)
"Regulations"	the FCA Handbook (including the COLL Sourcebook)
"Scheme Property"	as defined in the FCA Glossary
"SDRT"	stamp duty reserve tax

"Switch"	the exchange where permissible of Units of one Class for Units of another Class
"Trust Deed"	the trust deed constituting the Trust, as amended from time to time in accordance with the COLL Sourcebook
"Trust"	Thesis Thameside Managed Fund
"Trustee"	NatWest Trustee and Depositary Services Limited, or such other entity as is appointed to act as Trustee
"UCITS"	an undertaking for collective investment in transferable securities. This will include a UCITS scheme or an EEA UCITS scheme, as defined in the FCA Glossary
"UCITS Directive"	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended
"UK AIF"	as defined in the FCA Glossary
"UK AIFM"	as defined in the FCA Glossary
"UK AIFM regime"	the (a) AIFMD UK regulation, (b) 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 2016/679 of the European Parliament and of the Council of 27 th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK's withdrawal from the European Union
"UK UCITS"	as defined in the FCA Glossary
"Unit" or "Units"	a unit or units in the Trust
"Unitholder"	a holder of registered Units in the Trust
"Valuation Point"	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 of a Class may be issued, cancelled or redeemed. The current Valuation Point is 8.30 a.m. London time on each Dealing Day, with the exception of Christmas Eve and New Year's Eve or a bank holiday in England and Wales, or the last Business Day prior to those days annually where the valuation may be carried out at a time agreed in advance between the Manager and the Trustee

"United Kingdom"
or **"UK"**

the United Kingdom of Great Britain and Northern Ireland

"United States" or
"US"

the United States of America, its territories and possessions, any state of the United States, and the District of Columbia

"US Persons"

a person as described in any of the following paragraphs:

1. with respect to any person, any individual or entity that would be a US Person under Regulation S of the 1933 Act. The Regulation S definition is set out below. Even if you are not considered a US Person under Regulation S, you can still be considered a "US Person" within the meaning of this Prospectus under Paragraphs 2, 3 and 4, below;
2. with respect to any person, any individual or entity that would be excluded from the definition of "Non-United States person" in Commodity Futures Trading Commission ("CFTC") Rule 4.7. The definition of "Non-United States person" is set out below;
3. with respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws; or
4. with respect to persons other than individuals, (i) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US persons have the authority to control all substantial decisions of the trust and (iii) an estate which is subject to US tax on its worldwide income from all sources

Regulation S definition of US Person

1. Pursuant to Regulation S of the 1933 Act, "US Person" means:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organised or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a US person;
- (iv) any trust of which any trustee is a US person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US

Person;

- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
 - (viii) any partnership or corporation if:
 - (A) organised or incorporated under the laws of any non-US jurisdiction; and
 - (B) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts;
2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person";
3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a "US Person" if:
- (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
 - (ii) the estate is governed by non-US law;
4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a "US Person" if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a "US Person";
6. Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
- (i) the agency or branch operates for valid business reasons; and
 - (ii) the agency or branch is engaged in the business

of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;

7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

The Manager may amend the definition of "US Person" without notice to Unitholders as necessary in order best to reflect then-current applicable US law and regulation. Contact your investment adviser for a list of persons or entities that are deemed to be "US Persons"

"Non-United States persons" definition

CFTC Rule 4.7 currently provides that the following persons are considered "Non-United States persons":

1. a natural person who is not a resident of the United States or an enclave of the US government, its agencies or instrumentalities;
2. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;
3. an estate or trust, the income of which is not subject to US income tax regardless of source;
4. an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and

a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States;

"VAT"

value added tax;

"1933 Act"

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

"1940 Act"

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

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

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

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

Unless otherwise defined in paragraph 1 or elsewhere in this Prospectus, words or expressions defined in the Act or the FCA Handbook shall bear the same meanings in this Prospectus.

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

2. DETAILS OF THE TRUST

2.1 General Information

2.1.1 General

Thesis Thameside Managed Fund is a unit trust which was authorised by the Financial Services Authority. The Trust was authorised with effect from 24 January 2002 and the FCA product reference number for the Trust is 200012.

The Financial Services Authority was superseded by the FCA and the Prudential Regulation Authority.

The Trust has an unlimited duration.

Unitholders are not liable for the debts of the Trust.

Historical performance data for the Trust is set out in Appendix VI.

2.1.2 Base Currency

The base currency of the Trust is Pounds Sterling.

2.1.3 Units

Units in the Trust may be marketed in other Member States and in countries outside the European Union and European Economic Area, subject to the Regulations, and any regulatory constraints in those countries, if the Manager so decides.

The Trust is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of the Trust may harm performance by disrupting portfolio management strategies and by increasing expenses. The Manager may at its discretion refuse to accept applications for, or switching of, Units, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Trust. For these purposes, the Manager may consider an investor's trading history in the Trust or other Thesis Unit Trust Management Limited funds and accounts under common ownership or control.

2.1.4 Investor Profile

The investor profile is set out in Appendix VI.

2.2 The structure of the Trust

2.2.1 The Trust

The Trust is an authorised unit trust scheme for the purposes of the Act. The Trust is a Non-UCITS retail scheme, being a category of authorised scheme for the purposes of COLL 1.2.1R. The Trust is a UK AIF for the purposes of the UK AIFM regime.

Investment of the assets of the Trust must comply with the COLL Sourcebook and the investment objective and policy of the Trust. Details of the Trust, including its investment objective and policy, are set out in Appendix I.

A detailed statement of the general investment and borrowing restrictions, and an indication of the limitations on the investment policies, are set out in Appendix IV.

The eligible securities markets and eligible derivatives markets on which the Trust may invest are set out in Appendix II.

The circumstances, and manner in which the Trust may be wound-up, is set out under paragraph 10 below.

2.2.2 Units

Classes of Units within the Trust

The rights represented by both income and accumulation Units are those of a beneficial interest under a trust.

Units do not carry preferential or pre-emptive rights to acquire further Units.

Units in the Trust are not listed, or dealt in, on any investment exchange.

Further Classes of Unit may be established from time to time by the Manager with the approval of the FCA, the agreement of the Trustee and in accordance with the Trust Deed. On the introduction of any new Class, either a revised prospectus or a supplemental prospectus will be prepared, setting out the details of each Class.

The currency in which each new Class of Units will be denominated will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Units.

The Trust may issue income and accumulation Units. Further details of the Units presently available, including details of their criteria for subscription and fee structure, are set out in Appendix I.

Holders of income Units are entitled to be paid the distributable income attributed to such Units on any relevant interim and annual allocation dates.

Holders of accumulation Units are not entitled to be paid the income attributed to such Units, but that income is automatically transferred to (and retained as part of) the capital assets of the Trust on the relevant interim and/or annual accounting dates.

If both income and accumulation Units are in existence, the income of the Trust is allocated as between income Units and accumulation Units according to the respective Units of entitlement in the Scheme Property represented by the accumulation Units and income Units in existence at the end of the relevant accounting period.

Where the Trust has different Unit Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes will be adjusted accordingly.

Unitholders are entitled (subject to certain restrictions) to Switch all or part of their Units in a Class for Units of another Class. Details of this switching facility and the restrictions are set out in paragraph 3.4 "Switching".

3. **BUYING, REDEEMING AND SWITCHING UNITS**

The dealing office of the Manager is normally open from 9.00 a.m. to 5.30 p.m. (London time) on each Business Day to receive postal requests for the purchase, sale and switching of Units. The Manager may vary these times at its discretion.

Requests to deal in Units may be made by sending a completed application form, or clear written instructions to Thesis Unit Trust Management Limited at the dealing office of the Administrator, Northern Trust Global Services SE, UK branch. Alternatively requests to deal in Units may be through the means of electronic communications; please refer to paragraph 15.3 below.

Investors may obtain an application form by telephoning the Manager's Customer Enquiry Line on 0333 300 0375 (or such other number as published from time to time). Calls may be placed each Business Day (at the Manager's discretion) between 9.00 a.m. and 5.30 p.m. (London time). The initial purchase must, at the discretion of the Manager, be accompanied by an application form.

The address for the Administrator, Northern Trust Global Services SE, UK branch, is set out in Appendix VIII.

In addition, the Manager may from time to time make arrangements to allow Units to be bought or sold on-line or through other communication media subject to such conditions as the Manager may from time to time agree.

The Manager may also, at its discretion, introduce further methods of dealing in Units in the future.

3.1 **Money laundering**

As a result of legislation in force in the UK to prevent money laundering, the Manager is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Units.

Please refer to the 'Electronic Verification' paragraph under 'General Information' for details of certain resources we may access to verify information on you.

Until satisfactory proof of identity is provided, the Manager reserves the right to refuse to issue Units, pay the proceeds of a redemption of Units, or pay income on Units to the investor. In the case of a purchase of Units where the applicant is not willing or is unable to provide the information requested within a reasonable period, the Manager also reserves the right to sell the Units purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment.

3.2 **Buying Units**

3.2.1 **Procedure**

Units may be bought directly from the Manager or through a professional adviser or other intermediary. Any intermediary who recommends an investment in the Trust to Unitholders may be entitled to receive commission from the Manager. An ongoing commission, based on the value of Units held may also be paid to qualifying intermediaries. In addition, the Manager may from time to time make arrangements to allow Units to be bought through other communication media. Please refer to paragraph 15.3 ('Electronic Communication') for details.

For details of dealing charges see paragraph 3.12 below. Application forms may be obtained from the Manager.

Valid applications to purchase Units in the Trust will be processed at the Unit price calculated, in accordance with the Regulations, at the next Valuation Point following receipt of the application, except in the case where dealing in the Trust has been suspended as set out in paragraph 3.10.

The Manager, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue and any loss arising on such cancellation shall be the liability of the applicant. For postal applications payment in full must accompany the instruction. At the Manager's discretion, payment for large purchases of Units may be made by telegraphic transfer.

A purchase of Units in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase, once made are (except in the case where cancellation rights are applied) irrevocable. However, subject to its obligations under the Regulations, the Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Units in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, at the risk of the applicant.

Applicants who have received advice may have the right to cancel their application to buy Units at any time during the 14 days after the date on which they receive a cancellation notice from the Manager. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the Manager receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. The Manager may extend cancellation rights to other investors but is under no obligation to do so.

3.2.2 **Documents the buyer will receive**

A confirmation giving details of the number and price of Units bought will be issued no later than the end of the Business Day following the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Registration of Units can only be completed by the Manager upon receipt of any required registration details. These details may be supplied in writing to the Manager or by returning to the Manager the properly completed registration form and copy of the confirmation.

Settlement is due within 4 Business Days of the Valuation Point. An order for the purchase of Units will only be deemed to have been accepted by the Manager once it is in receipt of cleared funds for the application. If settlement is not made within a reasonable period, then the Manager has the right to cancel any Units issued in respect of the application.

Certificates will not be issued in respect of Units. Ownership of Units will be evidenced by an entry on the Register.

Tax vouchers in respect of periodic distributions on Units will show the number of Units held by the recipient.

3.2.3 Minimum subscriptions and holdings

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Unit are set out in Appendix I.

The Manager may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption, Switch or transfer, a holding in any Class of Unit should fall below the minimum holding for that Class, the Manager has the discretion to effect a redemption of that Unitholder's entire holding in that Class of Unit. The Manager may use this discretion at any time. Failure not to do so immediately after such redemption, Switch or transfer does not remove this right.

3.3 Redeeming Units

3.3.1 Procedure

Every Unitholder is entitled on any Dealing Day to redeem its Units, which shall be purchased by the Manager dealing as principal. 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.

Valid instructions to the Manager to redeem Units will be processed at the Unit price calculated, calculated in accordance with the Regulations at the next Valuation Point following receipt of the instruction, except in the case where dealing in the Trust has been suspended as set out in paragraph 3.10.

A redemption instruction in respect of Units in writing or by telephone or any other communication media made available is a legally binding contract. However, an instruction to the Manager to redeem Units, although irrevocable, may not be settled by the Manager if the redemption represents Units where the money due on the earlier purchase of those Units has not yet been received or if insufficient

documentation or anti-money laundering information has been received by the Manager.

For details of dealing charges see paragraph 3.12 below.

3.3.2 Documents a redeeming Unitholder will receive

A confirmation giving details of the number and price of Units redeemed will be sent to the redeeming Unitholder (or the first named Unitholder, in the case of joint Unitholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Unitholder (or, in the case of a joint holding, by all the joint Unitholders) no later than the end of the Business Day following the later of the request to redeem Units or the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will normally be made by cheque to the first named Unitholder (at their risk), or, at the Manager's discretion, via telegraphic transfer in accordance with any instruction received (the Manager may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within four Business Days of the later of (a) receipt by the Manager of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Unitholders together with any other documentation and appropriate evidence of title, any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the Manager of the request to redeem.

3.3.3 Minimum redemption

Part of a Unitholder's holding may be redeemed but the Manager reserves the right to refuse a redemption request if the value of the Units to be redeemed is less than the minimum stated in respect of the appropriate Class in question (see Appendix I).

3.4 Switching

Subject to any restrictions on the eligibility of investors for a particular Unit Class, a Unitholder may at any time Switch all or some of his Units of one Class ("the Original Units") for Units of another Class ("the New Units") in the Trust. 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.

Telephone switching instructions may be given but Unitholders are required to provide written instructions to the Manager (which, in the case of joint Unitholders, must be signed by all the joint Unitholders) before switching is effected.

If a partial 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 make a charge on switching on such

conversion) or refuse to effect any Switch of the Original Units. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch. Written instructions must be received by the Manager before the Valuation Point on a Dealing Day in the Trust to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the Manager at the request of the Unitholder giving the relevant instruction may agree. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day.

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 or levies in respect of the application for the New Units or redemption of the Original Units as may be permitted pursuant to the COLL Sourcebook.

A Unitholder who Switches Units in one Class for Units in any other Class will not be given a right by law to withdraw from or cancel the transaction.

3.5 **Mandatory Conversion**

Where the Manager considers it in the best interests of Unitholders, the Manager may convert a Unitholder's holding in one Class of Units to another Class of Units. The Manager shall give at least 60 days' prior written notice to the Unitholders concerned of the proposed conversion, including details of the new Class of Units and reminding Unitholders of their rights to redeem.

3.6 **Transfers**

Unitholders are entitled to transfer their Units to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the Manager for this purpose. Completed instruments of transfer must be returned to the Manager in order for the transfer to be registered by the Manager. The Manager may refuse to register a transfer unless any provision for SDRT due has been paid.

3.7 **Restrictions and Compulsory Transfer and Redemption**

The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or which would result in the Trust incurring any liability to taxation which the Trust is not able to recoup itself or suffering any other adverse consequence. In this connection, the Manager may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Units.

If it comes to the notice of the Manager that any Units ("affected Units"):

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the Trust incurring any liability to taxation which the Trust would not be able to recoup itself 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); or

- (c) are held in any manner by virtue of which the Unitholder or Unitholders in question is/are not qualified to hold such Units or if it reasonably believes this to be the case;

the Manager may give notice to the Unitholder(s) of the affected Units requiring the transfer of such Units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Units in accordance with the COLL Sourcebook. If any Unitholder upon whom such a notice is served does not within 30 days after the date of such notice transfer his affected Units to a person qualified to own them or submit a written request for their redemption to the Manager or establish to the satisfaction of the Manager (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Units, he shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of all the affected Units.

A Unitholder who becomes aware that he is holding or owns affected Units shall immediately, unless he has already received a notice as set out above, either transfer all his affected Units to a person qualified to own them or submit a request in writing to the Manager for the redemption of all his affected Units.

Where a request in writing is given or deemed to be given for the redemption of affected Units, such redemption will (if effected) be effected in the same manner as provided for in the COLL Sourcebook.

3.8 Issue of Units in exchange for in specie assets

The Manager may arrange for the Trust to issue Units in exchange for assets other than cash, but will only do so where the Trustee has taken reasonable care to determine that the Trust's acquisition of those assets in exchange for the Units concerned is not likely to result in any material prejudice to the interests of Unitholders.

The Manager will ensure that the beneficial interest in the assets is transferred to the Trust with effect from the issue of the Units.

The Manager will not issue Units in exchange for assets the holding of which would be inconsistent with the investment objective or policy of the Trust.

3.9 In specie redemptions

If a Unitholder requests the redemption of Units the Manager may, where it considers the deal to be substantial in relation to the total size of the Trust or in some way detrimental to the Trust, arrange, having given prior notice in writing to the Unitholder, that, in place of payment for the Units in cash, the Trust transfers property or, if required by the Unitholder, the net proceeds of sale of the relevant property, to the Unitholder. Before the redemption proceeds of the Units become payable, the Manager must give written notice to the Unitholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Unitholder so that the Unitholder can require the net proceeds of redemption rather than the relevant property if he so desires.

For this purpose, the Manager may consider a deal to be substantial if the relevant Units constitute 5% (or a lesser or higher percentage if considered

appropriate) of those in issue.

The Manager will select the property to be transferred or sold in consultation with the Trustee. They must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Unitholder requesting the redemption than to the continuing Unitholders.

3.10 Suspension of dealings in the Trust

The Manager may, with the prior agreement of the Trustee, or must if the Trustee so requires temporarily suspend, the purchase and redemption of Units (including any purchase and redemption on switching), if the Manager (or the Trustee in the case of any requirement by it) is of the opinion that due to exceptional circumstances it is in the interests of Unitholders or potential unitholders (for example, but without limitation, on the closure or suspension of dealing on a relevant stock exchange, or the inability of the Manager to ascertain properly the value of any or all of the assets or realise any material part of the assets of the Trust).

On suspension the Manager, or the Trustee if it has required the Manager to suspend dealing, must immediately inform the FCA stating the reasons for its actions and, as soon as practicable, give written confirmation of the suspension, and the reason for it, to the FCA.

Notification of the suspension must be clear, fair and not misleading. Unitholders will be kept informed in writing about updates on the suspension.

The Manager must inform the FCA of the propose re-start of dealing and, immediately after the re-start, must confirm in writing to the FCA. 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 the re-start of dealing.

Notice of suspension will be provided to Unitholders as soon as practicable after commencement of the suspension, drawing Unitholders' attention to the exceptional circumstances resulting in the suspension. The Manager and the Trustee must formally review any such suspension at least every 28 days and inform the FCA of the results of their review. Any such suspension may only continue for so long as it is justified having regard to the interest of Unitholders.

Recalculation of the Unit price for the purposes of purchases and redemptions will commence on the next relevant Valuation Point following the ending of the suspension.

During any suspension, in the exercise of its discretion, the Manager will permit a Unitholder to withdraw their redemption notice provided that this withdrawal is in writing and is received before the period of suspension ends. Any notice not withdrawn will be dealt with on the next Dealing Day following the end of the suspension.

3.11 Income Equalisation

When an incoming Unitholder purchases a Unit during an accounting period, part of the purchase price will reflect the relevant Unit of accrued income in the NAV of the Trust.

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 dividing the aggregate of the amounts of income included in the creation price of Units of the type in question issued or re-issued in a grouping period by the number of those Units and applying the resulting average to each of the Units in question.

Grouping for equalisation

Grouping periods are consecutive periods within each annual accounting period, being the interim accounting periods (including the period from the end of the last interim accounting period in an annual accounting period to the end of that annual accounting period) specified in paragraph 15.1 of this prospectus.

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 equalisation.

3.12 Dealing Charges

The price per Unit at which Units are bought, redeemed or switched is calculated in accordance with the Regulations. Any preliminary charge or redemption charge, (or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

3.12.1 Preliminary charge

The Manager may impose a charge on the purchase of Units in each Class. The current preliminary charge is calculated as a percentage of the amount invested by a potential Unitholder is set out in Appendix I. The Manager may waive or discount the preliminary charge at its discretion.

The preliminary charge (which is deducted from subscription monies) is payable by the Unitholder to the Manager.

The current preliminary charge of a Class may only be increased in accordance with the Regulations.

From the preliminary charge received, or out of its other resources, the Manager may pay a commission to relevant intermediaries including the Investment Managers and their Associates.

3.12.2 Redemption charge

The Manager may make a charge on the redemption of Units in each Class. At present, no redemption charge is levied.

The Manager may only introduce a redemption charge in accordance with the Regulations. Also, if such a charge was introduced, it would not apply to Units issued before the date of the introduction (i.e., those not previously subject to a redemption charge).

3.13 Client Money Rules

3.13.1 The FCA Handbook contains provisions (known as the "Client Money Rules") designed to safeguard client money in the hands of authorised persons. However, the CASS rules also provide that money need not be treated as client money in respect of a delivery

versus payment transaction, for the purpose of settling a transaction in relation to Units in a regulated collective investment scheme such as the Trust, provided that:

- 3.13.1.1 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
- 3.13.1.2 The money is held in the course of redeeming Units, where the proceeds are paid to the client within the timeframe specified in COLL.
- 3.13.2 Where money is received in either of the circumstances set out in 3.13.1.1 or 3.13.1.2 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 as applicable.
- 3.13.3 In order to facilitate management of the Trust, the Manager makes use of the delivery versus payment exemption on the issue 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 moneys credited to this account.
- 3.13.4 Money deposited into an account with a third party may have a security interest, lien or right of set-off in relation to the money, to the extent permitted by the Client Money Rules.

3.14 **Large deals**

Any purchase or redemption of Units with a value equal to or in excess of £15,000 will amount to a "large deal". For large deals (subject to the Regulations), the Manager may sell Units at more than, or redeem Units at less than, the published price (see paragraph 4.2 below).

3.15 **Governing law**

All deals in Units are governed by the law of England and Wales.

4. **VALUATION OF THE TRUST**

4.1 **General**

Trust will be valued in accordance with the provisions set out in Appendix III. The value per Unit in the Trust is currently calculated at 08.30 a.m. (London time) (this being the Valuation Point) on each Dealing Day.

4.2 **Calculation of the value**

Valuations of the Trust will take place on each Dealing Day at the Valuation Point

for the purposes of determining prices of which Units may be bought or sold to the Manager being calculated on an offer basis (for the purposes of calculating the issue price of a Unit) or a bid basis (for the purposes of calculating the cancellation price of a Unit) respectively. The price at which the Manager sells Units (the offer price), may not exceed the issue price of Units plus the Manager's preliminary charge. The price at which the Manager redeems Units (the bid price) will not be less than the cancellation price (less any redemption charge and any SDRT provision). The bid price will not exceed the relevant issue price.

Large deals (see paragraph 3.14) may be carried out at a higher offer price or a lower bid price than those published, provided these prices do not exceed the relevant maximum and minimum parameters set out in the paragraph above.

The Manager may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so. The Manager shall inform the Trustee of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a Valuation Point for the purposes of dealings. Where permitted and subject to the Regulations, the Manager may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

For the purposes of calculating the Manager's and Trustee's periodic charges the Scheme Property is valued on a mid-market basis, for the purposes of calculating the investment limits the Scheme Property is valued on a bid basis.

The Manager will, upon completion of each valuation, notify the Trustee of the issue price, the cancellation price, the maximum offer price and the minimum bid price of Units, of each Class.

A request for dealing in Units must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the value per Unit calculated as at the Valuation Point on that next Dealing Day.

4.3 Price per Unit in each Class

The price per Unit at which Units are issued or cancelled is calculated by taking the proportion, attributable to the Units of the Class in question, of the value on the issue basis (when calculating the issue price per Unit) or the cancellation basis (when calculating the cancellation price per Unit) of the Scheme Property by reference to the most recent valuation, computing the number of Units of the relevant Class in issue immediately before that valuation, dividing the total by that number of Units. Any preliminary charge or redemption charge, (or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

4.4 **Pricing basis**

The Manager deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the Manager.

Units in the Trust are dual priced. Please refer to paragraph 3.14 ('Large Deals') for the Manager's policy on large deals.

4.5 **Publication of Prices**

The most recent prices will appear daily on the Trustnet website at www.trustnet.com and can also be obtained by telephone on 01483 783 900.

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

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

The Manager may also, at its sole discretion, decide to publish certain Unit prices in other third party websites or publications but the Manager does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the Manager.

5. **RISK FACTORS**

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

5.1 **General**

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. There is no certainty that the investment objective of the Trust will actually be achieved and no warranty or representation is given to this effect. The level of any yield for the Trust may be subject to fluctuations and is not guaranteed.

5.2 **Effect of Preliminary Charge or Redemption Charge**

Where a preliminary charge or redemption charge is imposed, an investor who realises his Units may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

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 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.

5.3 **SDRT provision**

Certain investment transactions can result in the payment of stamp duty reserve tax ("SDRT"). When such payment results in the diminution in value of the Units, an additional charge may be levied in addition to the price of the Units when issued or deducted when sold.

See paragraph 9.1 (C) for details.

5.4 **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.

5.5 **Liabilities of the Trust**

Unitholders are not liable for the debts of the Trust. A Unitholder is not liable to make any further payment to the Trust after he has paid the price on purchase of the Units.

5.6 **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 his investment in Units.

5.7 **Derivatives**

The Investment Managers may employ derivatives for the purposes of Efficient Portfolio Management (including hedging).

Nonetheless, it is each Investment Managers' intention that the Trust, owing to its portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of the derivatives' underlying investments.

5.8 **Investment in Immovable Property**

The Investment Managers may invest in immovable property. Investments in immovable property are relatively illiquid and more difficult to realise than equities and bonds.

5.9 **Credit and Fixed Interest Securities**

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.

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.

5.10 **OTC Derivatives**

The Trust may invest in an over-the-counter derivative contract ('OTC Derivative').

If the counterparty to the Trust in relation to an OTC Derivative became insolvent or is unable to meet its obligations under the OTC Derivative, then the Trust would likely suffer a loss which would have a significant impact on the investment performance of the Trust.

5.11 **Legal and Regulatory Risks**

Legal and regulatory (including taxation) changes could adversely affect the Trust. Regulation (including taxation) of investment vehicles such as the Trust is subject to change. The effect of any future legal, or regulatory, (including taxation) change on the Trust is impossible to predict but could be substantial and have adverse consequences on the rights and returns of Unitholders.

5.12 **Custody Risk**

The Trustee may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint a custody agent. The Trustee or Custodian may hold Financial Instruments in fungible accounts (meaning the assets are interchangeable) or omnibus accounts (resulting in accounts being combined). The use of omnibus accounts gives rise to a potential risk that there could be a shortfall in the Financial Instruments held in such an account should the total of the Financial Instruments be less than the aggregate entitlement of the 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.

5.13 **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 and the value of distributions paid to investors.

6. **MANAGEMENT AND ADMINISTRATION**

6.1 **Regulatory Status**

The Manager, the Trustee and the Investment Managers are authorised and regulated by the Financial Conduct Authority whose address is set out in Appendix VIII.

6.2 **Manager**

6.2.1 **General**

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.

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

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

Telephone: 01243 531234

Share Capital: Issued and paid up £5,673,167

The directors of the Manager are as follows:

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

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

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

The Manager is responsible for managing and administering the Trust's affairs in compliance with the COLL Sourcebook. The Manager may act as authorised fund manager of other regulated investment schemes. Details of these schemes, as at the date of this Prospectus, are set out in Appendix V.

The Manager may delegate its management and administration functions (but not responsibility) to third parties, including associates subject to the rules in the COLL Sourcebook.

It has delegated the function of:

- a) managing and acting as the investment adviser for the investment and reinvestment of the assets of the Trust to the Investment Managers (further details are provided in paragraph 6.4 below); and
- b) certain functions relating to the Register to maintain the Registrar (further explained in paragraph 6.5 below)

Paragraph 3.3.1 sets out purchase or redemption of Units through the Manager (acting as principal).

The Manager will cover at all times the risks outlined below of loss or damage caused by any relevant person through the negligent performance of activities for which the 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.

The risks which are specifically covered by this approach include, without being limited to, risks of:

- (a) loss of documents evidencing title of assets of the Trust;
- (b) misrepresentations or misleading statements made to the Trust or its investors;
- (c) acts, errors or omissions resulting in a breach of:
 - (i) legal and regulatory obligations;
 - (ii) duty of skill and care towards the Trust and its investors;
 - (iii) fiduciary duties;
 - (iv) obligations of confidentiality;
 - (v) the terms of the Trust Deed;
 - (vi) terms of appointment of the Manager by the Trust;
- (d) failure to establish, implement and maintain appropriate procedures to prevent dishonest, fraudulent or malicious acts;
- (e) improperly carried out valuation of assets or calculation of Unit prices;
- (f) losses arising from business disruption, system failures, failure of transaction processing or process management.

6.3 The Trustee

6.3.1 General

The Trustee for the Trust is NatWest Trustee and Depositary Services Limited, a company registered in England and Wales with company number 11194605.

The ultimate holding company of the Trustee is the NatWest Group plc, which is incorporated with limited liability in Scotland.

The Trustee's registered office address is 250 Bishopsgate, London EC2M 4AA. The Trustee's head office address is 440 Strand, London WC2R 0QS. The address of its office which handles matters relating to the Trust is set out in Appendix VIII.

The Trustee's principal activity is the provision of trustee and depositary services.

The Trustee is established in the UK and is authorised and regulated by the Financial Conduct Authority to act as a depositary for a UK AIF or a UK UCITS.

Duties of the Trustee

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.

Terms of Appointment

The appointment of the Trustee as trustee has been made under the terms of the Trust Deed between the Manager and the Trustee. The Trustee has also been appointed as the depositary of the Trust pursuant to the Depositary Agreement.

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 the COLL and FUND Sourcebooks.

Under the Depositary Agreement, the Trustee has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Trustee has delegated custody of the Scheme Property to The Northern Trust Company (Custodian). Contact details for the Custodian are set out in Appendix VIII. 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")

Under the Depositary Agreement the Trustee will be liable to the Trust for any loss of 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 properly fulfil its obligations under the Depositary Agreement or the UK AIFM regime.

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 of any changes with respect to the Trustee's liability.

The Depositary Agreement provides that the Trustee 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 of any applicable laws.

The Depositary Agreement may be terminated on six months' notice by 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.

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.

Details of the fees payable to the Trustee are given in paragraph 7.3.

Conflicts of interest

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.

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, 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.

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 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.

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 depositary.

6.4 The Investment Managers

6.4.1 General

The Manager has appointed the following Investment Managers to provide investment management services to the Manager:

- a) Citibank N.A., London Branch; and
- b) Thesis Asset Management Limited.

Thesis Asset Management Limited is the only Investment Manager connected with the Manager, as it is in the same group as the Manager.

The Investment Managers, with the exception of Citibank N.A., are authorised and regulated by the FCA.

Citibank N.A., London Branch is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority.

The addresses of the registered office of each Investment Manager are set out in Appendix VIII.

The principal activity of the Investment Managers, with the exception of Citibank N.A., is the provision of investment management services. Citibank N.A., London Branch has full discretionary powers over the investment of the part of the property of the Trust entrusted to it subject to the overall responsibility and right of veto of the Manager. The principal business activity of Citibank is banking.

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 their website (listed in the Directory at Appendix VIII) or on request from the Manager.

The terms of the agreements between the Manager and the Investment Managers ("Investment Management Agreements") include the provision of discretionary investment management to attain the investment objectives, discretion to place purchase and sale orders with regulated dealers and on the exercise of voting rights relating to such investments and on the marketing of Units (subject to the approval of the Manager) and preparation of the Investment Managers' report half yearly for inclusion in the Manager's report for circulation to holders. The agreements are terminable on receipt of 6 months written notice given by either party, or immediately by the Manager in certain circumstances. The Investment Managers may only sub-delegate their functions with the prior consent of the Manager.

The Investment Managers are entitled to a fee out of that paid to the Manager, as explained below in paragraph 7.4.

The Investment Managers will not be considered as a broker fund adviser under the FCA Handbook in relation to the Trust.

The Investment Management Agreements contain provisions to the following effect:

- (a) the Manager will indemnify the Investment Managers against certain losses incurred by the Investment Managers but, in the absence of fraud, the Manager's liability will be limited to the assets of the Trust available to meet such a claim;
- (b) the Investment Managers will be liable for certain losses suffered by the Manager or the Trust, subject, in the absence of fraud, to certain limitations on the Investment Managers' liability;
- (c) the Investment Managers shall not be liable for non-performance of its obligations due to causes beyond its control; and
- (d) the agreement is governed by English law and the parties submit to the exclusive jurisdiction of the English courts.

The main legal implications of the contractual relationship entered into for the purpose of investment in the Trust are as follows:

- (a) by investing in the Trust through the means of electronic communications, by telephone or by submitting an application form to the Administrator, the investor makes an offer to subscribe for Units which, once it is accepted by the Manager, or the Administrator on its behalf, has the effect of a binding contract to subscribe for Units;

- (b) the provisions of the scheme documents made between the Manager and the Trustee by way of which the Trust is constituted, as the same may be amended from time to time are binding on each of the Unitholders (who are taken to have notice of them) as if that Unitholder was a party to it with effect on and from the date that any person has become a Unitholder;
- (c) the Scheme Property of the Trust will be beneficially owned by the Trustee on behalf of the holders of units of the Trust and may not be used to discharge any liabilities of, or meet any claim against, any person other than the holders of units of the Trust;
- (d) the scheme documents and the application form are each made under and governed by and shall be construed in accordance with the laws of England and Wales. The Trust, the Manager and Unitholders of the Trust 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;
- (e) the scheme documents may be amended by agreement between the Manager and the Trustee;
- (f) absent a direct contractual relationship between a Unitholder and the relevant service provider, Unitholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Unitholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Trust by the relevant service provider is, prima facie, the Trust itself or the Manager acting on behalf of the Trust, as the case may be;
- (g) the Investment Managers may hold or trade in securities and instruments of the same type as the securities and instruments held or traded in by the funds and fund managers; they may also utilise the same or similar strategies as those adopted by the fund managers. The Investment Managers may therefore trade and compete with fund managers and funds on an arm's length basis. In addition, the Investment Managers may make investments in other funds managed or advised by them;
- (h) each Investment Manager has discretion to enter into foreign exchange hedging transactions and borrowings on behalf of the Trust. The Investment Managers may appoint an affiliate of any existing service provider or any other third party to act as a counterparty in the execution of foreign exchange transactions in connection with the currency hedging activities of the Trust and/or to implement the currency hedging strategy.

6.5 The Registrar, Administrator and Fund Accountant

6.5.1 General

The Manager is responsible for the Trust's Register.

The Manager has delegated the function of Registrar, Administrator and Fund Accountant to Northern Trust Global Services SE, UK branch. The address for Northern Trust Global Services SE, UK branch, is set out in Appendix VIII.

6.5.2 **Register**

The Register is kept by the Registrar and may be inspected at the address of 50 Bank Street, London E14 5NT during normal business hours by any Unitholder or any Unitholder's duly authorised agent.

The plan register (being a record of persons who subscribe for Units through Individual Savings Accounts (ISAs)), where applicable, can be inspected at the office of the Registrar.

The duties of the Registrar and Administrator include:

- (a) maintaining the Register;
- (b) receiving and processing requests for subscriptions for, or redemptions of, Units in the Trust;
- (c) administering the payment of distributions to Unitholders in the Trust;
- (d) dealing with certain regulatory reporting requirements on behalf of the Trust and the Manager;
- (e) maintaining the accounting records of the Trust;
- (f) assisting in calculating the Net Asset Value of the Trust, as well as to provide fund accounting services in respect of the Trust.

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.

There are no conflicts of interest through delegation of these functions by the Manager.

6.6 **The Auditors**

6.6.1 The Auditors of the Trust are Shipleys LLP. The address, for Shipleys LLP is set out in Appendix VIII.

6.6.2 The duties of the Auditors are to carry out an annual audit of the Trust and to issue a report including the following statements:

- 6.6.2.1 whether, in the Auditor's opinion, the accounts have been properly prepared in accordance with the relevant Statement of Recommended Practice, the rules in COLL, and the instrument constituting the scheme;
- 6.6.2.2 whether, in the Auditor's opinion, the accounts give a true and fair view of the net revenue and the net capital gains or losses on the Scheme Property of the Trust for the annual accounting period in question and the financial position of the Trust as at the end of that period;
- 6.6.2.3 whether the Auditor is of the opinion that proper accounting records for the Trust have not been kept or whether the accounts are not in agreement with those

records;

- 6.6.2.4 whether the Auditor has been given all the information and explanations which, to the best of his knowledge and belief, are necessary for the purposes of this audit; and
- 6.6.2.5 whether the Auditor is of the opinion that the information given in the report of the Manager for that period is consistent with the accounts.

6.7 **Conflicts with delegates**

- 6.7.1 Conflicts may arise between the interests of the Manager and its permitted delegates in certain circumstances, for example, where there is likelihood that:
 - 6.7.1.1 the delegate and an investor in the Trust are members of the same group or have any other contractual relationship, if the investor controls the delegate or has the ability to influence its actions (in such cases the likelihood of conflict is likely to increase the greater the extent of such control);
 - 6.7.1.2 the delegate makes a financial gain, or avoids a financial loss, at the expense of the Trust or the investors in the Trust;
 - 6.7.1.3 the delegate has an interest in the outcome of a service or an activity provided to the Manager or the Trust;
 - 6.7.1.4 the delegate has a financial or other incentive to favour the interest of another client over the interests of the Trust or the investors in the Trust;
 - 6.7.1.5 the delegate receives or will receive from a person other than the Manager an inducement in relation to the collective portfolio management activities provided to the Manager and the Trust in the form of monies, goods or services other than the standard commission or fee for that service.
- 6.7.2 The Manager has a policy and procedures in place to monitor the conflicts of interest that may arise in the context of its delegation of certain of its functions. To the extent any actual conflicts of interest are determined to have arisen, the Manager will manage such conflicts to minimise any impact on the investment performance, and will also seek to prevent them from reoccurring. Certain activities may be required to be modified or terminated to minimise conflicts of interest which may be identified from time to time.

- 6.7.3 Although conflicts of interest can also arise where the delegate and the Manager are members of the same group or have any other contractual relationship and the delegate controls the Manager or has the ability to influence its actions, it is not currently considered that there are material existing conflicts of interest between the Manager and Thesis Asset Management Limited (as an Investment Manager to the Trust).

6.8 Conflicts of Interest

The Manager, the Investment Managers and other companies within the Manager's and/or the Investment Managers' group may, from time to time, act as investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Trust. 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. Each of the Manager and the Investment Managers will, however, have regard in such event to its general obligations to act in the best interests of the Trust so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise.

The Trustee may act as the depositary of open-ended investment companies and as trustee or custodian of other collective investment schemes.

7. FEES AND EXPENSES

7.1 Ongoing

All costs, charges, fees or expenses, other than the charges made in connection with the subscription and redemption of Units (see paragraph 3.12) payable by a Unitholder or out of Scheme Property are set out in this section.

The Manager may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

- 7.1.1 broker's commission (excluding costs for research), fiscal charges and other 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;
- 7.1.2 any costs incurred in modifying the Trust Deed including costs incurred in respect of meetings of Unitholders convened for purposes which include modifying the Trust Deed, where the modification is necessary to implement changes in the law or as a direct consequence of any change in the law, or is expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interest of Unitholders, or to remove obsolete provisions from the Trust Deed;
- 7.1.3 any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager;

- 7.1.4 any payment permitted by clause 6.7.15R of the COLL Sourcebook;
- 7.1.5 interest on permitted borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.1.6 taxation and duties payable in respect of the Scheme Property, the Trust Deed or the issue of Units;
- 7.1.7 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 7.1.8 the periodic fees of the FCA, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Units in the Trust are or may be marketed;
- 7.1.9 any costs incurred which are associated with independent risk monitoring or daily "value at risk" or "VaR" calculations (part of the risk monitoring process);
- 7.1.10 any costs incurred in preparing, translating, producing (including printing), distributing and modifying the Trust Deed, the Prospectus, the key investor information document (apart from the cost of distributing the key investor document) or reports, accounts, statements, contract notes and other like documentation, or any other relevant document required under the Regulations.
- 7.1.11 payments properly required for the maintenance, repair, refurbishment, management, preservation, protection or redevelopment of immovable property owned or leased by the Trust;
- 7.1.12 costs (including survey costs, costs of obtaining environmental reports and marketing costs) incurred in buying or selling immovable property;
- 7.1.13 costs incurred in connection with: buying-in a leasehold interest, restructuring leasehold interests of the Trust; project funding; payments to property consultants in respect of any immovable property;
- 7.1.14 costs incurred in connection with: letting, re-letting any leasehold interest; reviewing rents payable, renewing leases, action taken as a result of tenants' breach of covenant or eviction of squatters; issuing notices to tenants, work undertaken by property consultants; work undertaken by building surveyors and any legal advice taken or legal actions raised in relation to the Trust or any property which is, has been or may become property of the Trust;
- 7.1.15 insurance of immovable property (including environmental and public liability cover);
- 7.1.16 costs of insuring the Trustee against any liability which it may incur as a consequence of holding the property of a Trust and which is not met by the insurance referred to in 7.1.15 and which is greater than the value of the Trust;

- 7.1.17 costs incurred in administering insurance which relates to the Trust, any property which is, has been or may become property of the Trust or the insurance in 7.1.16 above and the costs and expenses involved in running and administering any claims, actions, proceedings or litigation which may be taken by or against a Trust or Trustee;
- 7.1.18 fees and expenses in respect of establishing and maintaining the Register, including any sub-registers kept for the purpose of the administration of individual savings accounts (the current fee being £2,000 per annum);
- 7.1.19 any fees or costs associated with any CASS related support activity incurred by the Registrar;
- 7.1.20 the fees properly payable to the Valuer or any other valuer (including VAT) and any proper expenses of the Valuer or any other valuer;
- 7.1.21 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; and
- 7.1.22 any other expenses reasonably incurred in relation to any property which forms part of the Scheme Property.

The Manager is also entitled to be paid out of the Scheme Property any expenses, incurred by the Manager or its delegates of the kinds described above.

Allocation of Charges and Expenses

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for the Trust is set out in Appendix I. **Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital (save for any charge made in respect of SDRT).**

If deductions were made from capital, this would result in capital erosion and constrain growth.

7.2 Charges payable to the Manager

7.2.1 *Annual Management Charge*

In payment for carrying out its duties and responsibilities the Manager is entitled to take an annual fee out of the Trust as set out in Appendix I. The annual management charge will accrue on a daily basis in arrears by reference to the value of the Scheme Property on the immediately preceding Dealing Day in accordance with COLL 6.3 and the amount due for each month is payable on the last Dealing Day of each month. The current annual management charge for the Trust (expressed as a percentage per annum of the value of the Trust) is set out in Appendix I.

7.2.2 *Expenses*

The Manager is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above.

VAT is payable on the charges or expenses mentioned above, where appropriate.

If a Class's expenses in any period exceed its income the Manager may take that excess from the capital property attributable to that Class.

The current annual fee payable to the Manager for a Class may only be increased or a new type of remuneration introduced in accordance with the Regulations.

7.3 **Trustee's fees and expenses**

Periodic charge

The Trustee receives, out of the Scheme Property, by way of remuneration a periodic charge, which will be calculated and accrue daily and be paid monthly on, or as soon as is practicable after, the last Business Day of each calendar month. The rate of the Trustee's periodic charge is agreed from time to time between the Manager and the Trustee in accordance with the COLL Sourcebook.

The current rate of the Trustee's periodic charge in respect of the Trust is:

0.0275% per annum	on the first £50 million value of the property of the Trust;
0.025% per annum	on the next £50 million value of the property of the Trust;
0.020% per annum	on the next £100 million value of the property of the Trust; and
0.015% per annum	on the value thereafter

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

In addition VAT on the amount of the periodic charge will be paid out of the Scheme Property.

These rates can be varied from time to time in accordance with the COLL Sourcebook.

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

Transaction and derivative and custody charges

In addition to the periodic fee referred to above, the Trustee shall be entitled to be paid by way of remuneration transaction and derivative and custody charges where it acts as Custodian in relation to transaction handling, derivative handling and safekeeping of the Scheme Property as follows:

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

The remuneration for acting as custodian is calculated at such rate and/or amount as the Manager, the Trustee and the Custodian may agree from time to time.

The current remuneration, plus VAT (if any), are calculated at an ad valorem rate determined by the territory or country in which the assets of the Trust are held.

Custody and transaction charges will be payable monthly in arrears.

These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable and, in any event, not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Trustee and the Manager.

Where relevant, the Trustee may make a charge for (or otherwise benefit from) providing its services in relation to: distribution; the provision of banking services; holding money on deposit; lending money or engaging in stock lending transactions, in relation to the Trust and may purchase or sell or deal in the purchase or sale of the Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the COLL Sourcebook.

The Trustee will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred upon it by the Trust Deed, the Depositary Agreement, the FCA Rules or by the general law.

VAT (if any) in connection with any of the above is payable in addition.

On a winding up of the Trust the Manager will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

Any value added tax on any fees, charges, or expenses payable to the Trustee will be added to such fees, charges, or expenses.

In each such case such expenses and disbursements will also be payable if incurred by any person (including the Manager or an associate or nominee of the Trustee or of the Manager) who has had the relevant duty delegated to it pursuant to the COLL Sourcebook by the Trustee.

7.4 Investment Managers' fees

The Investment Managers' fees and expenses (plus VAT thereon) for providing investment management services will be paid by the Manager out of its remuneration. Research costs will be paid for by the Investment Managers out of this fee and shall not be borne by the Trust.

8. UNITHOLDER MEETINGS AND VOTING RIGHTS

8.1 Class and Trust Meetings

The provisions below, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of the Trust, but by reference to Units of the Class concerned and the Unitholders and value and prices of such Units.

8.2 Requisitions of Meetings

The Manager may requisition a general meeting at any time.

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

8.3 Notice and Quorum

Unitholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Unitholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to Unitholders at their registered addresses.

8.4 Voting Rights

At a general meeting, on a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote.

On a poll vote, a Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit are such proportion of the voting rights attached to all the Units in issue that the price of the Unit bears to the aggregate price of all the Units in issue at a reasonable date before the notice of meeting is sent out such date to be decided by the Manager.

A Unitholder entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

In the case of joint Unitholders, the vote of the most senior Unitholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Unitholders. For this purpose seniority must be determined by the order in which the names stand in the Register.

Except where the COLL Sourcebook or the Trust Deed require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The Manager may not be counted in the quorum for a meeting and neither the Manager nor any associate (as defined in the COLL Sourcebook) of the Manager is entitled to vote at any meeting of the Trust except in respect of Units which the Manager or associate holds on behalf of or jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the Manager or associate has received voting instructions.

Where all the Units in the Trust are registered to, or held by, the Manager or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Trustee, instead be passed with the written consent of Unitholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Units in issue.

"Unitholders" in this context means Unitholders entered on the Register at a time to be 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.

8.5 Variation of Class Rights

The rights attached to a Class may not be varied without the sanction of an extraordinary resolution passed at a meeting of Unitholders of that Class.

8.6 Notification of changes

The Manager must obtain the prior approval of Unitholders by extraordinary resolution for any proposed change to the Trust that is a fundamental change. This is a change or event which:

- (a) changes the purpose or nature of the Trust;
- (b) may materially prejudice a Unitholder;
- (c) alters the risk profile of the Trust; or
- (d) introduces a new type of payment out of the Scheme Property.

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:

- (a) affects a Unitholder's ability to exercise his rights in relation to his investment;
- (b) would reasonably be expected to cause the Unitholder to reconsider his participation in the Trust;
- (c) results in any increased payments out of the Scheme Property to the Manager or an associate of the Manager; or

(d) materially increase other types of payment out of the Scheme Property.

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

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 long form report of the Trust.

9. TAXATION

The following summary is based on current UK law and HM Revenue & Customs practice which are subject to change. It should not be treated as legal or tax advice. It is intended to offer guidance to persons (other than dealers in securities) on the UK taxation of Authorised Unit Trusts ("AUT"). However, it should neither be regarded as definitive nor as removing the desirability of taking separate professional advice. If investors are in any doubt as to their taxation position, or if they may be subject to tax in a jurisdiction other than the UK, they should consult their independent professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

9.1 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 treated as a company for UK tax purposes and is liable to corporation tax on most sources of 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, currently 20%.

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

Generally, no SDRT charge arises on the issue of units in an AUT. However, sometimes SDRT can arise for example where there is an in specie contribution of chargeable securities or where the investor surrenders the units in exchange for chargeable securities (although there are exceptions). Investors should consult their independent professional adviser for more information if they are in any doubt as to whether this affects them.

9.2 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) at all times throughout the distribution period, the distributions made by the Trust will be interest distributions. Where this is not the case, distributions made by the Trust will be a dividend distribution.

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

(B) Interest distributions

UK resident individuals

Interest distributions paid by the 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 of £1,000. Higher rate taxpayers are entitled to a reduced personal savings allowance of £500 and additional rate taxpayers to no allowance.

Basic rate, higher rate and additional rate taxpayers are liable to 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 of 20%, the higher rate of 40% or the additional rate of 45% (as applicable).

UK corporate Unitholders

If the Trust at any point in an accounting period of a UK corporate Unitholder fails to satisfy the "qualifying investment" test, Units held by UK corporate Unitholders are treated as if they were a holding of rights under a creditor loan relationship of the corporate Unitholder, with the result that all returns on the Units in respect of such a corporate Unitholder's accounting period (including gains, profits and losses) 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 or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "qualifying investments" test, or other interest bearing securities.

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

(C) Dividend distributions

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

UK resident individuals

During the 2022/23 tax year, dividend distributions are taxed at the following rates:

- 0% for the first £2,000;
- 8.75% for dividends falling within the basic rate band;
- 33.75% for dividends falling within the higher rate band; and
- 39.35% for dividends falling within the additional rate band.

These rates may be subject to change in future tax years.

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 voucher. The unfranked portion is generally treated as an annual payment received after deduction of income tax at the basic rate, whereas the balance is

treated as franked income – i.e. a dividend. Both annual payments and dividends are liable to corporation tax in the hands of any UK corporate Unitholder although the franked dividend portion should fall within an exemption from corporation tax.

(D) 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. For the tax year 2022/23, the annual exemption is £12,300.

Gains in excess of the annual exemption amount are taxed at 10% 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 (£37,700 for 2022/23) and at 20% 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 indexation figure that UK corporate Unitholders can deduct will cover only the movement in the Retail Price Index from the date of acquisition of the asset up to 31 December 2017.

The above statements are only intended as a general summary of UK tax law and practice as at the date of this Prospectus (which may change in the future) applicable to individual and corporate investors who are resident for tax purposes only in the UK, and who are the absolute beneficial owners of a holding in the Trust. Each investor's tax treatment will depend upon the particular circumstances of each investor. In particular, the summary may not apply to certain classes of investors (such as dealers in securities and persons who acquired their shares by reason of employment). Any investor who is in any doubt as to his or her UK tax position in relation to the holding of Units in the Trust should consult his or her UK independent professional advisor.

9.3 US Taxation Issues/FATCA Tax Reporting

The information which follows is intended as a general guide only and represents the Manager's understanding of certain US taxation issues. It is provided for information purposes only and should not be relied on. Unitholders and prospective Unitholders are recommended to seek their own professional advice.

The provisions of the Foreign Account Tax Compliance Act (FATCA) were enacted on 18 March 2010 as part of the Hiring Incentive to Restore Employment Act. FATCA includes provisions under which the Manager as a Foreign Financial Institution (FFI) may be required to report directly to the US Internal Revenue Service (IRS) certain information about Units in the Trust held by US Persons for the purposes of FATCA or other foreign entities subject to FATCA and to collect additional identification information for this purpose. Financial institutions that do not enter into an agreement with the IRS and comply with the FATCA regime could be subject to 30% withholding tax on any payment of US source income as

well as on the gross proceeds deriving from the sale of securities generating US income made to a unit trust.

The Manager is obliged to comply with the provisions of FATCA under the terms of the inter-governmental agreement (IGA) Model I and under the terms of UK legislation implementing the IGA rather than under the US Treasury Regulations implementing FATCA. The Manager has registered with the IRS as the sponsoring entity for the Trust to report certain information to HMRC.

In order to comply with its FATCA obligations, the Manager may be required to obtain certain information from Unitholders so as to ascertain their US tax status. If the Unitholder is a specified US Person, US owned non-US entity, non-participating FFI or does not provide the requisite documentation, the Manager will need to report information on these Unitholders to HMRC, in accordance with applicable laws and regulations, which will in turn report this to the US Internal Revenue Service. Provided that the Manager acts in accordance with these provisions the Trust will not be subject to withholding tax under FATCA.

Unitholders, and intermediaries acting for Unitholders, should note that it is the existing policy of the Manager that Units in the Trust are not being offered or sold for the account of US Persons for the purposes of FATCA and that subsequent transfers of Units to such US Persons are prohibited. If Units in the Trust are beneficially owned by any such US Person, the Manager may in its discretion compulsorily redeem such Units. Unitholders should moreover note that under the FATCA legislation, the definition of "Specified US Persons" will include a wider range of investors than the current US Person definition.

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

9.4 **Income equalisation – tax implications**

The price of a Unit of a particular Class is based on the value of that 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 Class issued during the period.

9.5 **UK information reporting regime**

Unit trusts are required to report details of interest distributions paid to UK, and many non-UK investors. Dividend distributions and payments made to ISA investors are not within the scope of these rules but see the paragraphs dealing with the "Automatic Exchange of Information" below.

There are also requirements to report cross-border arrangements to the tax authority if certain requirements are met under the International Tax Enforcement (Disclosable Arrangements) Regulations 2020 (as amended from time to time). Investors should consult their independent professional adviser for more information as the obligation to report can in some cases be with the taxpayer.

9.6 **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.

9.7 **Automatic Exchange of Information**

The Manager is responsible for identifying the territory in which an accountholder or a controlling person is resident for income tax or corporation tax purposes (or similar tax), applying due diligence procedures, keeping information for either: five years starting from the end of the last year in which the account was included in a return submitted to HM Revenue & Customs pursuant to the requirements of the International Tax Compliance Regulations 2015, as amended from time to time, for a reportable account; or for an account that is not a reportable account five years starting from the end of the last year in which the account was treated as not being a reportable account based on due diligence procedures. Such tasks have been delegated to the Administrator.

If a Unitholder does not provide the requisite information for tax reporting purposes, the Manager may deduct the amount of any penalty imposed on it from the Unitholder's account.

10. **WINDING UP OF THE TRUST**

10.1 The Trust will not be wound up except in accordance with the COLL Sourcebook.

10.2 The circumstances in which the Trust may be wound up are:

10.2.1 if the Manager or Trustee request to the FCA that the order declaring the Trust to be an authorised unit trust scheme is revoked;

10.2.2 where the Manager or the Trustee request that the authorisation order be revoked, the FCA have agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Trust, the FCA will agree to that request; or

10.2.3 if alterations to the Trust Deed and Prospectus are required to take effect in accordance with section 251 of the Act; or

10.2.4 if an extraordinary resolution is passed to wind-up the Trust and the FCA's prior consent to the resolution has been obtained by the Manager; or

10.2.5 the expiration of any period specified in the Trust Deed as the period at the end of which the Trust is to be wound up; or

10.2.6 on the effective date of a duly approved scheme of arrangement which is to result in the relevant Trust being left with no property.

10.3 If any of the events set out above occurs the rules in the COLL Sourcebook concerning dealing (COLL 6.2), valuation and pricing (COLL 6.3) and investment and borrowing powers (COLL 5), will cease to apply. The Trustee shall cease to issue and cancel Units and the Manager will stop redeeming and selling Units.

- 10.4 In the case of a scheme of arrangement referred to in paragraph 10.2.6 above, the Trustee shall wind up the Trust in accordance with the approved scheme of arrangement.
- 10.5 In any other case, the Trustee shall, as soon as practicable after the relevant Trust falls to be wound-up, realise the assets of the Trust and, after paying, or retaining adequate provision for, all liabilities properly payable and retaining provision for the costs of the winding-up, distribute the proceeds to the Unitholders and the Manager proportionately to their respective interest in the Trust.
- 10.6 Any unclaimed net proceeds or other cash (including unclaimed distribution payments) held by the Trustee after twelve months from the date the proceeds became payable, shall be paid by the Trustee into Court, although the Trustee will have the right to retain any expenses incurred in making that payment. On completion of the winding-up, the Trustee shall notify the FCA in writing of that fact and the Trustee or the Manager shall request the FCA to revoke the order of authorisation.
- 10.7 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, having regard to the investment objective and policy of the Trust.

11. RISK PROFILE MANAGEMENT

- 11.1 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.
- 11.2 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.
- 11.3 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 Trust has sufficient capacity to meet obligations arising from any derivative positions.
- 11.4 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.

12. LEVERAGE (as defined by the UK AIFM regime)

- 12.1 The Trust may invest in instruments which are subject to leverage from time to time. Under the UK AIFM regime, the Manager must:

12.1.1 set a maximum level of leveraging which it may employ on behalf of the Trust; and

12.1.2 where the leverage arrangement allows the right to reuse collateral or the granting of a guarantee, set out the extent of that right or guarantee.

12.2 For the Trust, the Manager has set the following limits:

Derivative Type	Limits
Allowable on a 'substantial' basis	No
Unsecured cash borrowings	Not permitted
Secured cash borrowings	Up to 10% for liquidity purposes only. ONLY for short-term use.
Convertible borrowings	Not permitted
Interest rate swaps	Not permitted
Contracts for differences	Not permitted
Futures contracts	Not permitted
Total return swaps	Not permitted
Forward agreements	Only as required; No greater than 40% of the Net Asset Value of the portfolio.
Options	Only as required; No greater than 30% of the Net Asset Value of the portfolio.
Repurchase arrangements	Not permitted
Reverse repurchase arrangements	Not permitted
Securities lending arrangements	Not permitted
Securities borrowing arrangements	Not permitted
Credit default swaps	Not permitted
MAXIMUM LEVEL OF LEVERAGE USING THE COMMITMENT METHOD*	200%
MAXIMUM LEVEL OF LEVERAGE USING THE GROSS METHOD*	300%

*NOTES

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

1. the value of any cash and cash equivalents which are highly liquid investments held in the base currency of the Trust that are readily convertible to an amount of cash, subject to an insignificant risk of change in value and which provide a return no greater than the rate of a three month high quality government bond is excluded;
2. derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;
3. cash borrowings that remain in cash or cash equivalents and where the amounts payable are known are excluded;
4. exposures resulting from the reinvestment of cash borrowings, expressed as the higher of the market value of the investment realised or the total amount of cash borrowed are included; and
5. positions within repurchase or reverse repurchase transactions and securities lending or borrowing or other similar arrangements are included.

The maximum level of leverage for the Trust expressed as a ratio of the Trust's total exposure to its Net Asset Value current ratio under the gross method is: **3:1**.

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

1. derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;
2. netting and hedging arrangements are applied, subject to specified conditions;
3. the exposure created through the reinvestment of borrowings where such reinvestment increases the exposure of the Trust is calculated;
4. derivative instruments used for currency hedging purposes are excluded.
5. The maximum level of leverage for the Trust expressed as a ratio of the Trust's total exposure to its Net Asset Value current ratio under the commitment method is: **2:1**.

- 12.3 **Where the Trust may use options, forwards and other derivative instruments for the purpose of hedging against either price or currency fluctuations, the Manager's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations. Use of these strategies involves certain special risks, including (i) imperfect correlation between movements in the securities or currency on which a futures or options contract is based and movements in the securities or currencies in the Trust; (ii) the absence of a liquid market for any particular instrument at any particular time; and (iii) possible impediments to the ability to meet redemption requests or other short-term obligations because of the percentage of the Trust's assets segregated to cover its obligations. Hedging strategies necessarily add costs to the Trust.**

13. **FAIR TREATMENT OF INVESTORS**

- 13.1 The Manager ensures fair treatment of investors by its compliance with the applicable rules in the COLL and FUND Sourcebook and with the rules contained in the FCA handbook of rules and guidance ("FCA Handbook").
- 13.2 The Manager is required, under the FCA Handbook, to treat its customers fairly, when they become, remain or as they 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.
- 13.3 The Manager and the Investment Managers may in certain circumstances grant preferential treatment to investors. This may include, for example, access to certain Unit Classes, a waiver or reduction of certain charges, the payment of rebates, or access to individuals within the 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.
- 13.4 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.
- 13.5 The Manager and/or the Investment Managers may enter into side letters and/or other arrangements ("Side Arrangements") with Unitholders, including those deemed to involve a significant or strategic relationship, that will result in the terms of an investment in the Trust being different to the terms applicable to other Unitholders and/or provide the following preferential treatment:

13.5.1 **Disclosure/Reporting:**

- 13.5.1.1 notification of (A) certain 'key man' events and/or (B) certain changes to the organisation of the Trust and/or (C) the issue of Units on more favourable terms to those described herein (as amended by the relevant side letter and/or other arrangement) and/or (D) certain other changes and/or other events, in each case that affects, or relates to, the Trust and/or its service providers (including, but not limited to, the Investment Managers) or the relevant Unitholder's investment in the Trust;
- 13.5.1.2 notification if holdings in the Trust by the relevant Unitholder exceed specific levels; and/or
- 13.5.1.3 the provision of certain limited information relating to the Investment Managers and/or to the Trust's assets, including in order to allow the relevant Unitholder to comply with the laws and regulations to which it is subject.

13.5.2 **Investor Liquidity terms:**

- 13.5.2.1 ensure that redemptions of Units are effected in full within a prescribed period of time in the event that redemptions are deferred (i.e. "gated") for any reason; and/or

13.5.2.2 permit transferability of Units where there is no change of beneficial ownership.

13.5.3 **Fees:**

rebate some or all of the periodic charge payable in respect of the relevant Unitholder's Units.

13.6 **Side Arrangements:**

13.6.1 The Manager's Risk Management Policy deals with Side Arrangements.

13.6.2 The main conflict of interest with Side Arrangements is the potential for one or more investors to be advantaged over other investors by terms within their Side Arrangements. For example, the preferential early exit of one investor may reduce the portfolio liquidity, which might make withdrawals unavailable to other investors. Subsequently, it may be the case that other investors are actually disadvantaged. The Manager will give consideration as to whether the nature and scope of the provisions are consistent with treating all investors fairly.

13.6.3 Any Side Arrangement which contains 'material terms' will be fully considered before it is put in place. Examples of material terms would include preferential redemption rights, 'key man' provisions, redemption 'gate' waivers and portfolio transparency rights.

14. **RECOGNITION AND ENFORCEMENT OF JUDGMENTS**

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.

15. **GENERAL INFORMATION**

15.1 **Accounting Periods**

The annual accounting period of the Trust ends each year on 30 September (the accounting reference date) with an interim accounting period ending on 31 March.

The Manager may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date.

15.2 **Notice to Unitholders**

Any notice or document to be served on a Unitholder will be duly served if it is:

- a) delivered to the Unitholder's address as appearing in the Register; or
- b) delivered by using an electronic medium in accordance with the provisions of paragraph 15.3.

Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted. Any document left at a registered address or delivered other than by post is deemed to have been served on that day. Any document or notice to be served on or information to be given to a Unitholder, must be in legible form. For this purpose, any form is legible form which:

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

15.3 **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:

- 15.3.1 prior agreement between the Manager and the person making the communication as to:
 - 15.3.1.1 the electronic media by which such communications may be delivered; and
 - 15.3.1.2 how such communications will be identified as conveying the necessary authority; and
- 15.3.2 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.

15.4 **Income Allocations**

The Trust has interim and final income allocations. Income is allocated in respect of the income available at each accounting date.

In relation to income Units, distributions of income for the Trust are paid by cheque or telegraphic transfer directly into a Unitholder's bank account on or before the relevant income allocation date in each year as set out in Appendix I.

Where accumulation Units are issued, income will become part of the capital property of the Trust and will be reflected in the price of each such accumulation Unit as at the end of the relevant accounting period.

If a distribution made in relation to any income Units remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Trust.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the Trust in respect of that period, and deducting the charges and expenses of the Trust paid or payable out of income in respect of that accounting period. The Manager then makes such other adjustments as it considers appropriate (and after consulting the Trust's Auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

15.5 Annual Reports

The annual report (or long reports) of the Trust will normally be published and made available within four months from the end of each annual accounting period. The half-yearly report will be published within two months of each interim accounting period. Paragraph 15.1 sets out the accounting and distribution dates.

A long report containing the full accounts is available to any person free of charge on request.

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

- (a) the percentage of the Trust's assets which are subject to special arrangements arising from their illiquid nature;
- (b) the current risk profile of the Trust and the risk management systems employed by the Manager to manage those risks; and
- (c) the total amount of leverage employed by the Trust, as applicable.

Unitholders will also be provided with information regarding changes to:

- (a) the maximum level of leverage which the Trust, or the Manager on the Trust's behalf, may employ; or
- (b) the rights for re-use of collateral under the Trust's leveraging arrangements; or
- (c) any guarantee granted under the Trust's leveraging arrangements.

This information will be made available to Unitholders, without undue delay following the occurrence of that change, usually by way of update to this Prospectus. Where required, such change will be preceded by notification to Unitholders.

15.6 Documents of the Trust

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the Manager at the address set out in Appendix VIII:

- 15.6.1 the most recent annual and half yearly reports of the Trust; and
- 15.6.2 the Trust Deed (and any amending documents).

Unitholders may obtain copies of the above documents from the Manager. The Manager may make a charge at its discretion for copies of documents (apart from the most recent annual and half yearly long reports of the Trust which are available free of charge to anyone who requests).

15.7 Provision of Investment Advice

All information concerning the Trust and about investing in Units of the Trust is available from the Manager at the address set out in Appendix VIII. The Manager is not authorised to give investment advice and persons requiring such advice should consult a professional financial adviser. All applications for Units are made solely on the basis of the current prospectus of the Trust, and investors should ensure that they have the most up to date version.

15.8 Telephone Recordings

Telephone calls may be recorded for regulatory, training or monitoring purposes, and to confirm investors' instructions.

Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where the Manager can identify the call.

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

15.9 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 the 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 a Unitholder's 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 at www.tutman.co.uk or on request from compliance@tutman.co.uk.

15.10 Electronic Verification

The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, the Senior Management Arrangements Systems & Controls Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the Manager must check Unitholders' identity and the source of the money invested. The Manager may also request verification documents from parties associated with Unitholders. 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 Unitholders (or associated parties) on the electoral roll and using credit reference agencies.

The credit reference agency may check the details Unitholders (or 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 Unitholders (or associated party's) credit rating. They may also use a Unitholder's (or its associated party's) details in the future to assist other companies for verification purposes. If a person applies for Units s/he is giving the Manager permission to ask for this information in line with Data Protection Laws.

If a person invests through a financial adviser s/he must fill an identity verification certificate on the Unitholder's behalf and send it to the Manager with the Unitholder's application.

15.11 Complaints

Complaints concerning the operation or marketing of the Trust may be referred to the Manager. If a complaint cannot be resolved satisfactorily with the Manager it may be referred direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

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

APPENDIX I

TRUST DETAILS

Name:	Thesis Thameside Managed Fund
Type of Scheme:	Non-UCITS retail scheme
FCA product reference number	200012
Investment Objective:	The Trust aims to provide capital growth, net of fees, over 5 year rolling periods.
Investment Policy:	<p>To achieve the objective, the Trust will have exposure to a geographically diversified portfolio which will typically comprise at least 60% equities, and up to 40% in fixed income assets (which may include government and public securities), alternative asset classes (for instance, gold, commodities and property) and cash. The exposure to equities may fall below 60% during difficult markets or where other asset classes can provide a better risk adjusted return.</p> <p>The assets in which the Scheme Property may also be invested are other transferable securities, including warrants and money market instruments.</p> <p>Between 50% and 100% of the Trust's exposure will be gained through the use of both regulated and unregulated collective investment vehicles, which may include investment trusts. Investment in other collective investment vehicles can include those managed by the Manager or its associates or the Investment Managers or their associates. The allocation to collective investment vehicles will vary within the range of 50-100% depending on markets and to take advantage of the expertise available via funds. All other exposure will be attained via direct investments in accordance with the FCA Rules.</p> <p>Derivatives may be used for the purposes of Efficient Portfolio Management (including hedging) although use is expected to be limited.</p> <p>The investment policy of the Trust may mean that at times, where it is considered appropriate, the Scheme Property will not be fully invested and that prudent levels of liquidity will be maintained in order to reduce risk and preserve capital. The Trust will hold cash and cash equivalents to maintain liquidity.</p> <p>The Manager has appointed multiple Investment Managers to achieve the investment objective. Allocations to the Investment Managers are subject to change in order to meet the Trust's investment objective and further details regarding the allocations are available upon request from the Manager.</p> <p>The Investment Managers will actively manage the Trust. This means the Investment Managers actively make decisions about how to invest the Scheme Property (and which investments to buy and sell) instead of simply following a market index.</p>

Performance Comparator:	<p>The Trust uses the Investment Association Mixed Investment 40-85% Shares peer group for performance comparison purposes only. This peer group is not a target benchmark and the Trust is not constrained by it. The peer group has been selected as a comparator for performance because the parameters for this peer group of between 40 and 85% exposure to equities are closely aligned with the policy of the Trust.</p> <p>The Manager reserves the right to change the benchmark following consultation with the Trustee and in accordance with the rules in the COLL Sourcebook. 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 in accordance with the rules in the COLL Sourcebook and the change noted in the subsequent annual and half yearly reports.</p>
Final accounting date:	30 September
Interim accounting date:	31 March
Income distribution dates:	30 November (final) 31 May (interim)
Units Classes and type of Units:	Income Accumulation
Preliminary charge:	3.10%
Redemption charge:	Nil
Annual Management Charge ('AMC'):	Up to 1.25% (but currently 0.77%)
Charge for Investment Research	Nil
Charges taken from Income (except those charges and expenses relating directly to the purchase and sale of investments)*:	Yes
Investment minima:**	
Lump sum	£250,000
Holding	£250,000
Top-up	£N/A
Redemption	£N/A provided minimum holding maintained

Past performance: Past performance information is set out in Appendix VI

***It should be noted that, where fees are charged to capital, this may result in capital erosion or constrain capital growth.**

****** The Manager may waive the minimum levels at its discretion.

APPENDIX II

ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

Investments may be made on each of the eligible securities and derivatives market below in order to fulfil the investment objective stated in Appendix I above.

A market is an “eligible market” if it is:

- a) a regulated market (as defined in the FCA Glossary);
- b) an established market in the UK or in an EEA State which is regulated, operates regularly and is open to the public;
- 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 Scheme Property. In accordance with the relevant criteria in COLL, such a market must be regulated; operate regularly; be recognised as a market or exchange or as a self-regulating organisation by an overseas regulator; be open to the public; be adequately liquid; and have adequate arrangements for unimpeded transmission of income and capital to, or to the order, of investors.

The Trust may also deal through the securities markets and derivatives markets indicated below:

Eligible Securities Markets

Country	Market
Australia	ASX Group
Bermuda	Bermuda Stock Exchange (BSX)
Brazil	BM&F BOVESPA
Canada	TSX Venture Exchange Toronto Stock Exchange Montreal Exchange Neo Exchange
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Czech Republic	Prague Stock Exchange
France	NYSE Euronext
Hong Kong	Hong Kong Stock Exchange
Hungary	Budapest Stock Exchange
Indonesia	Indonesia Stock Exchange (IDX)
The Republic of Ireland	Irish Stock Exchange
Japan	Tokyo Stock Exchange Osaka Securities Exchange Nagoya Stock Exchange

	Sapparo Securities Exchange
	JASDAQ Securities Exchange
The Republic of Korea	Korea Composite Stock Price Index
Malaysia	Bursa Malaysia Securities
Mexico	Mexican Stock Exchange
New Zealand	New Zealand Stock Exchange (NZX)
Peru	Lima Stock Exchange
Philippines	Philippines Stock Exchange
Poland	Warsaw Stock Exchange (WSE)
Singapore	Singapore Exchange (SE)
South Africa	JSE Limited
Switzerland	SIX Swiss Exchange
	Virt-Ex
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand (SET)
Turkey	Istanbul SE (ISE)
UK and Ireland	London Stock Exchange
	The "When Issued Trading"
	Alternative Investment Market of the London Stock Exchange (AIM)
USA	Euronext.NYSE
	NASDAQ, OTC Markets regulated by the NASD/NASDAQ,

Eligible Derivatives Markets

Australian Stock Exchange
 CME Group
 Chicago Board Options Exchange
 Chicago Mercantile Exchange
 Copenhagen Stock Exchange
 NASDAQ Nordic
 Hong Kong Exchanges
 JSE Limited
 Korea Composite Stock Price Index
 MEFF (Renta Variable & Fifa)
 Montreal Exchange
 Montreal Stock Exchange
 New York Futures Exchange
 NYSE Euronext
 Turquoise London Stock Exchange Group

London Securities & Derivatives Exchange Ltd (OMLX)

Osaka Securities Exchange

NYSE Arca

NASDAQ OMX Futures

Singapore Exchange

South Africa Futures Exchange (SAFEX)

Sydney Futures Exchange

Irish Stock Exchange

Tokyo Stock Exchange

Toronto Stock Exchange

APPENDIX III

VALUATION AND PRICING

The value of the Scheme Property shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. All the Scheme Property (including receivables) is to be included, subject to the following provisions.
2. The valuation of the Scheme Property shall consist of two parts, one on an issue basis and one on a cancellation basis calculated in accordance with the following provisions.
- 2.1 The valuation of Scheme Property for that part of the valuation which is on an issue basis is as follows:
 - 2.1.1 Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

2.1.1.1 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 (plus any dealing costs, which means any fiscal charges, commission or other charges (including any preliminary charge) payable in the event of the scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the scheme are the least that could reasonably be expected to be paid in order to carry out the transaction and including any dilution levy or SDRT provision which would be added in the event of a purchase by the scheme of the units in question (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the scheme, dealing costs must not include a preliminary charge which would be payable in the event of a purchase by the scheme of those units)); or
- (b) if separate buying and selling prices are quoted, at the maximum sale price, less any expected discount (plus any dealing costs, which means any fiscal charges, commission or other charges (but excluding any preliminary charge on sale of units in a collective investment scheme) payable in the event of the scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the scheme are the least that could reasonably be expected to be paid in order to carry out the transaction); but where the Manager, or an associate of the Manager, is also the manager or

authorised corporate director of the collective investment scheme whose units are held by the scheme, the issue price shall be taken instead of the maximum sale price; 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 buyer's price which, in the opinion of the Manager, is fair and reasonable;

2.1.1.2 any other investment:

- (a) the best available market dealing offer price on the most appropriate market in a standard size (plus any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the scheme are the least that could reasonably be expected to be paid in order to carry out the transaction); or
- (b) 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 buyer's price which, in the opinion of the Manager, is fair and reasonable.

2.1.1.3 if any other property, or no price exists under 2.1.1.1 or 2.1.1.2, the Manager's reasonable estimate of a buyer's price (plus any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the scheme are the least that could reasonably be expected to be paid in order to carry out the transaction but excluding any preliminary charge on sale of units in a collective investment scheme). The buyer's price is the consideration which would be paid by the buyer for an immediate transfer or assignment (or, in Scotland, assignation) to him at arm's length.

2.2 The valuation of property for that part of the valuation which is on a cancellation basis is as follows:

2.2.1 Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

2.2.1.1 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 (less any dealing costs, which means any fiscal charges, commission or other charges payable in the

event of the scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the scheme are the least that could reasonably be expected to be paid in order to carry out the transaction, any redemption charge payable on sale of units in a collective investment scheme, taking account of any expected discount, any dilution levy or SDRT provision which would be deducted in the event of a sale by the scheme of the units in question (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the scheme, dealing costs must not include a redemption charge which would be payable in the event of a sale by the scheme of those units)); or

- (b) if separate buying and selling prices are quoted, at the minimum redemption price (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the scheme are the least that could reasonably be expected to be paid in order to carry out the transaction and any charge payable on the sale of units in a collective investment scheme (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the scheme, dealing costs must not include a redemption charge which would be payable in the event of a sale by the scheme of those units), less any expected discount); but, if the property sold in one transaction would amount to a large deal (as defined in the FCA Glossary), the cancellation price shall be taken instead of the minimum redemption price; 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 seller's price which, in the opinion of the Manager, is fair and reasonable;

2.2.1.2 any other investment:

- (a) the best available market dealing bid price on the most appropriate market in a standard size (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the scheme are the least that could reasonably be expected to be paid in order to carry out the transaction); or
- (b) 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 seller's price which, in the opinion of the Manager, is fair and reasonable;

2.2.1.3 if any other property, or no price exists under 2.2.1.1 or 2.2.1.2, the Manager's reasonable estimate of a seller's price (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the scheme are the least that could reasonably be expected to be paid in order to carry out the transaction and including any redemption charge payable on sale of units in a collective investment scheme, taking account of any expected discount, any dilution levy or SDRT provision which would be deducted in the event of a sale by the scheme of the units in question (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the scheme, dealing costs must not include a redemption charge which would be payable in the event of a sale by the scheme of those units)).

3. Property which is a derivative transaction shall be treated as follows:

- (a) if a written option, (and the premium for writing the option has become part of the Scheme Property) deduct, for the calculation of the issue basis, the amount of the net valuation of premium (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded, but add, in the case of the calculation of the cancellation basis, dealing costs); but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used; or
- (b) if an off-exchange future, include at the net value of closing out (in the case of the calculation of the issue basis, estimated on the basis of the amount of profit or loss receivable or incurable by the scheme on closing out the contract and deducting minimum dealing costs in the case of profit and adding them in the case of loss; but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used); or
- (c) if any other form of derivative transaction, include at the net value of margin on closing out (estimated on the basis of the amount of

margin (whether receivable or payable by the scheme on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded and including minimum dealing costs so that the value is the figure as a negative sum); but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used.

4. Cash and amounts held in current and deposit accounts shall be valued at their nominal values.
5. In determining the value of the Scheme Property, all instructions given to the Trustee 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 required consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary is shown) to have been taken.
6. Subject to paragraphs 7 and 8 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 shall not materially affect the final net asset amount.
7. Futures or contracts for differences which are not yet due to be performed and unexpired written or purchased options which have not been exercised shall not be included under paragraph 6.
8. All agreements are to be included under paragraph 6 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.
9. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.
10. Deduct an estimated amount for any liabilities payable out of the property of the Trust and any tax thereon (treating periodic items as accruing from day to day).
11. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
12. In the case of a margined contract, deduct any amount reasonably anticipated to be paid by way of variation margin.
13. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
14. Add any other credits due to be paid into the property of the Trust.

15. In the case of a margined contract, add any amount reasonably anticipated to be received by way of variation margin.
16. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
17. The valuation is in the Trust's base currency. To convert to the base currency the value of property which would otherwise be valued in another currency the Manager will either:
 - 17.1 select a rate of exchange which represents the average of the highest and lowest rates quoted at the relevant time for conversion of that currency into base currency on the market on which the manager would normally deal if it wished to make such a conversion; or
 - 17.2 invite the Trustee to agree that it is in the interests of Unitholders to select a different rate, and, if the Trustee so agrees, use that other rate.
18. **Hard-to-value Assets**
 - 18.1 Where the Manager has reasonable grounds to believe that the price obtained is unreliable or the most recent price available does not reflect the Manager's best estimate of the value of the relevant investment at the relevant Valuation Point or no price or no recent price exists, the Manager may use a price which, in the opinion of the Manager, reflects a fair and reasonable price for that investment (the fair value price). In calculating any value, the Manager shall be entitled to rely on any valuations provided or attributed to any asset or liability by the Investment Managers.
 - 18.2 The circumstances which may give rise to a fair value price being used include:
 - 18.2.1 no recent trade in the security concerned; or
 - 18.2.2 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In 18.2.2 above, a significant event is one that means the most recent price of a security or a basket of securities is materially different to the price that it is reasonably believed would exist at the Valuation Point had the relevant market been open.
 - 18.3 In determining whether to use such a fair value price, the Manager will include in its consideration:
 - 18.3.1 the type of authorised fund concerned;
 - 18.3.2 the securities involved;
 - 18.3.3 the basis and reliability of the alternative price used; and the Manager's policy on the valuation of Scheme Property as disclosed in the Prospectus.

APPENDIX IV

INVESTMENT AND BORROWING POWERS OF THE TRUST

1. General

The Scheme Property will be invested with the aim of achieving the investment objective of the Trust but subject to the limits set out in the Trust's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook that are applicable to Non-UCITS retail schemes and this Prospectus.

1.1 Prudent spread of risk

The Manager must ensure that, taking account of the investment objective and policy of the Trust, the Scheme Property aims to provide a prudent spread of risk.

1.2 Cover

1.2.1 Where the COLL Sourcebook allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of the Trust under any other of those rules has also to be provided for.

1.2.2 Where a rule in the COLL Sourcebook permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

1.2.2.1 it must be assumed that in applying any of those rules, the Trust must also simultaneously satisfy any other obligation relating to cover; and

1.2.2.2 no element of cover must be used more than once.

1.3 Transferable Securities

1.3.1 A transferable security is an investment which is any of the following: shares, a debenture, an alternative debenture, government and public securities, a warrant, or certificates representing certain securities (as such terms are defined the FCA Glossary).

1.3.2 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.

1.3.3 In applying paragraph 1.3.2 of this Appendix to an investment which is issued by a body corporate, and which is a share or a debenture, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

- 1.3.4 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. **Non-UCITS retail schemes - general**

- 2.1 Subject to the investment objective and policy of the Trust, the Scheme Property must, except where otherwise provided in COLL 5.6, only consist of any or all of:

- 2.1.1 transferable securities;
- 2.1.2 money market instruments;
- 2.1.3 units in permitted collective investment schemes;
- 2.1.4 permitted derivatives and forward transactions;
- 2.1.5 permitted deposits;
- 2.1.6 permitted immovables; and
- 2.1.7 gold (up to a limit of 10% in value of the Scheme Property).

- 2.2 Transferable securities and money market instruments held within the Trust must (subject to paragraph 2.3 and 2.4 of this Appendix) be admitted to or dealt on an eligible market as described below.

- 2.3 Not more than 20% in value of the Scheme Property is to consist of transferable securities, which are not approved securities.

- 2.4 Not more than 20% in value of the Scheme Property is to consist of money market instruments and they must be liquid and have a value which can be determined accurately at any time.

- 2.5 The requirements on spread of investments generally and in relation to investment in government and public securities do not apply during any period in which it is not reasonably practical to comply, provided that the requirement to maintain prudent spread of risk in paragraph 1.1 of this Appendix is complied with.

3. **Eligible markets regime: purpose**

- 3.1 To protect investors the markets on 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.

- 3.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20% restriction on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

- 3.3 A market is eligible for the purposes of the FCA Rules if it is:

- 3.3.1 a regulated market as defined in the FCA Glossary or
- 3.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.

- 3.4 A market not falling within paragraph 3.3 of this Appendix is eligible for the purposes of COLL 5 if:
 - 3.4.1 the Manager, after consultation and notification with the Trustee, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
 - 3.4.2 the market is included in a list in the Prospectus; and
 - 3.4.3 the Trustee has taken reasonable care to determine that:
 - 3.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
 - 3.4.3.2 all reasonable steps have been taken by the Manager in deciding whether that market is eligible.
- 3.5 In paragraph 3.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
4. **Spread: general**
 - 4.1 This paragraph 4 does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 5 applies.
 - 4.2 The specific limits are set out as follows:
 - 4.2.1 Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.
 - 4.2.2 Not more than 10% in value of the Scheme Property is to consist of transferable securities or money market instruments issued by any single body subject to COLL 5.6.23R (schemes replicating an index).
 - 4.2.3 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property.
 - 4.2.4 Not more than 35% in value of the Scheme Property is to consist of units of any one collective investment scheme.
 - 4.3 In applying the limit under paragraph 4.2.2 above, certificates representing certain securities are to be treated as equivalent to the underlying securities.
 - 4.4 For the purposes of this paragraph 4, a single body is:
 - 4.4.1 in relation to transferable securities and money market instruments, the person by whom they are issued; and
 - 4.4.2 in relation to deposits, the person with whom they are placed.
5. **Spread: government and public securities**
 - 5.1 **The following applies in respect of transferable securities or approved money-market instruments ("such securities") that are issued or guaranteed by:**

- 5.1.1 **the UK or an EEA State;**
 - 5.1.2 **a local authority of the UK or an EEA State;**
 - 5.1.3 **a non-EEA State; or**
 - 5.1.4 **a public international body to which the UK or one or more EEA States belong.**
- 5.2 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 5.3 **The Trust may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:**
- 5.3.1 **the Manager has before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Trust;**
 - 5.3.2 **no more than 30% in value of the Scheme Property consists of such securities of any one issue;**
 - 5.3.3 **the Scheme Property includes such securities issued by that or another issuer, of at least six different issues; and**
 - 5.3.4 **the disclosures required by the FCA have been made.**
- 5.4 **More than 35% in value of the Scheme Property may be invested in such securities issued by:**
- 5.4.1 **the Government of the UK and Northern Ireland;**
 - 5.4.2 **the Scottish Administration;**
 - 5.4.3 **the Executive Committee of the Northern Ireland Assembly or the National Assembly of Wales;**
 - 5.4.4 **the Governments of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy Luxembourg, Netherlands, Portugal, Spain or Sweden;**
 - 5.4.5 **the Governments of Australia, Canada, Japan, New Zealand or Switzerland;**
 - 5.4.6 **the Government of the United States of America; and**
 - 5.4.7 **the European Investment Bank.**
6. **Investment in collective investment schemes**
- 6.1 Up to 100% of the value of the Scheme Property may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that Second Scheme satisfies all of the following conditions.
- 6.1.1 The Second Scheme must:

- 6.1.1.1 be a UK UCITS or a scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented by the EEA; or
- 6.1.1.2 be authorised as a Non-UCITS retail scheme; or
- 6.1.1.3 be a recognised scheme (as defined in the FCA Glossary); or
- 6.1.1.4 be constituted outside the UK and have investment and borrowing powers which are the same or more restrictive than those of a Non-UCITS retail scheme; or
- 6.1.1.5 be a scheme not falling within paragraphs 6.1.1.1 to 6.1.1.4 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.
- 6.1.2 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.
- 6.1.3 The Second Scheme has terms which prohibit more than 15% in value of the property of that scheme consisting of units in collective investment schemes.
- 6.1.4 The participants in the Second Scheme must be entitled 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.
- 6.1.5 Where the Second Scheme is an umbrella, the provisions in paragraphs 6.1.2 to 6.1.4 and COLL 5.6.7 R (Spread: general) apply to each sub-fund as if it were a separate scheme.
- 6.1.6 Investment may only be made in other collective investment schemes managed by the Manager or an associate of the Manager if the Trust's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
- 6.2 A list of the locations of the establishment of any second schemes which the Trust may invest in from time to time is shown in Appendix VII.
- 6.3 The Trust may, subject to the limits set out in 6.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the Manager of the Trust or one of its associates.
- 6.4 Where a substantial proportion of the Trust's assets are invested in other collective investment schemes the maximum level of management fees that may be charged to the Trust, and to the other collective investment schemes in which it invests should not exceed 2.5 % per annum plus VAT (if applicable).
- 7. **Investment in warrants and nil and partly paid securities**
- 7.1 Where the Trust invests in a warrant, the exposure created by the exercise of the right conferred by the warrant must not exceed the limits set out in the COLL Sourcebook in relation to spread (COLL 5.2.11R Spread: General; COLL 5.2.12R Spread: government and public securities).

- 7.2 A transferable security on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Trust, at the time when payment is required, without contravening the rules in COLL 5.
- 7.3 A warrant which is an investment falling within article 80 of the Regulated Activities Order (certificates representing certain securities) and which is akin to an investment falling within article 79 (instruments giving entitlement to investments) of the Regulated Activities Order may not be included in the Scheme Property unless it is listed on an eligible securities market.
- 7.4 No more than 5% of the value of the Scheme Property may be invested in warrants.
- 8. Investment in money market instruments**
- 8.1 The Trust may invest up to 100% in money market instruments which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time.
- 8.2 A money market instrument is regarded as normally dealt in on the money market if it:
- 8.2.1 Has a maturity at issuance of up to and including 397 days;
 - 8.2.2 Has a residual maturity of up to and including 397 days;
 - 8.2.3 Undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
- 8.3 Has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 8.2.1 or 8.2.2 or is subject to yield assessments as set out in 8.2.3.
- 8.4 A money market instrument is regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the Manager to redeem shares at the request of any qualifying shareholder.
- 8.5 A money market instrument is regarded as having a value which can be adequately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
- 8.5.1 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
 - 8.5.2 Based either on market data or on valuation models including systems based on amortised costs.
- 8.6 A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market is presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager that would lead to a different determination.
- 8.7 Except as set out below, approved money market instruments held by the Trust must be admitted to or dealt in an eligible market.

- 8.8 Not more than 20% in value of the Scheme Property is to consist of money market instruments which are not:
- 8.8.1 listed on or normally dealt on an eligible market (in accordance with paragraph 3 of this Appendix);
 - 8.8.2 issued or guaranteed by a central, regional or local authority of the UK or an EEA State, the Bank of England, a central bank of an EEA State, the European Central Bank, the European Union or the European Investment Bank, a non-EEA State or, in the case of a federal state, by one of the members making up the federation, or by a public international body to which the UK or one or more EEA States belong; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by UK or EU law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law; or
 - 8.8.3 issued by a body, any securities of which are dealt in on an eligible market.
- 8.9 Notwithstanding the above, up to 10% of the Scheme Property may be invested in money market instruments which do not meet these criteria.

9. **Efficient Portfolio Management**

- 9.1 The Trust may also utilise the Scheme Property to enter into transactions for the purposes of Efficient Portfolio Management ("EPM"). Permitted EPM transactions (excluding stock lending arrangements) are transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. The Manager must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with an acceptably low level of risk. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.
- 9.2 Permitted transactions are those that the Trust reasonably regards as economically appropriate to EPM, that is:
- 9.2.1 Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the Manager reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
 - 9.2.2 Transactions for the generation of additional capital growth or income for the Trust by taking advantage of gains which the Manager reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) with a risk level which is consistent with the risk profile of the Trust and the risk diversification rules laid down in COLL:
 - 9.2.2.1 pricing imperfections in the market as regards the property which the Trust holds or may hold; or

- 9.2.2.2 receiving a premium for the writing of a covered call option or a cash covered put option on the Scheme Property of the Trust is willing to buy or sell at the exercise price; or
- 9.2.2.3 stock lending arrangements.

A permitted arrangement in this context may at any time be closed out.

- 9.3 Transactions may take the form of “derivatives transactions” (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the COLL Sourcebook, or be a “synthetic future” (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the Regulations. A permitted transaction may at any time be closed out.

10. **Permitted transactions (derivatives and forwards)**

- 10.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 13 (OTC transactions in derivatives) of this Appendix.
- 10.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the scheme is dedicated: transferable securities, permitted money market instruments, permitted deposits, derivatives permitted under this paragraph, permitted collective investment scheme units, permitted financial indices, interest rates, foreign exchange rates, and currencies.
- 10.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 10.4 A transaction in a derivative must not cause the Trust to diverge from its investment objectives as stated in the Trust Deed and the most recently published version of this Prospectus.
- 10.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, money market instruments, units in collective investment schemes, or derivatives.
- 10.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 10.7 The Manager must ensure compliance with COLL 5.3.6R (Continuing nature of limits and requirements).

11. **Transactions for the purchase or disposal of property**

- 11.1 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 that property can be held for the account of the Trust, and 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 rules in the COLL Sourcebook.

12. **Requirement to cover sales**

- 12.1 No agreement by or on behalf of the Trust to dispose of property or rights may be made unless 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 (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Trust at the time of the agreement. This requirement does not apply to a deposit.

12.2 The above does not apply where:

12.2.1 the risks of the underlying financial instrument of a derivative can be appropriately represented by another financial instrument and the underlying financial instrument is highly liquid; or

12.2.2 the Manager or the Trustee has the right to settle the derivative in cash and cover exists within the Scheme Property which falls within one of the following asset classes:

12.2.2.1 cash;

12.2.2.2 liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or

12.2.2.3 other highly liquid assets having regard to their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

12.3 In the asset classes referred to in paragraphs 12.2.2.1-12.2.2.3, an asset may be considered as liquid where the instrument can be converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market.

13. **OTC transactions in derivatives**

13.1 Any transaction in an OTC derivative under paragraph 10 must be:

13.1.1 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the Financial Services Register provided by the FCA permits it to enter into the transaction as principal off-exchange; a CCP that is authorised in that capacity for the purposes of EMIR; a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or to the extent not already covered above, a CCP supervised in a jurisdiction that: (a) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the UK; and (b) 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;

13.1.2 on approved terms; the terms of the transaction in derivatives are approved only if the Manager:

13.1.2.1 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 on market quotations by the counterparty; and

- 13.1.2.2 can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;
- 13.1.3 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;
 - 13.1.3.1 on the basis of an up to date market value which the Manager and the Trustee have agreed is reliable; or
 - 13.1.3.2 if the value referred to in 13.1.3.1 is not available on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- 13.1.4 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:
 - 13.1.4.1 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
 - 13.1.4.2 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.
- 13.1.5 For the purpose of paragraph 13.1.2.2 above 'fair value' is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.
- 13.1.6 The Trustee must take reasonable care to ensure that the Manager has systems and controls that are adequate to ensure compliance with paragraphs 13.1.1 to 13.1.4 above.

14. **Risk management: derivatives**

- 14.1 The Manager uses a risk management process enabling it to monitor and measure as frequently as appropriate the risk of the Trust's derivatives and forwards positions and their contribution to the overall risk profile of the Trust.

15. **Eligible Immovables**

The Trust may invest in immovables including property, in which case paragraphs 15 and 16 of this Appendix will apply:

- 15.1 For the purpose of COLL 5.6.18(2)(a) any investment in land or a building held within the Scheme Property must be situated in the UK and Australia. If situated in England and Wales or Northern Ireland, the immovable must be a freehold or leasehold interest, or in Scotland, an interest or estate in or over land or heritable right including a long lease.
- 15.2 The Manager must take reasonable care to determine that the title to the immovable is a good marketable title.

15.3 The Manager must:

- 15.3.1 have received a report from an appropriate valuer which contains a valuation of the immovable (with and without any relevant subsisting mortgage) and states that in the appropriate valuer's opinion the immovable would, if acquired by the Trust, be capable of being disposed of reasonably quickly at that valuer's valuation; or
- 15.3.2 have received a report from an appropriate valuer stating that the immovable is adjacent to or in the vicinity of another immovable included in the Scheme Property or is another legal interest in an immovable which is already included in the Scheme Property and in the opinion of the appropriate valuer, the total value of both immovables would at least equal the sum of the price payable for the immovable and the existing value of the other immovable.

15.4 An immovable must:

- 15.4.1 be bought or be agreed by enforceable contract to be bought within six months after receipt of the report of the appropriate valuer;
- 15.4.2 not be bought, if it is apparent to the Manager that the report of the appropriate valuer could no longer reasonably be relied upon; and
- 15.4.3 not be bought at more than 105% of the valuation for the relevant immovable in the report of the appropriate valuer.

15.5 Any furniture, fittings or other contents of any building may be regarded as part of the relevant immovable.

15.6 An appropriate valuer must be a person who:

- 15.6.1 has knowledge of and experience in the valuation of immovables of the relevant kind in the relevant area;
- 15.6.2 is qualified to be a standing independent valuer of a Non-UCITS retail scheme or is considered by the Trust's standing independent valuer to hold an equivalent qualification;
- 15.6.3 is independent of the Manager and Trustee; and
- 15.6.4 has not engaged himself or any of his associates in relation to the finding of the immovable for the Trust or the finding of the Trust for the immovable.

16. **Investment limits for immovables**

16.1 The following limits apply in respect of immovables held as part of Scheme Property:

- 16.1.1 not more than 15% in value of the Scheme Property is to consist of any one immovable and for these purposes, immovables within paragraph 15 (Investment in property) must be regarded as one immovable;
- 16.1.2 the figure of 15% in paragraph 16.1.1 may be increased to 25% once the immovable has been included in Scheme Property;

- 16.1.3 the income receivable from any one group of companies in any accounting period must not be attributable to immovables comprising more than 25% or, in the case of a government or public body, more than 35% of the value of the Scheme Property;
 - 16.1.4 not more than 20% in value of the Scheme Property is to consist of mortgaged immovables and the maximum mortgage on any one property must not exceed 100% of the value in the appropriate valuer's report (an immovable may be mortgaged up to 100% of such value provided that no more than 20% of the value of Scheme Property consists of such immovables and any transferable securities which are not approved securities);
 - 16.1.5 not more than 50% in value of the Scheme Property is to consist of immovables which are unoccupied and non-income producing or in the course of substantial development, redevelopment or refurbishment; and
 - 16.1.6 the Manager will not grant options to third parties to buy any immovables comprised in the Scheme Property unless the value of the relevant immovable does not exceed 20% of the value of the Scheme Property together with, where appropriate, the value of investments in unregulated collective investment schemes and any transferable securities which are not approved securities.
- 16.2 Not more than 20% of Scheme Property may be invested in immovables.
- 16.3 The Manager will maintain adequate insurance for any immovables which form part of the Scheme Property (including environmental and public liability cover) which will be paid for out of the Scheme Property.
17. **Investments in deposits**
- The Trust may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.**
18. **Stock lending**
- 18.1 The entry into stock lending transactions for the account of the Trust is only permitted in accordance with the rules in COLL. The Trust may only enter into a transaction, arrangement or contract if the transaction is for the account of and benefit for the Trust, in the interests of unitholders and for the generation of additional income for the benefit of the Trust, and hence for its investors. Such an arrangement or contract will not be in the interest of unitholders unless it reasonably appears to the Manager to be appropriate with a view to generating additional income for the Trust.
- 18.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.

- 18.3 The stock lending permitted by this section may only be exercised by the Trust when it reasonably appears to the Trust to be appropriate to do so with a view to generating additional income for the Trust with an acceptable degree of risk.
- 18.4 The Trustee at the request of the Manager may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:
- 18.4.1 all the terms of the agreement under which securities are to be reacquired by the Trustee for the account of the Trust, are in a form which is acceptable to the Trustee and are in accordance with good market practice;
 - 18.4.2 the counterparty is:
 - 18.4.2.1 an authorised person; or
 - 18.4.2.2 a person authorised by a Home State regulator;
 - 18.4.2.3 a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
 - 18.4.2.4 a bank or branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and
 - 18.4.3 high quality and liquid collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 18.4.1 and the collateral must be acceptable to the Trustee, adequate (within the meaning of COLL) and sufficiently immediate.
- 18.5 The counterparty for the purpose of paragraph 18.4.2 is the person who is obliged under the agreement referred to in paragraph 18.4.1 to transfer to the Trustee the securities transferred by the Trustee under the stock lending arrangement or securities of the same kind.
- 18.6 Paragraph 18.4.3 does not apply to a stock lending transaction made through Euroclear Bank SA/NV's Securities Lending and Borrowing Programme.
- 18.7 The Trustee must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Trustee. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Trustee takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 18.8 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Trust.
- 18.9 There is no limit on the value of the Scheme Property which maybe the subject of stock lending transactions.

19. Schemes replicating an index

19.1 The Trust may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

19.2 The 20% limit can be raised up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

19.3 The indices referred to above are those which satisfy the following criteria:

19.3.1 the composition is sufficiently diversified;

19.3.2 the index is a representative benchmark for the market to which it refers; and

19.3.3 the index is published in an appropriate manner.

20. Cover for transactions in derivatives and forward transactions

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

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

20.3 Cash not yet received into the Scheme Property but due to be received within one month is available as cover.

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

20.5 The global exposure relating to derivatives held in the Trust may not exceed the net value of the Scheme Property.

21. Cover and Borrowing

21.1 Cash obtained from borrowing, and borrowing which the Manager reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 21 of this Appendix as long as the normal limits on borrowing (see below) are observed.

21.2 Where, for the purposes of this paragraph the Trust borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or his agent or nominee), then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property, and the normal limits on borrowing under paragraph 25 (Borrowing powers) of this Appendix do not apply to that borrowing.

22. **Cash and near cash**

22.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, where this may reasonably be regarded as necessary in order to enable:

22.1.1 the pursuit of the Trust's investment objectives; or

22.1.2 the redemption of Units; or

22.1.3 efficient management of the Trust in accordance with its investment objectives; or

22.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of the Trust.

23. **General**

23.1 It is envisaged that the Trust will normally be fully invested but there may be times that it is appropriate not to be fully invested when the Manager reasonably regards this as necessary in order to enable the redemption of Units, efficient management of the Trust or any one purpose which may reasonably be regarded as ancillary to the investment objectives of the Trust.

23.2 Where the Trust invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the Manager or an associate of the Manager, the Manager must pay to the Trust by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

23.3 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Trust but, in the event of a consequent breach, the Manager must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Unitholders.

24. **Underwriting**

24.1 Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of the Trust.

25. **Borrowing powers**

25.1 The Manager may, on the instructions of the Trust, and subject to this paragraph the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Trust on 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.

25.2 The Manager must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Trust.

25.3 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes (i.e. borrowing permitted in order to reduce or eliminate risk arising by reason of fluctuations in exchange rates).

26. Restrictions on lending of property other than money

- 26.1 Scheme Property other than money must not be lent by way of deposit or otherwise.
- 26.2 Transactions permitted by paragraph 18 (Stock lending) are not to be regarded as lending for the purposes of paragraph 26.1.
- 26.3 Scheme Property must not be mortgaged.
- 26.4 Nothing in this paragraph prevents the Trustee at the request of the Manager from lending, depositing, pledging or charging Scheme Property for margin requirements where transactions in derivatives or forward transactions are used for the account of the Trust in accordance with COLL 5.

27. Restrictions on lending of money

- 27.1 None of the money in the Scheme Property may be lent and, for the purposes of this paragraph, money is lent by the Trust if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.
- 27.2 Acquiring a debenture is not lending for the purposes of paragraph 27.1, nor is the placing of money on deposit or in a current account.

28. Guarantees and indemnities

- 28.1 The Trustee, for the account of the Trust, must not provide any guarantees or indemnity in respect of the obligation of any person.
- 28.2 Scheme Property may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 28.3 Paragraphs 28.1 and 28.2 do not apply to any indemnity or guarantee given for margin requirements where derivatives or forward transactions are being used or an indemnity given to a person winding up a body corporate or other scheme in circumstances where share assets are becoming part of the Scheme Property by way of unitisation.

APPENDIX V

LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE MANAGER

Authorised Investment Companies with Variable Capital

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

Authorised Unit Trusts

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

**Authorised Investment Companies with
Variable Capital**

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

Authorised Unit Trusts

APPENDIX VI

PAST PERFORMANCE AND INVESTOR PROFILE

The below performance table provides comparisons representative of **income Units** for performance over a five year period. The performance table shows the total annual return up to 31 December for each year listed.

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

Unit Class	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)
Income Units	13.08	0.41	12.33	0.06	5.68

Source: percentage annual performance, income Units (total return), based on MorningStar data.

These performance figures are presented as a matter of record and should be regarded as such. Performance is determined by many factors including the general direction and volatility of markets and may not be repeatable.

Note: Investors should note that these figures refer to the past and past performance is not a reliable indicator of future results or performance.

Please see Appendix I for the Trust's objective and below for an explanation of investor profile.

Investor profile:

The Trust is marketable to all eligible investors provided they can meet the minimum age and subscription levels. The Trust may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. It may be suitable for investors wishing to seek to achieve defined investment objectives. Such investors must have experience with, or understand, products where the capital is at risk. Investors must be able to accept some risk to their capital, thus the Trust may be suitable for investors who are looking to set aside the capital for at least 5 years. **If you are uncertain whether this product is suitable for you, please contact a financial adviser.**

The Trust is suitable for those investors wanting to achieve capital growth, predominantly through investment in equity funds where income is of secondary importance.

APPENDIX VII

Establishment of Collective Investment Schemes

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

Ireland

United Kingdom

APPENDIX VIII

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 House A, Floor 0, Gogarburn, 175 Glasgow Road, Edinburgh EH12 1HQ
Investment Managers:	Citibank N.A., London Branch Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB www.citibank.co.uk Thesis Asset Management Limited Exchange Building, St. Johns Street, Chichester, West Sussex PO19 1UP www.thesisam.com
Administrator, Registrar and Fund Accountant:	Northern Trust Global Services SE, UK branch 50 Bank Street, Canary Wharf, London E14 5NT
<i>Dealing Office</i>	Thesis Unit Trust Management Limited Sunderland SR43 4AZ Telephone: 0333 300 0375
Custodian <i>Principal place of business:</i>	The Northern Trust Company 50 South LaSalle Street, Chicago, Illinois USA
<i>Who may also act under this power through its London branch</i>	50 Bank Street, Canary Wharf, London E14 5NT
Auditors:	Shipleys LLP 10 Orange Street, London WC2H 7DQ
The Financial Conduct Authority (FCA)	12 Endeavour Square, London E20 1JN