



TM OAK FUND

PROSPECTUS

This document constitutes the prospectus (the "Prospectus") for TM Oak Fund which has been prepared in accordance with the rules contained in the Financial Conduct Authority's Collective Investment Schemes (COLL) Sourcebook and complies with the requirements of COLL 4.2.5.

This Prospectus is dated and valid as at 07 May 2024

This document replaces any previous prospectuses issued by the Fund. Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

AUTHORISED CORPORATE DIRECTOR

Thesis Unit Trust Management Limited
Exchange Building, St John's Street,
Chichester, West Sussex PO19 1UP

Authorised and Regulated by the Financial Conduct Authority

PROSPECTUS OF TM OAK FUND

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

TM Oak Fund is an Investment Company with Variable Capital (an "ICVC").

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

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

The Prospectus is based on information, law and practice at the date hereof. The Fund is not bound by any out of date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus.

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. Any person wishing to apply for Shares should inform themselves as to the requirements within their own country for transactions in Shares, any applicable exchange control regulations and the tax consequences of any transaction in Shares.

The Shares have not been and will not be registered under the 1933 Act or the securities laws of the United States. The Shares 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 Fund in the United States or to US Persons may constitute a violation of US law. The Fund and the ACD have not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The Shares 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 Shares 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 Fund 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 ACD. A prospective investor may be required at the time of acquiring Shares to represent that such investor is a qualified holder and not a US Person or acquiring Shares 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 ACD to an investment does not confer on the investor a right to acquire Shares in respect of any future or subsequent application.

This Prospectus does not constitute an offer or solicitation to anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

CONTENTS

Paragraph	Page
DEFINITIONS	6
THE FUND	10
FUND STRUCTURE	11
MANAGEMENT AND ADMINISTRATION	12
THE DEPOSITARY	13
THE INVESTMENT MANAGERS	15
THE AUDITORS	16
THE REGISTRAR, ADMINISTRATOR AND FUND ACCOUNTANT	16
THE REGISTER.....	17
TYPICAL INVESTOR PROFILE	17
BUYING, REDEEMING AND SWITCHING SHARES	17
BUYING SHARES.....	17
REDEEMING SHARES	19
SWITCHING.....	19
DEALING CHARGES.....	21
OTHER DEALING INFORMATION.....	22
MONEY LAUNDERING	24
RESTRICTIONS AND COMPULSORY TRANSFER AND REDEMPTION	25
SUSPENSION OF DEALINGS IN THE FUND	25
GOVERNING LAW	26
VALUATION OF THE FUND	26
CALCULATION OF THE NET ASSET VALUE	26
PRICE PER SHARE IN THE FUND AND EACH CLASS.....	28
PUBLICATION OF PRICES.....	28
RISK FACTORS	29

FEES AND EXPENSES	32
CHARGES PAYABLE TO THE ACD	35
ALLOCATION OF PAYMENTS	35
INVESTMENT MANAGERS' FEES	36
DEPOSITARY'S FEE.....	36
ADMINISTRATOR AND REGISTRAR FEES	37
SHAREHOLDER MEETINGS AND VOTING RIGHTS.....	38
TAXATION	39
INCOME EQUALISATION.....	44
WINDING UP OF THE FUND	44
GENERAL INFORMATION	46
APPENDIX 1	51
APPENDIX 2	54
APPENDIX 3	80
APPENDIX 4	83
APPENDIX 5	84
APPENDIX 6	86
APPENDIX 7	91

This document is the Prospectus of **TM Oak Fund** (the "Fund"). In this Prospectus the below words and expressions shall have the following meanings:

1. **DEFINITIONS**

"ACD"	Thesis Unit Trust Management Limited, (the Authorised Corporate Director of the Fund);
"Act"	the Financial Services and Markets Act 2000 as amended, restated, re-enacted or replaced from time to time;
"AIF"	an alternative investment fund;
"Approved Bank"	(in relation to a bank account opened for the Fund): (a) if the account is opened at a branch in the United Kingdom: (i) the Bank of England; or (ii) the central bank of a member state of the OECD; or (iii) a bank; or (iv) a building society; or (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or (b) if the account is opened elsewhere: (i) a bank in (a); or (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or (c) a bank supervised by the South African Reserve Bank; or (d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator, as such definition may be updated in the FCA Glossary from time to time;
"Business Day"	a weekday being Monday to Friday (excluding any public or bank holiday in England);
"CASS"	the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook, as amended or replaced from time to time;

"CCP"	as defined in the FCA Glossary;
"COLL"	the Collective Investment Schemes Sourcebook issued by the FCA, as amended or replaced from time to time;
"Custodian"	the person who provides custodian services to the Fund, 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; (d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); and (e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding)
"Depositary"	the person to whom is entrusted the safekeeping of all of the Scheme Property of the Fund (other than certain Scheme Property designated by the FCA Rules), being NatWest Trustee and Depositary Services Limited, and its successor or successors as depositary;
"Depositary Agreement"	the agreement between the Fund, the ACD and and the Depositary regarding the appointment of the Depositary;
"EEA"	the European Economic Area;
"EEA State"	a member state of the European Union and any other state which is within the EEA;
"Efficient Portfolio Management"	<p>techniques and instruments which relate to transferable securities 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; and

(b) they are entered into for one or more of the following specific aims:

(i) reduction of risk;

(ii) reduction of cost; or

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

"Eligible Institution"	one of certain eligible institutions 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);
"Exchange-Traded Funds"	(or 'ETFs') are usually open-ended collective investment schemes, the units of which track an index, a commodity or a basket of assets like an index, but are traded like a stock on regulated markets and investment exchanges;
"Exchange-Traded Notes"	(or 'ETNs') are a type of unsecured, unsubordinated debt security, the returns of which are based on the performance of a market index minus applicable fees, combining both the aspects of bonds and exchange traded funds and traded on a major exchange(s);
"EUWA"	the European Union (Withdrawal) Act 2018;
"FATCA"	the Foreign Account Tax Compliance Act (US);
"the FCA"	the Financial Conduct Authority, or any successor regulatory body;
"the FCA Glossary"	the glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time;
"the FCA Handbook"	the FCA's Handbook of rules and guidance, including COLL, as amended from time to time;
"FCA Rules"	the rules contained in COLL but, for the avoidance of doubt, not including guidance or evidential requirements contained in COLL;

"Financial Instrument"	as defined in the FCA Glossary;
"Fund"	TM Oak Fund;
"Fund Accountant"	the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch and its successor or successors as fund accountant;
"Home State"	as defined in the FCA Glossary;
"Instrument of Incorporation"	the instrument of incorporation of the Fund as amended from time to time;
"International Tax Compliance Regulations"	the International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time;
"Investment Manager"	Thesis Asset Management Limited, Ruffer LLP and Meridiem Investment Management Limited, each being an Investment Manager for the ACD;
"Net Asset Value" or "NAV"	the value of the Scheme Property of the Fund less the liabilities of the Fund as calculated in accordance with the Instrument of Incorporation;
"Non-UCITS retail scheme"	an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund;
"OECD"	the Organisation for Economic Cooperation and Development;
"OEIC Regulations"	The Open-Ended Investment Companies Regulations 2001, as amended or re-enacted from time to time;
"Register"	the register of Shareholders of the Fund;
"Regulated Activities Order"	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 SI 2001/544, as amended or re-enacted from time to time;
"Scheme Property"	as defined in the FCA Glossary;
"Share" or "Shares"	a share or shares in the Fund;
"Shareholder"	a holder of registered Shares in the Fund;
"SYSC"	the Senior Management Arrangement, Systems and Controls sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time;
"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 GDPR"	Regulation 2016/679 of the European Parliament and of the Council of 27 th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK's withdrawal from the European Union;
"UK UCITS"	as defined in the FCA Glossary;
"UK UCITS Regulations"	the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK's withdrawal from the European Union;
"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 Person"	<p>a person who is in either of the following two categories:</p> <ol style="list-style-type: none">1. a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act; or2. a person excluded from the definition of a "Non-United States person" as used in Commodity Futures Trading Commission ("CFTC") Rule 4.7. <p>For the avoidance of doubt, a person is excluded from this definition of US Person only if they are outside both the definition of "U.S. person" in Rule 902 and the definition of "Non-United States person" under CFTC Rule 4.7;</p>
"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 above or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the OEIC Regulations, the Act or the FCA Handbook shall bear the same meaning 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. THE FUND

2.1 TM Oak Fund is an investment company with variable capital, authorised and regulated by the Financial Services Authority with effect from 4 July 2003. The Financial Services Authority was superseded by the Financial Conduct Authority and the Prudential Regulation Authority.

2.2 The Fund has been certified by the Financial Conduct Authority as complying with the conditions necessary for it to enjoy rights conferred by the UCITS Directive. The Fund has been established as a UK UCITS and qualifies as an UCITS within the meaning of the UCITS Directive. On the establishment of a new share class an updated prospectus will be prepared setting out the relevant information concerning the new share class.

2.3 The Fund is incorporated in England and Wales under registered number IC000242 and the FCA product reference number is 225113.

2.4 The Fund has an unlimited duration.

2.5 The registered office and head office of the Fund is at Exchange Building, St John’s Street, Chichester, West Sussex PO19 1UP. This is the address of the place in the UK for service on the Fund of notices or other documents required or authorised to be served on it.

2.6 The base currency of the Fund is pounds Sterling.

2.7 The maximum share capital of the Fund is currently £100,000,000,000 and the minimum is £100. Shares in the Fund have no par value and therefore

the share capital of the Fund at all times equals the Fund's current Net Asset Value.

2.8 Shareholders in the Fund are not liable for the debts of the Fund.

2.9 **Marketing**

2.9.1 Shares in the Fund may be marketed to the public in the UK however the Fund will not be able to apply to the regulatory authorities in member states in the European Union to market Shares under the UCITS Directive in those states.

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

2.10 The manner in which the Fund may be wound up is set out in paragraph 36 below.

2.11 **Performance Details**

Details of the past performance of the Fund are set out in Appendix 4.

3. **FUND STRUCTURE**

3.1 The assets of the Fund will be invested in accordance with the investment objective and investment policy set out at Appendix 1. The eligible securities and derivatives markets on which the Fund may invest are set out in Appendix 3.

3.2 The Fund will be charged with the liabilities, expenses, costs and charges of the Fund and charges will be allocated between Share classes in accordance with the terms of issue of those Share classes.

4. **SHARES**

4.1 **Classes of Shares within the Fund**

4.1.1 Several classes of Share may be issued in respect of the Fund. The Fund currently has two classes, **Sterling Income Shares** and **Sterling B Income Shares**.

4.1.2 In addition, the Instrument of Incorporation allows for the issue of income Shares and accumulation Shares.

4.1.3 The minimum initial investment for each Share class is set out in Appendix 1. This minimum initial investment may be waived by the ACD at its discretion.

4.1.4 Holders of accumulation Shares will not be entitled to be paid the income attributable to such Shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Fund at the end of the relevant distribution period and is reflected in the price of an accumulation Share.

4.1.5 Holders of income Shares are entitled to be paid the income attributed to such Shares on the relevant interim and annual allocation dates.

- 4.1.6 In the event that, in future, the Fund has different classes, each class may attract different charges and expenses and so moneys may be deducted from classes in unequal proportions. In these circumstances the proportionate interests of the classes within the Fund will be adjusted accordingly.
- 4.1.7 When available, Shareholders are entitled (subject to certain restrictions) to switch all or part of their Shares in a class of the Fund for Shares in another class of the Fund. Details of this switching facility and the restrictions are set out in paragraph 15 below.
- 4.1.8 Share certificates will not be issued in respect of Shares.

5. **MANAGEMENT AND ADMINISTRATION**

5.1 **Regulatory Status**

The regulatory status of the ACD, the Depositary and the Investment Managers are set out in the below paragraphs. The address for the Financial Conduct Authority is set out in Appendix 7.

5.2 **Authorised Corporate Director (ACD)**

5.2.1 The ACD is Thesis Unit Trust Management Limited, a private company limited by shares, incorporated in England and Wales under the Companies Act 1985 on 6 February 1998 with company number 3508646. The ACD is, for the purposes of COLL, an authorised fund manager.

5.2.2 Registered office and head office:

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

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

5.2.3 The directors of the ACD are:

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

5.2.4 All directors are also directors of ConBrio Fund Partners Limited and members of the governing body of TUTMAN LLP, both authorised fund managers within the same group. D W Tyerman, S R Mugford and S E Noone perform senior

management functions within those entities. D W Tyerman and S R Mugford also hold directorships of other companies within the Thesis group and perform senior management functions within Thesis Asset Management Limited, which is an Investment Manager to the Fund and acts as an investment manager for some authorised funds operated by the ACD.

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

- 5.2.5 The ACD is responsible for managing and administering the Fund's affairs in compliance with COLL. The ACD may delegate its management and administration functions to third parties including associates subject to COLL.
- 5.2.6 The ACD is authorised and regulated by the FCA and is authorised to carry on certain permitted regulated activities in the UK in accordance with the Act.
- 5.2.7 The ACD has delegated the investment management of the Fund to the Investment Managers set out in paragraph 7 below, and the function of administration, registration and fund accountancy of the Fund to Northern Trust Global Services SE, UK branch; further details are set out in paragraph 9 below.
- 5.2.8 The ACD may act as an authorised fund manager to other regulated collective investment schemes. Details of these schemes, as of the date of this Prospectus, are set out in Appendix 5.

5.3 **Terms of Appointment**

- 5.3.1 The ACD is the sole director of the Fund and its duties and obligations are governed by the terms of the agreement dated 1 May 2012 between the Fund and the ACD (the "**ACD Agreement**"). The ACD Agreement provides that the ACD manages and administers the Fund in accordance with the Financial Services and Markets Act 2000 and the OEIC Regulations, the Instrument of Incorporation and the contents of this Prospectus.
- 5.3.2 The ACD Agreement may be terminated by either party on not less than three months' written notice. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Fund or any Shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Fund on its part. The ACD Agreement provides indemnities to the ACD other than for matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations.
- 5.3.3 Investors buy and redeem Shares through the ACD who nets them to reduce the number of Shares issued or cancelled by the Fund. When carrying out deals in Shares the ACD acts as principal but does not profit from this activity. The fees to which the ACD is entitled are set out in paragraph 28 below.

6. **THE DEPOSITARY**

- 6.1 The Depositary of the Fund is NatWest Trustee and Depositary Services Limited, a private limited company registered in England and Wales with company number 11194605.

- 6.2 The ultimate holding company of the Depositary is NatWest Group plc, which is incorporated in Scotland.
- 6.3 The Depositary's registered and head office address is 250 Bishopsgate, London EC2M 4AA. The address of its office which handles matters relating to the Fund is set out in Appendix 7.
- 6.4 The Depositary's principal activity is the provision of trustee and depositary services.
- 6.5 The Depositary is established in the UK and is authorised and regulated by the FCA to act as a depositary of a UK UCITS or a UK AIF.

6.6 **Duties of the Depositary**

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

6.7 **Terms of Appointment**

- 6.7.1 The appointment of the Depositary has been made under the terms of the Depositary Agreement between the Fund, the ACD and the Depositary.
- 6.7.2 The Depositary Agreement provides that the Depositary be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties required in the OEIC Regulations and COLL.
- 6.7.3 The powers, duties, rights and obligations of the Depositary, the Fund and the ACD under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules,
- 6.7.4 Under the Depositary Agreement the Depositary has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Depositary has delegated custody of the Scheme Property to The Northern Trust Company (the "Custodian"). Contact details for the Custodian are set out in Appendix 7. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Fund may invest to various sub-delegates ("sub-custodians").
- 6.7.5 A list of sub-custodians is set out in Appendix 6. Investors should note that the list of sub-custodians is updated only at each Prospectus review.
- 6.7.6 To the extent permitted by applicable law and the UK UCITS Regulations, the Depositary will not be held liable for any loss incurred by it, or through any of its agents in carrying out its obligations or functions, unless such loss arises as a direct result of the fraud, wilful default, negligence or intentional failure of the Depositary to properly fulfil its obligations under the Depositary Agreement.
- 6.7.7 The Depositary Agreement provides that the Depositary will be indemnified by the Fund in respect of any liabilities suffered or incurred by the Depositary in the proper performance of its obligations and duties under the Depositary Agreement except in the case of fraud or negligent breach of the Depositary Agreement or of any applicable laws.

6.7.8 The Depositary Agreement may be terminated on six months' notice by the Fund, the Depositary or the ACD or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Depositary retire voluntarily, until the appointment of a new Depositary has taken place.

6.7.9 Details of the fees payable to the Depositary are set out in paragraph 31.

6.8 **Conflicts of interest**

6.8.1 The Depositary may act as the depositary of other authorised unit trusts or open-ended investment companies and as trustee or custodian of other collective investment schemes.

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

6.8.3 As the Depositary operates independently from the Fund, Shareholders, the ACD and the Custodian, the Depositary does not anticipate any conflicts of interest arising between it and any of the aforementioned parties.

6.8.4 The Depositary is under no obligation to account to the ACD, the Fund or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as depositary.

6.9 **Updated Information**

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

7. **THE INVESTMENT MANAGERS**

7.1 The ACD has appointed the following Investment Managers to provide investment management and advisory services to the ACD: Thesis Asset Management Limited ("Thesis"), Ruffer LLP ("Ruffer") and Meridiem Investment Management Limited ("Meridiem").

7.2 Thesis is the only Investment Manager connected with the ACD, as it is in the same group as the ACD.

7.3 The registered office address of each Investment Manager is set out in Appendix 7.

7.4 **Principal Business Activity**

The principal business activity of each Investment Manager is acting as an investment manager. Each of the Investment Managers is required to comply with its own execution policy. A copy of each Investment Manager's execution policy is available on each Investment Manager's website, listed in Appendix 7, or available on request from the ACD.

7.5 **Authorisation**

Each Investment Manager is authorised and regulated by the Financial Conduct Authority.

7.6 **Terms of Appointment**

7.6.1 Thesis was appointed by an agreement dated 1 May 2012 made between the ACD and Thesis. Ruffer was appointed by an agreement dated 20 August 2012 between the ACD and Ruffer. Meridiem was appointed by an agreement dated 10 September 2021 between the ACD and Meridiem (collectively, referred to together as, the **Investment Management Agreements**).

7.6.2 The Investment Management Agreement with Thesis may be terminated on three months' written notice by the Investment Manager. The Investment Management Agreement with Ruffer may be terminated on one month's written notice by either party. All Investment Management Agreements may be terminated immediately in certain circumstances, including by the ACD where it is in the interest of Shareholders.

7.6.3 Subject to appropriate controls imposed by the ACD, all relevant law and regulation, this Prospectus and the Instrument of Incorporation, the Investment Managers have discretion to take day to day investment decisions and to deal in investments in relation to the investment management of the Fund, without prior reference to the ACD.

7.6.4 The ACD may be entitled under the indemnities in the ACD Agreement to recover from the Fund amounts paid by the ACD under the indemnities in the Investment Management Agreements.

7.6.5 The Investment Managers will (where relevant) be liable for certain losses suffered by the ACD or the Fund, subject, in the absence of fraud, to certain limitations on liability.

8. **THE AUDITORS**

The auditors of the Fund are Ernst & Young LLP, whose address is set out in Appendix 7.

9. **THE REGISTRAR, ADMINISTRATOR AND FUND ACCOUNTANT**

9.1 The ACD has delegated the functions of administration and fund accountancy to Northern Trust Global Services SE, UK branch (as "Administrator").

9.2 Northern Trust Global Services SE, UK branch will also establish and maintain the Register (as "Registrar" to the Fund).

- 9.3 The address for Northern Trust Global Services SE, UK branch is set out in Appendix 7.

10. **THE REGISTER**

The Register is kept at the Registrar's office located at 50 Bank Street, Canary Wharf, London E14 5NT.

The Register may be inspected (by any Shareholder or any Shareholder's duly authorised agent) at that address during normal business hours.

11. **TYPICAL INVESTOR PROFILE**

The Fund may be marketed to retail investors. The investor must be able to accept the risk of losses. The Fund may be appropriate for investors who can afford to set aside capital for at least five years.

12. **BUYING, REDEEMING AND SWITCHING SHARES**

- 12.1 The dealing office of the ACD is open from 9.00am until 5.00pm on each Business Day to receive requests for the purchase, redemption and switching of Shares.

- 12.2 The ACD's normal basis of dealing is at a forward price plus or minus any applicable dilution adjustment, which means that transactions will be effected at prices determined at the valuation point next following the ACD's agreement to sell, or as the case may be, to redeem the Shares in question (the "dealing day").

12.3 **Electronic communications**

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

- 12.3.1 Prior agreement between the ACD and the person making the communication as to:

12.3.1.1 the electronic media by which such communications may be delivered; and

12.3.1.2 how such communications will be identified as conveying the necessary authority; and

12.3.1.3 assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the Shareholder.

13. **BUYING SHARES**

- 13.1 Shares may be purchased by sending a completed application form or clear written instructions to Thesis Unit Trust Management Limited at the dealing office of the Administrator, by obtaining an application form by telephoning

the ACD's Customer Enquiry Line on 0333 300 0375 or through the means of electronic communication (as set out in paragraph 12.3).

- 13.2 A contract note giving details of the Shares purchased will be issued no later than the next Business Day after the Business Day on which an application to purchase Shares is received and implemented by the ACD. Payment in full should be made not later than the fourth Business Day after the date of purchase, and the ACD reserves the right to require payment in advance.
- 13.3 An annual statement made up to 5 April will be issued to Shareholders. This will detail the Shareholder's current holding, transactions during the year, and income paid. Interim statements are available on request.
- 13.3.1 A contract note giving details of the Shares purchased and the price used will be issued by the end of the Business Day following the later of receipt of the application to purchase Shares or the valuation point by reference to which the purchase price is determined, together with, where appropriate, a notice of the applicant's right to cancel.
- 13.4 The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.
- 13.5 Shares in the Fund are not listed or dealt in on any investment exchange.
- 13.6 **Documents the purchaser will receive**
- 13.6.1 Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Individual statements of a Shareholder's (or, when Shares are jointly held, the first named holder's) Shares will also be issued at any time on request by the registered holder.
- 13.7 Any subscription monies remaining after a whole number of Shares has been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued in such circumstances. A smaller denomination Share is equivalent to one hundredth of a larger denomination Share.
- 13.8 An applicant may have the right to cancel their application to purchase Shares in which case they will be sent a cancellation notice by the ACD and may then cancel their application at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested.
- 13.9 **Minimum subscriptions and holdings**
- 13.9.1 The minimum initial and subsequent subscription levels for the Fund are set out in Appendix 1. The ACD may at its discretion in what it considers to be special circumstances, accept subscriptions lower than the minimum amount.
- 13.9.2 If, following a redemption, a holding is below the minimum holding, the ACD has the discretion to require redemption of the entire holding.

14. **REDEEMING SHARES**

- 14.1 At any time during a dealing day when the ACD is willing to issue Shares it must also be prepared to redeem Shares. The ACD will buy back Shares from registered holders at not less than the price determined at the next valuation point following receipt of redemption instructions less any dilution adjustment.
- 14.2 Requests to redeem Shares in the Fund may be made to the ACD by telephone on the number stated above or by sending clear written instructions.
- 14.3 A contract note giving details of the number and price of the Shares sold back to the ACD will be sent to Shareholders no later than the next Business Day after the Shares were sold. In the event that the ACD requires a signed Form of Renunciation, e.g. in respect of joint holders, corporate holders or redemptions dealt through an agent, a Form of Renunciation will be attached.
- 14.4 When Shares are redeemed, a cheque will be sent out within four Business Days of the valuation point of the Fund immediately following receipt by the ACD of the request to redeem Shares or the time when the ACD has received all duly executed instruments and authorisations as will vest title in the ACD or enable it to arrange to do so, whichever is the later.
- 14.5 The ACD does not intend to make any charge other than possibly a dilution adjustment on the redemption of the Shares.
- 14.6 The ACD is not required to issue a cheque in respect of the redemption of Shares where it has not yet received the money due on the earlier issue of those Shares.
- 14.7 Where a Shareholder requests redemption or cancellation of Shares, the ACD may, at its discretion, give written notice to the Shareholder before the proceeds would otherwise become payable that, in lieu of paying such proceeds in cash, the ACD will transfer to that Shareholder property attributable to the Fund having the appropriate value. The selection of the property to be transferred will be made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the Shareholder requesting cancellation of their Shares than to continuing Shareholders. The ACD may retain out of the property to be transferred property or cash of a value equivalent to any stamp duty or stamp duty reserve tax to be paid on the redemption or cancellation of the Shares.

14.8 **Minimum Redemption**

Part of a Shareholder's holding may be sold but the ACD reserves the right to refuse a redemption request if the value of the Shares in the Fund to be redeemed is less than the minimum stated in respect of the appropriate class in question in the Fund.

15. **SWITCHING**

- 15.1 When more than one class of Shares is in issue a holder of Shares in the Fund may at any time switch all or some of their Shares of one class ("Old Shares") for Shares of another class ("New Shares"). The number of New Shares issued will be determined by reference to the respective prices of New Shares and Old Shares at the valuation point applicable at the time the Old Shares are repurchased and the New Shares are issued.

- 15.2 A request to switch may be made in writing to the dealing office of the ACD. The Shareholder will be required to provide written instructions to the Registrar or their client adviser, as appropriate (which, in the case of joint Shareholders must be signed by all the joint Shareholders) before switching is effected. Switching forms may be obtained from the Registrar or the Shareholder's client adviser.
- 15.3 The ACD may at its discretion charge a fee on the switching of Shares between classes although has no current plans to do so.
- 15.4 If the switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on switching on such conversion) or refuse to effect any switch of the Original Shares. No switch will be allowed during any period when the right of Shareholders to require the redemption of their Shares is suspended. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a switch. A duly completed switching form must be received by the ACD before the valuation point on a dealing day in the Fund to be dealt with at the prices at the valuation point on that dealing day, or at such other date as may be approved by the ACD. Switching requests received after a valuation point will be held over until the next day that is a dealing day in the Fund.
- 15.5 The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on switching together with any other charges in respect of the application for the New Shares or redemption or cancellation of the Original Shares as may be permitted pursuant to COLL.

A Shareholder who switches between classes of Shares will not be given a right by law to withdraw from or cancel the transaction.

15.6 **Market Timing**

The ACD may refuse to accept a new subscription in the Fund if, in the opinion of the ACD, it has reasonable grounds for refusing to accept a subscription from them. In particular, the ACD may exercise this discretion if it believes the Shareholder has been, or intends to, engage in market timing.

For these purposes, market timing activities include investment techniques which involve short term trading in and out of Shares generally to take advantage of variation in the price of Shares between the daily valuation points in the Fund. Short term trading of this nature may often be detrimental to long term Shareholders, in particular, the frequency of dealing may lead to additional dealing costs which can affect long term performance.

15.7 **Client Money Rules**

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

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

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

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

Money deposited into an account with a third party may have a security interest, lien or right of set-off in relation to the money, to the extent permitted by the Client Money Rules.

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

16. **DEALING CHARGES**

The price per Share at which Shares are bought or redeemed is the Net Asset Value per Share. Any preliminary charge, redemption or dilution adjustment is payable in addition to the price.

16.1 **Preliminary charge**

The ACD may impose a charge on the purchase of Shares. The preliminary charge in respect of all Shares is currently 6% of the amount invested by the prospective Shareholder. The preliminary charge is payable to the ACD.

16.2 **Redemption Charge**

16.2.1 The ACD may make a charge on the redemption of Shares. At present no redemption charge is levied. Shares issued while this Prospectus is in force will not be subject to any redemption charge in the future.

16.2.2 The ACD may not introduce a redemption charge on Shares unless, not less than 60 days before the introduction, it has given notice in writing of that

introduction and has revised and made available the Prospectus to reflect the introduction and the date of its commencement.

- 16.2.3 In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the ACD.

17. OTHER DEALING INFORMATION

17.1 Dilution Adjustment

- 17.1.1 The basis on which the Fund's investments are valued for the purposes of calculating the price of Shares is summarised in paragraphs 22 and 23. The Fund's investments are valued on a mid-market basis in accordance with COLL.

- 17.1.2 However, the actual cost of purchasing or selling investments may deviate from the mid-market value used in calculating the Share price, due to dealing costs such as broking charges, taxes and any spread between the buying and selling prices of the underlying investments.

- 17.1.3 These dealing costs can have an adverse effect on the value of the Fund, known as "dilution".

- 17.1.4 COLL allows the cost of dilution to be met directly from the Fund's assets or to be recovered from investors on the purchase or redemption of Shares, inter alia, by means of a dilution adjustment to the dealing price, which is the policy which has been adopted by the ACD.

- 17.1.5 To mitigate the effects of dilution the ACD therefore has the discretion to make a dilution adjustment in the calculation of the dealing price and thereby adjust the dealing price of Shares on any given day.

- 17.1.6 The need to make a dilution adjustment will depend on the volume of purchases or redemptions on any given day.

- 17.1.7 The ACD may make a discretionary dilution adjustment if in its opinion the existing (for net purchases) or remaining (for net redemptions) Shareholders might otherwise be adversely affected. The ACD therefore reserves the right to impose a dilution adjustment in the following circumstances:

17.1.7.1 where the Fund is in continual decline (is suffering a net outflow of investment);

17.1.7.2 where the Fund is experiencing large levels of net sales relative to its size;

17.1.7.3 where the Fund is experiencing net sales or net redemptions on any day equivalent to 1% or more of the size of the Fund; and

17.1.7.4 in any other circumstances where the ACD believes it will be in the interests of Shareholders to make a dilution adjustment.

- 17.1.8 If a dilution adjustment is not imposed in such circumstances, this may have an adverse effect on the future growth of the Scheme Property.

- 17.1.9 This policy to swing the dealing price will be subject to regular review and may change.
- 17.1.10 The ACD's decision on whether or not to make a dilution adjustment, and at what level this adjustment might be made in particular circumstances or generally, will not prevent it from making a different decision in similar circumstances in the future.
- 17.1.11 Where a dilution adjustment is applied, it will increase the dealing price when there are net inflows into the Fund and decrease the dealing price when there are net outflows. The dealing price of each class of Share will be calculated separately but any dilution adjustment will in percentage terms affect the dealing price of Shares of each class identically.
- 17.1.12 As dilution is directly related to the inflows and outflows of monies into and from the Fund, it is not possible to predict accurately whether dilution is likely to occur at any future point in time. Consequently it is also not possible to predict accurately how frequently the ACD will need to make such a dilution adjustment. Based on future projections, the ACD does not anticipate that a dilution adjustment will be made regularly and that the application of a dilution adjustment will occur only on exceptional occasions. Based on historical data, should it be applied, it is anticipated that it would be applied at a rate of less than 1% of the relevant price.
- 17.1.13 The number of days on which a dilution adjustment has been applied between 1 April 2022 and 31 March 2023 is nil.

17.2 Calculation of Dilution Adjustment

- 17.2.1 As explained above, the ACD may make a dilution adjustment when calculating the price of a Share. In deciding whether to make a dilution adjustment the ACD must use the following bases of valuations:
- 17.2.1.1 when by reference to any valuation point the aggregate value of the Shares of all classes issued exceeds the aggregate value of Shares of all classes cancelled (i.e. the Fund is experiencing a net inflow of investment) any adjustment must be upwards and the dilution adjustment must not exceed the ACD's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been had the Fund property been valued on the best available market offer basis plus dealing costs; or
- 17.2.1.2 when by reference to any valuation point the aggregate value of the Shares of all classes cancelled exceeds the aggregate value of Shares of all classes issued (i.e. the Fund is experiencing a net outflow of investment) any adjustment must be downwards and the dilution adjustment must not exceed the ACD's reasonable estimate of the difference between what the price would have been had the dilution adjustment not been taken into account and what the price would have been had the Fund property been valued on the best available market bid basis less dealing costs.

17.3 In Specie Redemptions

- 17.3.1 If a Shareholder requests the redemption or cancellation of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned, arrange that in place of payment of the price of the Shares in cash, the Fund cancels the Shares and transfers Scheme Property or, if required by the Shareholder, the net proceeds of sale of relevant Scheme Property, to the Shareholder.
- 17.3.2 Before the proceeds of the cancellation of Shares become payable, the ACD must give written notice to the Shareholder, not later than the close of business on the second day following the day of receipt of the request, that the Scheme Property or the proceeds of sale of Scheme Property will be transferred to that Shareholder. Where such a notice is served on a Shareholder, the Shareholder may serve a further notice on the ACD not later than the close of business on the fourth Business Day following the day of receipt by the Shareholder of the first mentioned notice, requiring the ACD instead of arranging for a transfer of Scheme Property, to arrange for a sale of that property and the payment to the Shareholder of the net proceeds of that sale.
- 17.3.3 The ACD will select the Scheme Property to be transferred in consultation with the Depositary. They must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting cancellation/redemption than to the continuing Shareholders. The Fund may retain out of the Scheme Property to be transferred (or the proceeds of sale) property or cash of value or amount equivalent to any stamp duty or stamp duty reserve tax to be paid in relation to the cancellation of the Shares.

17.4 Issue of Shares in Exchange for In Specie Assets

- 17.4.1 The ACD may arrange for the Fund to issue Shares in exchange for assets other than money, but will only do so where the Depositary is satisfied that the Fund's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.
- 17.4.2 The ACD will ensure that the beneficial interest in the assets is transferred to the Fund with effect from the issue of the Shares.
- 17.4.3 The ACD will not issue Shares in the Fund in exchange for assets the holding of which would be inconsistent with the investment objective of the Fund.

18. ELECTRONIC VERIFICATION

- 18.1.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, SYSC and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check your identity and the source of the money invested.
- 18.1.2 The ACD may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency

may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your (or your associated party's) credit rating. They may also use your (or your associated party's) details in the future to assist other companies for verification purposes.

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

19. RESTRICTIONS AND COMPULSORY TRANSFER AND REDEMPTION

- 19.1 If it comes to the notice of the ACD that any Shares ('affected shares') 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 by virtue of which the holder, or holders, in question is/are not qualified and entitled to hold such Shares or if it reasonably believes this to be the case, the ACD may give notice to the holder(s) of the affected shares requiring either transfer of such Shares to a person who is qualified or entitled to own them, or that a request in writing be given for the redemption or cancellation of such Shares in accordance with COLL.

- 19.2 If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer their affected shares to a person qualified to hold them or establish to the satisfaction of the ACD (whose judgement is final and binding) that they or the beneficial owner are qualified and entitled to own the affected shares they shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption of all the affected shares pursuant to COLL.

- 19.3 A person who becomes aware that they have acquired or are holding affected shares in breach of any law or governmental (or any interpretation of a law or regulation by a competent authority) of any country or territory, or by virtue of which is not qualified to hold such affected shares, shall forthwith, unless they have already received a notice as aforesaid, either transfer or procure the transfer of all their affected shares to a person qualified to own them or give a request in writing to procure that such a request for the redemption or cancellation of all their affected shares pursuant to COLL.

- 19.4 The ACD may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Shares 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 Fund incurring any liability to taxation which the Fund is not able to recoup itself or suffering any other adverse consequence. In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, redemption or switching of Shares.

20. SUSPENSION OF DEALINGS IN THE FUND

- 20.1 The ACD may, with the agreement of the Depositary, or must if the Depositary so requires, temporarily suspend, without notice to Shareholders, the issue, cancellation and redemption of Shares in the Fund, if the ACD (or the

Depository) is of the opinion that due to exceptional circumstances it is in the interests of Shareholders or potential Shareholders.

- 20.2 The ACD, or the Depository, if it has required the ACD to suspend dealing, must immediately inform the FCA stating the reasons for the suspension and, as soon as practicable, give written confirmation of the suspension, and the reason for it, to the FCA.
- 20.3 The ACD must ensure that a notification of the suspension is made to the Shareholders as soon as practicable after the suspension commences, drawing Shareholders' attention to the exceptional circumstances resulting in the suspension. Notification to Shareholders must be clear, fair and not misleading. Shareholders will be kept informed in writing about updates on the suspension and the suspension must cease when the exceptional circumstances have ceased.
- 20.4 The ACD and the Depository must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.
- 20.5 Re-calculation of the Share price for the purpose of sales and purchases will commence on the next relevant valuation point following the ending of the suspension.

21. **GOVERNING LAW**

All deals in Shares are governed by English law.

22. **VALUATION OF THE FUND**

The price of a Share in the Fund is calculated by reference to the Net Asset Value of the Fund. There is only a single price for any Share as determined from time to time by reference to a particular valuation point. The Net Asset Value per Share of the Fund is calculated at the valuation point for the Fund, which is currently at 12 noon on each Friday, the last day of each month and 5 April (each a "valuation point") (or in the event that any of the valuation points are not a Business Day, on the previous Business Day). The ACD may at any time during a Business Day carry out an additional valuation if the ACD considers it desirable to do so.

23. **CALCULATION OF THE NET ASSET VALUE**

- 23.1 The value of the Scheme Property of the Fund shall be the value of its assets less the value of its liabilities determined in accordance with the following paragraphs of this section.
- 23.2 All the Scheme Property (including receivables) of the Fund is to be included, subject to the following paragraphs of this section.
- 23.3 Property which is not cash or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
- 23.3.1 units or shares in a collective investment scheme:

- 23.3.1.1 if a single price for purchasing and redeeming units is quoted, at the most recent quoted price; or
 - 23.3.1.2 if separate purchase or redemption prices are quoted, at the average of the two prices provided the purchase price has been reduced by any preliminary charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or
 - 23.3.1.3 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
- 23.3.2 any other transferable security:
- 23.3.2.1 if a single price for purchasing and redeeming the security is quoted, at that price; or
 - 23.3.2.2 if separate purchasing and redeeming prices are quoted, the average of those two prices; or
 - 23.3.2.3 if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which in the opinion of the ACD reflects a fair and reasonable price for that investment;
- 23.3.3 Scheme Property other than that described in 23.3.1 and 23.3.2 above:
- 23.3.3.1 at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 23.4 Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- 23.5 Property which is a contingent liability transaction shall be treated as follows:
- 23.5.1 if it is a written option (and the premium for writing the option has become part of the Scheme Property), the amount of the net valuation of premium receivable shall be deducted. If the property is an off-exchange derivative the method of valuation shall be agreed between the ACD and the Depositary;
 - 23.5.2 if it is an off-exchange future, it will be included at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
 - 23.5.3 if the property is an off-exchange derivative, it will be included at a valuation method agreed between the ACD and Depositary;
 - 23.5.4 if it is any other form of contingent liability transaction, it will be included at the net value of margin on closing out (whether as a positive or negative value).
- 23.6 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case.

- 23.7 Subject to paragraphs 23.8 and 23.9 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 23.8 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 23.7.
- 23.9 All agreements are to be included under paragraph 23.7 which are, or ought reasonably to have been, known to the person valuing the property.
- 23.10 An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and VAT will be deducted.
- 23.11 An estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day will be deducted.
- 23.12 The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.
- 23.13 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
- 23.14 Any other credits or amounts due to be paid into the Scheme Property will be added.
- 23.15 A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.
- 23.16 Currencies or values in currencies other than pounds Sterling shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

24. **PRICE PER SHARE IN THE FUND AND EACH CLASS**

The price per Share at which Shares are purchased is the sum of the Net Asset Value of a Share and any preliminary charge. The price per Share at which Shares are redeemed is the Net Asset Value per Share less any applicable redemption charge. In addition, there may, for both purchases and sales, be a dilution adjustment, as described in paragraph 17 above.

25. **PUBLICATION OF PRICES**

- 25.1 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.
- 25.2 For reasons beyond the control of the ACD, these may not necessarily be the current prices.

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

25.4 As the ACD deals on a forward pricing basis the price that appears in the newspapers will not necessarily be the same as the one at which investors can currently deal. The ACD does not accept responsibility for the accuracy of the prices published in or for the non-publication of prices by the newspapers for reasons beyond the control of the ACD.

26. **RISK FACTORS**

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

26.1 **General**

The investments of the Fund are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in 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 invested in the Fund. There is no assurance that the investment objective of the Fund will actually be achieved and no warranty or representation is given to this effect.

26.2 **Effect of Preliminary charge**

Where any preliminary charge is imposed, an investor who realises their Shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested. Therefore, the Shares should be viewed as a long term investment.

26.3 **Suspension of Dealings in Shares**

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see "Suspension of Dealings in the Fund" in paragraph 20 above).

26.4 **Currency Exchange Rates**

Depending on an investor's currency of reference, currency fluctuations may adversely affect the value of an investment.

26.5 **Emerging Markets**

26.5.1 Where the Fund invests in some overseas markets these investments may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities.

26.5.2 Investment in emerging markets may involve a higher than average risk.

26.5.3 Investors should consider whether or not investment in the Fund is either suitable for or should constitute a substantial part of an investor's portfolio.

26.5.4 Companies in emerging markets may not be subject:

- 26.5.4.1 to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets;
 - 26.5.4.2 to the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.
- 26.5.5 Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions. Given the lack of a regulatory structure, it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.
- 26.5.6 Restrictions on foreign investment in certain securities may be imposed on the Fund and, as a result, may limit investment opportunities for the Fund. Substantial government involvement in, and influence on, the economy may affect the value of securities in certain emerging markets.
- 26.5.7 The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.
- 26.5.8 Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the ACD may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market.

26.6 **Liabilities of the Fund**

Shareholders are not liable for the debts of the Fund. A Shareholder is not liable to make any further payment to the Fund after they have paid the purchase price of the Shares.

26.7 **Counterparty risk in over-the-counter markets**

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

26.8 **Legal and Regulatory Risks**

Legal and regulatory (including taxation) changes could adversely affect the Fund. Regulation (including taxation) of investment vehicles, such as the Fund,

is subject to change. The effect of any future legal or regulatory (including taxation) change on the Fund is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

26.9 Exchange-Traded Funds (ETF)

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

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

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

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

26.10 Exchange-Traded Notes (ETN)

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

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

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

26.11 **Custody Risk**

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

26.12 **Infectious Diseases**

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

27. **FEES AND EXPENSES** (payments out of the Scheme Property)

All fees or expenses payable out of the property of the Fund are set out in this paragraph. Where charges are taken from capital it may result in capital erosion or constrain the capital growth of the Fund.

27.1 **General**

27.1.1 Except as mentioned below, the fees, costs and expenses relating to the authorisation and incorporation and establishment of the Fund, the offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Fund in connection with the offer will be borne by the ACD or other companies in its group.

27.1.2 The Fund may also pay out of the property of the Fund charges and expenses incurred by the Fund, which will include the following expenses:

27.1.2.1 the fees and expenses payable to the ACD (which will include the fees and expenses payable to an Investment Manager), the Depositary and any appointed custodian;

27.1.2.2 broker's commission (excluding costs for research), fiscal charges (including stamp duty reserve tax and/or stamp duty) and other disbursements which are necessarily incurred in effecting transactions for the Fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

- 27.1.2.3 fees and expenses in respect of establishing and maintaining the Register and any plan sub-Register of Shareholders (as defined in COLL);
- 27.1.2.4 any costs incurred in establishing or maintaining any services of facilities for electronic dealing in Shares;
- 27.1.2.5 any costs incurred in or about the listing of Shares in the Fund on any Stock Exchange, and the creation, conversion and cancellation of Shares;
- 27.1.2.6 any costs incurred by the Fund in publishing the price of the Shares in a national or other newspaper or elsewhere;
- 27.1.2.7 any costs incurred in producing and dispatching any payments made by the Fund, or the yearly and half-yearly reports of the Fund;
- 27.1.2.8 any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Fund, which are currently carried on by the Registrar;
- 27.1.2.9 any fees and costs associated with any CASS related support activity incurred by the Registrar;
- 27.1.2.10 any fees, expenses or disbursements of any legal or other professional adviser of the Fund;
- 27.1.2.11 any costs incurred in taking out and maintaining an insurance policy in relation to the Fund;
- 27.1.2.12 any costs incurred in respect of meetings of Shareholders convened for any purpose including those convened on a requisition by Shareholders not including the ACD or an associate of the ACD;
- 27.1.2.13 liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Fund in consideration for the issue of Shares as more fully detailed in COLL;
- 27.1.2.14 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 27.1.2.15 taxation and duties payable in respect of the property of the Fund or the issue or redemption of Shares;
- 27.1.2.16 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 27.1.2.17 the fees of the FCA under the FCA's Fees Manual, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Shares in the Fund are or may be marketed;

- 27.1.2.18 expenses incurred in acquiring and disposing of investments and in producing, distributing and dispatching income and other payments to Shareholders;
- 27.1.2.19 the Depositary will also be reimbursed out of the property of the Fund expenses incurred in performing the following activities and duties:
- Delivery of stock to the Depositary or any appointed custodian;
 - Custody of assets;
 - Collection of income and capital;
 - Submission of tax returns;
 - Handling tax claims;
 - Preparation of the Depositary's annual report;
 - Arranging insurance;
 - Calling Shareholder meetings and otherwise communicating with Shareholders;
 - Dealing with distribution warrants;
 - Taking professional advice;
 - Conducting legal proceedings;
 - Such other duties as the Depositary is permitted or required by law to perform.
- 27.1.2.20 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Fund;
- 27.1.2.21 the costs of printing and preparing reports, accounts, any prospectuses, key investor information documents or equivalent documents any instrument of incorporation and any costs incurred as a result of periodic updates of or changes to any prospectus, or instrument of incorporation, key investor information documents (or equivalent documents) or any other administrative documents;
- 27.1.2.22 the cost of maintaining other documentation required to be maintained in respect of the Fund and the cost of monitoring any paying agent in any territory in respect of the Fund;
- 27.1.2.23 all fees and expenses of paying agents in countries other than the UK where Shares in the Fund are registered for retail sale;
- 27.1.2.24 any amount payable by the Fund under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Fund;

- 27.1.2.25 any payments otherwise due by virtue of COLL; and
- 27.1.2.26 any value added or similar tax relating to any charge or expense set out herein.

27.1.3 VAT is payable on these charges where appropriate.

27.1.4 Expenses are allocated between capital and income in accordance with COLL. Refer to paragraph 29 below for further details.

28. **CHARGES PAYABLE TO THE ACD**

28.1 In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual management charge out of the Fund.

28.2 The annual management charge is calculated and accrued daily. Each accrual is based on the Net Asset Value of the Fund applicable for the previous day plus/minus the current day's creations/cancellations and is payable monthly in arrears. Accrual periods run to the last calendar day of each month, except in the case of the last month of each of the interim and annual accounting periods when it is the last calendar day of those months. The current management charges for the current Share classes available in the Fund are set out in Appendix 1.

28.3 The ACD is also entitled to all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, including stamp duty and stamp duty reserve tax on transactions in Shares.

28.4 VAT is payable on those charges or expenses where appropriate.

28.5 If a Share class's expenses in any period exceed the income the ACD may take that excess from the capital property attributable to that Share class.

28.6 The current preliminary charge of a Share class or the amount of the ACD's remuneration payable out of the Scheme Property of the Fund may only be increased at least 60 days after the ACD has given notice in writing of the increase and the date of its commencement (for increasing the preliminary charge, to all persons who ought reasonably to be known to the ACD to have made an arrangement for the purchase of Shares at regular intervals), and after the ACD has made available a revised Prospectus showing new rate of charge and its commencement date.

28.7 The current preliminary charge of a Share class in the Fund is set out in Appendix 1

28.8 In order to introduce a new category of remuneration for its services payable out of the Scheme Property the ACD would require the approval of an extraordinary resolution of Shareholders at an extraordinary general meeting.

29. **ALLOCATION OF PAYMENTS**

29.1 The ACD and the Depositary have agreed that expense payments will be treated as a charge against income of the Fund (except those charges and expenses relating directly to the purchase and sale of investments), with the exception of transaction charges, which are treated as a charge against the capital of the Fund*.

29.2 If there is insufficient income to meet the expenses then all, or part of these fees may be treated, at the request of the ACD, as a charge against the capital of the Fund*.

29.3 ***It should be noted that this policy may result in capital erosion or constrain capital growth.**

30. **INVESTMENT MANAGERS' FEES**

The Investment Managers' fees and expenses (plus VAT thereon) will be paid by the ACD out of its remuneration under the ACD Agreement. Research costs will be paid for by the Investment Managers out of these fees and shall not be borne by the Fund.

31. **DEPOSITARY'S FEE**

31.1 **Periodic fee**

The Depositary receives for its own account a periodic fee which will accrue on a daily basis and is due monthly on the last day in each calendar month in respect of that day and the period since the last day in the preceding month and is payable within seven days after the last day in each month. The fee is calculated by reference to the value of the Fund on the last Business Day of the preceding month except for the first accrual which is calculated by reference to the first valuation point of the Fund. The fee is payable out of the Scheme Property attributable to the Fund. The rate of the periodic fee is agreed between the ACD and the Depositary in accordance with COLL. The current charge is calculated on a sliding scale for the Fund on the following basis:

0.0275% per annum	on the first £50,000,000 in value of the Scheme Property of the Fund
0.025% per annum	on the next £50,000,000 in value of the Scheme Property of the Fund
0.020% per annum	on the next £100,000,000 in value of the Scheme Property of the Fund
0.015% per annum	on the value thereafter

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

31.2 **Transaction charges and derivative and custody charges**

In addition to the periodic fee referred above, the Depositary will also be paid transaction charges and derivative and custody charges. Transaction charges vary from country to country, dependent on the markets and value of the stock involved, and, where levied, currently range from £7.50 to £180.00 per transaction. These charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Depositary and the ACD.

- 31.3 Derivative transaction charges are £20 (if applicable). Custody charges again vary from country to country depending on the markets and the value of the stock involved, and, where levied will be up to 0.9% of the value of the holding involved subject to a minimum aggregate custody charge of £7,500 per annum. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depositary.
- 31.4 The Depositary's current rate of remuneration, transaction charges and custody charges may only be materially increased at least 60 days after the ACD has given notice in writing of the increased and the date of commencement to all Shareholders in the Fund, and after the ACD has made available a revised Prospectus showing the new charge and its commencement date.
- 31.5 Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Fund and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Handbook.
- 31.6 The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument of Incorporation, the FCA Handbook or by the general law.
- 31.7 On a winding up of the Fund or the redemption of a class of Shares (if applicable, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.
- 31.8 Any value added tax on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.
- 31.9 In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Handbook by the Depositary.

32. **ADMINISTRATOR AND REGISTRAR FEES**

The administration of the Fund will be carried out by Northern Trust Global Services SE, UK branch, who will also act as Registrar.

The Registrar's fees will be paid out of the Scheme Property, as will the disbursements listed in paragraph 27 above. The current registration fee is £10 per Shareholder per annum, subject to a minimum of £2,000 per annum, £6 per Shareholder transaction effected through straight through processing, and £19 per Shareholder transaction recorded manually.

The charges and expenses associated with the setting up of such transactions will be paid out of the Scheme Property. Any on-going charges and expenses reasonably and properly incurred in respect of the processing and

implementation of electronic transfers for the Fund will also be payable out of the Scheme Property.

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

Northern Trust Global Services SE, UK branch will be remunerated for its services as Administrator out of the annual management charge paid to the ACD.

33. SHAREHOLDER MEETINGS AND VOTING RIGHTS

33.1 Annual General Meeting

Annual general meetings are not held. Other meetings, whether general or otherwise, may be held from time to time.

33.2 Requisitions of Meetings

33.2.1 The ACD may requisition a general meeting at any time.

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

33.3 Notice of Quorum

33.3.1 Shareholders will receive at least 14 days' notice of a Shareholders' 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 Shareholders, present in person or by proxy. The quorum for an adjourned meeting is one Shareholder present in person or by proxy. notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

33.3.2 The manner in which notices or documents may be served on Shareholders is set out in paragraph 37.11 below.

33.4 Voting Rights

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

33.4.2 On a poll, the voting rights for each Share will be the proportion of the voting rights attached to all of the Shares in issue that the price of such Share bears to the aggregate price or prices of all of the Shares in issue (i) if the Share is a participating security, at the close of business on a day determined by the ACD which shall not be more than 21 days before notice of the meeting is sent out or (ii) otherwise at the time selected by the ACD which shall be a reasonable cut-off date before notice of the meeting is sent out.

33.4.3 A Shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.

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

33.4.5 The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in COLL) of the ACD is entitled to vote at any meeting of the Fund except in respect of Shares which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions. Where every Shareholder within the Fund is prohibited under COLL 4.4.8R(4) from voting, a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

33.4.6 "Shareholders" in this context means Shareholders on the date seven days before the notice of the relevant meeting was deemed to have been served but excludes holders who are known to the ACD not to be Shareholders at the time of the meeting.

33.5 **Class Meetings**

The above provisions, unless the context otherwise requires, apply to class meetings as they apply to general meetings of Shareholders.

34. **TAXATION**

The following summary is based on current UK law and HM Revenue & Customs practice. It summarises the UK tax position of Investment Companies with Variable Capital ("ICVC") and Shareholders who are UK tax resident. However, it should not be regarded as definitive nor as removing the desirability of taking separate professional advice. Investors are advised to consult their professional tax adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

34.1 **Taxation of the Fund**

The Fund is an ICVC and is treated as an Authorised Investment Fund for UK tax purposes.

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

34.1.1 **Income**

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

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

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

34.1.2 Chargeable gains

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

34.1.3 Stamp Duty Reserve Tax

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

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

34.2 Taxation of Shareholders

34.2.1 Income

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

The distribution accounts of the Fund 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 Fund.

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

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

34.2.1.1 **Interest distributions**

UK resident individuals

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

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

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

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

UK corporate Shareholders

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

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

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

34.2.1.2 **Dividend distributions**

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

UK resident individuals

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

UK corporate Shareholders

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

34.2.2 **Chargeable gains**

UK resident individuals

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

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

UK corporate Shareholders

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

34.2.3 **Stamp Duty Reserve Tax**

Generally, there will be no charge to SDRT when Shareholders surrender or redeem their Shares. However, where the redemption is satisfied by a non-pro rata in specie redemption, then a charge to SDRT may apply.

The ACD reserves the right to redeem the Shares of any Shareholder who jeopardises the tax status of the Fund.

34.3 **Income equalisation – tax implications**

The price of a Share of a particular Share class is based on the value of that Share class' entitlement in the Fund, including the income of the Fund since the previous distribution or, in the case of accumulation Shares, deemed distribution. In the case of the first distribution received or accumulation made in respect of a Share, part of the amount, namely the equalisation payment, is treated as a return of capital and is not taxable as income in the hands of the Shareholder. This amount is, however, in the case of income Shares,

deducted from the cost of the Share in computing any capital gains. Equalisation applies only to Shares purchased during the relevant accounting period. It is calculated as the average amount of income included in the issue price of all Shares of the relevant Share class issued during the period.

34.4 **UK information reporting regime**

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

34.5 **Tax Elected Fund ("TEF") regime**

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

34.6 **International Tax Compliance**

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

The International Tax Compliance Regulations transpose into UK law rules and obligations derived from international standards and inter-governmental agreements entered into by the UK which are aimed at increasing transparency and reducing tax evasion. The regulations include rules derived from the US Foreign Account Tax Compliance Act ("FATCA") and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("CRS").

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

Shareholders should note that:

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

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

35. INCOME EQUALISATION

- 35.1 Income equalisation applies in relation to the Fund.
- 35.2 Part of the purchase price of a Share in the Fund reflects accrued income received or to be received in the current distribution period. This is a capital amount and is returned to a Shareholder with the first allocation of income.
- 35.3 The amount of income equalisation is either the actual amount of income included in the issue price of that Share, or the average of all the amounts included in the price of all Shares issued or sold to Shareholders in the distribution period.

36. WINDING UP OF THE FUND

- 36.1 The Fund shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under COLL.
- 36.2 The Fund may not be wound up under COLL if there is a vacancy in the position of ACD at the relevant time.
- 36.3 Where the Fund is to be wound up under COLL the Fund must not be wound up unless (a) effect has been given (under regulations 21 of OEIC Regulations) to proposals to wind up the affairs of the Fund and (b) a statement has been prepared and delivered to the FCA under COLL 7.3.5(R) (solvency statement) and the statement is received by the FCA prior to satisfaction of the condition in (a).
- 36.4 The Fund may be wound up under COLL if:
 - 36.4.1 an extraordinary resolution to that effect is passed by Shareholders; or
 - 36.4.2 the period (if any) fixed for the duration of the Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Fund is to be wound up (for example, if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Fund); or
 - 36.4.3 on the date of effect stated in any agreement by the FCA to a request by the ACD for the winding up of the Fund.
- 36.5 in the case of an approved scheme of arrangement, on the effective date of duly approved scheme which would result in the Fund ceasing to hold any Scheme Property, the ACD shall wind up the Fund in accordance with the terms of any scheme of arrangement sanctioned by extraordinary resolution passed.
- 36.6 in the case of the Fund being an umbrella, on the date on which all of its sub-funds (where relevant) fall within 36.5 above or have otherwise ceased to hold any Scheme Property, notwithstanding that the Fund may have assets and liabilities that are not attributable to any particular sub-fund.
- 36.7 On the occurrence of any of the above:
 - 36.7.1 the parts of COLL relating to pricing and dealing and investment and borrowing will cease to apply to the Fund;

- 36.7.2 the Fund will cease to issue and cancel Shares in the Fund and the ACD shall cease to sell or redeem Shares or arrange for the Fund to issue or cancel them for the Fund;
- 36.7.3 no transfer of a Share shall be registered and no other change to the Register shall be made without the sanction of the ACD;
- 36.7.4 where the Fund is being wound up, the Fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Fund;
- 36.7.5 the corporate status and powers of the Fund and, subject to the provisions of 36.7.1 and 36.7.4 above, the powers of the ACD shall remain until the Fund is dissolved.
- 36.8 The ACD shall, as soon as practicable after the Fund falls to be wound up, realise the assets and meet the liabilities of the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property. If the ACD has not previously notified Shareholders of the proposal to wind up the Fund, the ACD shall, as soon as practicable after the commencement of the winding up of the Fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Fund to be realised, the ACD shall arrange for the Depositary to also make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Fund.
- 36.9 As soon as reasonably practicable after completion of the winding up of the Fund, the ACD shall notify the FCA that it has done so.
- 36.10 On completion of a winding up of the Fund, the Fund will be dissolved and any money (including unclaimed distributions) standing to the account of the Fund, will be paid into court within one month of dissolution.
- 36.11 Following the completion of a winding up of the Fund, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The Auditors of the Fund shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the Auditors' report must be sent to the FCA, to each Shareholder and, in the case of the winding up of the Fund, to the FCA within two months of the completion of the winding up.
- 36.12 The Fund is a collective investment scheme in which each investor's funds are pooled with all other investors' funds. The ACD takes reasonable steps to ensure that each investment transaction carried out within the Fund is suitable for the Fund, having regard to the investment objective and policy of the Fund. This Prospectus is intended to provide information about the Fund to potential investors.

37. GENERAL INFORMATION

37.1 Accounting Periods

The annual accounting period of the Fund ends each year on 30 April (the accounting reference date). The interim accounting period ends each year on 31 October.

37.2 Income Allocations

37.2.1 Allocations of income are made in respect of the income available for allocation in each accounting period. The Fund's income allocation dates are:

Annual income allocation date	30 June
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Interim income allocation date	31 December
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37.2.2 Payment of distributions of income for the Fund will be made by direct credit to a Shareholder's nominated bank account on the relevant income allocation date, or by cheque. If the income allocation date is not a Business Day payment will be made on the next Business Day.

37.2.3 A reinvestment facility may be available for the reinvestment of income through the purchase of further Shares. If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Fund.

37.2.4 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 Fund in respect of that period, and deducting the charges and expenses of the Fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the 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 any other adjustments (including for amortisation) which the ACD considers appropriate after consulting the Auditors.

37.3 Annual Reports

The annual report of the Fund will be published within four months of each annual accounting period and the half-yearly report will be published within two months of each interim accounting period. The long reports will be available on request from the ACD. The accounting dates are set out in Appendix 1.

37.4 Telephone calls

37.4.1 Telephone calls may be recorded for regulatory, training or monitoring purposes.

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

identify the call. If an investor asks the ACD to send a recording of a particular call the ACD may ask for further information to help identify the exact call to which the request relates to.

37.5 Documents of the Fund

37.5.1 The following documents may be inspected free of charge between 9.00 a.m. and 5.00 p.m. every Business Day at the offices of the ACD at the address set out in Appendix 7:

- 37.5.1.1 the most recent annual and half-yearly long reports of the Fund;
- 37.5.1.2 the Instrument of Incorporation (and any amending Instrument of Incorporation);
- 37.5.1.3 this Prospectus (and any subsequent prospectus amendment); and
- 37.5.1.4 the material contracts referred to below.

37.5.2 Shareholders may obtain copies of the above documents on request from the offices of the ACD. The ACD may make a charge at its discretion for copies of documents.

37.6 Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Fund and are, or may be, material:

- 37.6.1 the ACD Agreement dated 1 May 2012 between the Fund and the ACD; and
- 37.6.2 the Depositary Agreement dated 30 April 2012 between the Fund and the Depositary.
- 37.6.3 an Investment Management Agreement dated 1 May 2012 and made between the ACD and Thesis as an Investment Manager;
- 37.6.4 an Investment Management Agreement dated 20 August 2012 and made between the ACD and Ruffer, as an Investment Manager;
- 37.6.5 an Investment Management Agreement dated 10 September 2021 and made between the ACD and Meridiem, as an Investment Manager;

Details of the above contracts are given in paragraphs 5 to 7 above.

37.7 Risk Management

The ACD will provide, on the request of a Shareholder, further information relating to:

- 37.7.1 the quantitative limits applying in the risk management of the Fund;
- 37.7.2 the methods used in relation to paragraph 37.7.1; and
- 37.7.3 any recent development of the risk and yields of the main categories of investment.

37.8 **Conflicts of Interest**

Transactions may be effected in which the ACD has, either directly or indirectly, an interest that may potentially involve a conflict of its obligation to the Fund. Where a conflict cannot be avoided, the ACD will have regard to its fiduciary responsibility to act in the best interests of the Fund and its investors. The ACD will ensure that investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Fund than if the potential conflict had not existed.

37.9 **Provision of Investment Advice**

All information concerning the Fund and about investing in Shares of the Fund is available from the ACD at the address as set out in Appendix 7. The ACD is not authorised to give investment advice and persons requiring such advice should consult an independent financial adviser. All applications for Shares are made solely on the basis of the current prospectus of the Fund, and investors should ensure that they have the most up to date version.

37.10 **Complaints**

Complaints concerning the operation or marketing of the Fund may be referred to the ACD in the first instance. If a complaint cannot be resolved satisfactorily with the ACD, it may be referred to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

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

37.11 **Notices and documents to be served on Shareholders**

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

37.11.1.1 delivered to the Shareholder's address as appearing in the Register; or

37.11.1.2 delivered by using an electronic medium in accordance with paragraph 12.3.

37.11.2 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.

37.11.3 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.

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

37.11.4.1 is consistent with the ACD's knowledge of how the recipient of the document wishes or expects to receive the document;

37.11.4.2 is capable of being provided in hard copy by the ACD;

37.11.4.3 enables the recipient to know or record the time of receipt; and

37.11.4.4 is reasonable in the context.

37.12 Data Protection

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

37.13 Summary of the ACD's Haircut Policy

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

37.13.2 The ACD will judge, on a case-by-case basis, the extent and type of collateral to use when negotiating with counterparties and clearing houses and the haircut policy which it will apply. Where cash is received as collateral it will not be invested in anything other than cash or short-term deposit accounts.

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

37.14 Remuneration

The ACD has established and applies a remuneration policy, procedure and practice (together, the "Remuneration Policy") which is consistent with, and promotes, sound and effective risk management, and does not encourage risk-taking that is inconsistent with the risk profile or the Instrument of Incorporation. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the ACD or the Fund. The Remuneration Policy does not impair compliance with the ACD's duty to act in the best interests of the Fund. Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on www.tutman.co.uk and a paper copy of such information can be obtained, free of charge, upon request at the offices of the ACD.

37.15 **Non-accountability for profits**

Neither the Fund, the ACD, the Depositary, each Investment Manager (or any associate of the same) or the Auditors is liable to account to either each other or to Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with:

37.15.1 dealings in the Shares of the Fund;

37.15.2 any transaction in the Scheme Property; or

37.15.3 the supply of services to the Fund.

APPENDIX 1

Investment objectives, policies and other details of the Fund

Investment of the assets of the Fund must comply with COLL as set out in Chapter 5 of COLL and its own investment objective and policy. Details of the Fund's investment objective and policy are set out below together with information regarding available Share classes, charges, minimum investment levels and distribution dates.

The eligible securities and derivatives markets on which the Fund may invest are contained in Appendix 3, together with a detailed statement of the investment and borrowing restrictions applicable to the Fund.

TM OAK FUND

Investment Objective

The objective of the Fund is to provide capital growth through exposure to equities and fixed interest securities over the long term (defined as over 5 years).

Investment Policy

The Investment Managers seek to invest broadly in any geographical area or economic sector. The investment policy for achieving the objective is to invest in a portfolio of equities and fixed interest securities, either directly through a range of securities or through investment in collective investment schemes (including schemes managed and operated by the ACD or its associates). The normal allocation to equities would be approximately 70% and approximately 30% to fixed interest securities. At times, up to 100% may be invested in collective investment schemes.

From time-to-time in the event of a prolonged period of volatility or uncertainty, the Investment Managers may favour one or several asset classes over others and this may apply for an extended period. This will reflect their perspective of the prevailing market and economic conditions. This may include holding substantial amounts in cash and near cash from time-to-time, in periods when the Investment Managers consider that other asset classes may be over-valued. **The Fund may seek to use the full range of investment types as permitted by its investment and borrowing powers including shares, fixed income assets, warrants, units in regulated collective investment schemes, money market instruments, deposits, cash, near cash and derivatives for the purpose of efficient portfolio management or for meeting the objectives of the Fund.**

Investment Style

The Fund is actively managed which means the Investment Managers use their discretion to pick investments to seek to achieve the Fund's objective.

Type of Fund	UCITS scheme
Classes of Shares available	Sterling Income Shares Sterling B Income Shares*
Currency of denomination	UK Sterling
Minimum initial investment	Sterling Income Shares: £100,000 Sterling B Income Shares: £1,000,000
Minimum subsequent investment	Sterling Income Shares: £50,000 Sterling B Income Shares: £50,000
Minimum withdrawal	None, provided minimum holding remains
Minimum holding	Sterling Income Shares: £100,000 Sterling B Income Shares: £100,000
Regular Savings Plan Available	No
ACD's preliminary charge	6%
Annual management charge	Sterling Income Shares: Up to 1% (but currently 0.4%) Sterling B Income Shares: Up to 0.90% (but currently 0.4%)
Annual accounting date	30 April
Charge for investment research	Not applicable
Interim accounting date	31 October
Annual income allocation date	30 June
Interim income allocation date	31 December
Invest in any Securities Market of a Member State of the EU or states within the EEA on which transferable securities admitted to Official Listing in that Member State or state are dealt or traded	Yes
Invest in Eligible Markets	Yes, see Appendix 3
Performance Comparator	The Fund as a whole uses the Investment Association Flexible Investment peer group which investors may use to compare performance.

The peer group has been selected as a comparator for performance as an aggregation of a large number of multi-asset mandates in the industry with a similar level of volatility, they offer a clear comparator.

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

*Sterling B Income Shares launched on 26 January 2021.

APPENDIX 2

Investment and borrowing powers of the Fund

General rules of investment

The Scheme Property of the Fund will be invested with the aim of achieving the investment objective of the Fund but subject to the limits set out in COLL 5. These limits apply to the Fund as summarised below.

1 Prudent spread of risk

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

- 1.2 The ACD's investment policy may mean that at times, where it is considered appropriate, the property of the Fund will not be fully invested and that prudent levels of liquidity will be maintained.

2 Valuation

- 2.1 The value of the Scheme Property of the Fund means the net value of the Scheme Property of the Fund determined in accordance with COLL 6.3, after deducting any outstanding borrowings, whether immediately due to be repaid or not.

- 2.2 When valuing the Scheme Property of the Fund:

- 2.2.1 the time as at which the valuation is being carried out ("the relevant time") is treated as if it were a valuation point, but the valuation and the relevant time do not count as a valuation or a valuation point for the purposes of COLL 6.3;
- 2.2.2 initial outlay is regarded as remaining part of the Scheme Property of the Fund; and
- 2.2.3 if the ACD, having taken reasonable care, determines that the Fund will become entitled to any unrealised profit which has been made on account of a transaction in derivatives, that prospective entitlement is regarded as part of the Scheme Property of the Fund.

3 Cover

- 3.1 Where COLL allows a transaction to be entered into or an investment to be retained only 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 Fund under any other of those rules has also to be provided for.
- 3.2 Where a rule in COLL 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:

- 3.2.1 it must be assumed that in applying any of those rules, the Fund must also simultaneously satisfy any other obligation relating to cover; and
- 3.2.2 no element of cover must be used more than once.

4 Transferable Securities

- 4.1 A transferable security is an investment which is any of the following:
 - 4.1.1 a share;
 - 4.1.2 a debenture;
 - 4.1.3 an alternative debenture;
 - 4.1.4 a government and public security;
 - 4.1.5 a warrant; or
 - 4.1.6 a certificate representing certain securities (as such terms are defined in the FCA Glossary).
- 4.2 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.
- 4.3 In applying paragraph 4.2 to an investment which is issued by a body corporate, and which is a share or a debenture (as such terms are defined in the FCA Glossary), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 4.4 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.

5 UK UCITS – general

- 5.1 The Scheme Property of the Fund must, subject to its investment objective and policy and except where otherwise provided in COLL 5 only consist of any or all of:
 - 5.1.1 transferable securities;
 - 5.1.2 approved money-market instruments;
 - 5.1.3 deposits;
 - 5.1.4 units in collective investment schemes; and
 - 5.1.5 derivatives and forward transactions.
- 5.2 Transferable securities and approved money-market instruments held within the Fund must (subject to paragraph 5.3) be:
 - 5.2.1 admitted to or dealt in on an eligible market within COLL 5.2.10R(1)(a); or

- 5.2.2 dealt in on an eligible market within COLL 5.2.10R(1)(b); or
 - 5.2.3 admitted to or dealt in on an eligible market within COLL 5.2.10R(2); or
 - 5.2.4 for an approved money-market instrument not admitted to or dealt in on an eligible market, within COLL 5.2.10AR(1); or
 - 5.2.5 recently issued transferable securities (provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and such admission is secured within a year of issue).
- 5.3 Not more than 10% in value of the Scheme Property of the Fund is to consist of transferable securities and approved money-market instruments other than those referred to in paragraph 5.2 above.
- 5.4 The requirements on spread and investment in government and public securities do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of the Fund (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk is complied with.
- 5.5 It is not intended that the Fund will have an interest in any immovable property or tangible movable property.

6 Investment in Transferable Securities

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

and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

2. in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security.

6.1.5 it is negotiable; and

6.1.6 its risks are adequately captured by the risk management process of the ACD.

6.2 Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

6.2.1 not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder;

6.2.2 to be negotiable.

6.3 Not more than 5% in value of the Fund is to consist of warrants.

7 Closed end funds constituting transferable securities

7.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment in the Fund, provided it fulfils the criteria for transferable securities set out in paragraph 6, and either:

7.1.1 where the closed end fund is constituted as an investment company or a unit trust:

1. it is subject to corporate governance mechanisms applied to companies; and
2. where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

7.1.2 where the closed end fund is constituted under the law of contract:

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

8 Transferable securities linked to other assets

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

- 8.1.1 fulfils the criteria for transferable securities set out in paragraph 6; and
 - 8.1.2 is backed by or linked to the performance of other assets, which may differ from those in which the Fund can invest.
- 8.2 Where an investment in paragraph 8.1 contains an embedded derivative component (see paragraph 18.5), the requirements of this Appendix with respect to derivatives and forwards will apply to that component.

9 Approved Money-Market Instruments

- 9.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.
- 9.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:
- 9.2.1 has a maturity at issuance of up to and including 397 days;
 - 9.2.2 has a residual maturity of up to and including 397 days;
 - 9.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
 - 9.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 9.2.1 or 9.2.2 or is subject to yield adjustments as set out in paragraph 9.2.3.
- 9.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem Shares at the request of any qualifying Shareholder.
- 9.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
- 9.4.1 enabling the ACD to calculate a Net Asset Value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
 - 9.4.2 based either on market data or on valuation models including systems based on amortised costs.
- 9.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

10 Eligible markets regime: purpose

- 10.1 To protect investors the markets on which investments of the Fund 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.
- 10.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% 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.
- 10.3 A market is eligible for the purposes of the rules in COLL if it is:
- 10.3.1 a regulated market (as defined in the FCA Glossary); or
 - 10.3.2 a market in the UK or an EEA State which is regulated, operates regularly and is open to the public.
- 10.4 A market not falling within paragraph 10.3 is eligible for the purposes of COLL if:
- 10.4.1 the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
 - 10.4.2 the market is included in a list in the Prospectus; and
 - 10.4.3 the Depositary has taken reasonable care to determine that:
 - 1. adequate custody arrangements can be provided for the investment dealt in on that market; and
 - 2. all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 10.5 In paragraph 10.4, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
- 10.6 The eligible markets in which the Fund may invest are set out in Appendix 3.

11 Money-market instruments with a regulated issuer

- 11.1 In addition to instruments admitted to or dealt in on an eligible market, the Fund may invest in an approved money-market instrument provided it fulfils the following requirements:
- 11.1.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
 - 11.1.2 the instrument is issued or guaranteed in accordance with paragraph 12.

- 11.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
- 11.2.1 the instrument is an approved money-market instrument;
 - 11.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 13; and
 - 11.2.3 the instrument is freely transferable.

12 Issuers and guarantors of money-market instruments

- 12.1 The Fund may invest in an approved money-market instrument if it is:
- 12.1.1 issued or guaranteed by any one of the following:
 - 1. a central authority of the UK or an EEA State, or if the EEA State is a federal state, one of the members making up the federation;
 - 2. a regional or local authority of the UK or an EEA State;
 - 3. the Bank of England, the European Central Bank or a central bank of an EEA State;
 - 4. the European Union or the European Investment Bank;
 - 5. a non-EEA State or, in the case of a federal state, one of the members making up the federation;
 - 6. a public international body to which the UK or one or more EEA States belong; or
 - 12.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
 - 12.1.3 issued or guaranteed by an establishment which is:
 - 1. subject to prudential supervision in accordance with criteria defined by UK or EU law; or
 - 2. 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.
- 12.2 An establishment shall be considered to satisfy the requirement in paragraph 12.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
- 12.2.1 it is located in the European Economic Area;
 - 12.2.2 it is located in an OECD country belonging to the Group of Ten;
 - 12.2.3 it has at least investment grade rating;

- 12.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

13. Appropriate information for money-market instruments

13.1 In the case of an approved money-market instrument within paragraph 12.1.2 or issued by a body of the type referred to in COLL 5.2.10EG; or which is issued by an authority within paragraph 12.1.1.2 or a public international body within paragraph 12.1.1.6 but is not guaranteed by a central authority within paragraph 12.1.1.1, the following information must be available:

- 13.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
- 13.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
- 13.1.3 available and reliable statistics on the issue or issuance programme.

13.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 12.1.3, the following information must be available:

- 13.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
- 13.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
- 13.2.2 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

13.3 In the case of an approved money-market instrument:

- 13.3.1 within paragraphs 12.1.1.1, 12.1.1.4 or 12.1.1.5; or
- 13.3.2 which is issued by an authority within paragraph 12.1.1.2 or a public international body within paragraph 12.1.1.6 and is guaranteed by a central authority within paragraph 12.1.1.1;

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

14 Spread: general

14.1 This paragraph 14 does not apply to transferable securities and approved money-market instruments to which paragraph 15 below applies.

- 14.2 For the purposes of this paragraph 14, companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards, are regarded as a single body.
- 14.3 Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.
- 14.4 Not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money-market instruments issued by any single body.
- 14.5 The limit of 5% in paragraph 14.4 is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not be taken into account for the purposes of applying the limit of 40%.
- 14.6 The limit of 5% in paragraph 14.4 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when more than 5% is invested in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.
- 14.7 In applying paragraphs 14.4 and 14.5 certificates representing certain securities are treated as equivalent to the underlying security.
- 14.8 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.
- 14.9 Not more than 20% in value of the scheme is to consist of transferable securities or approved money-market instruments issued by the same group (as referred to in paragraph 14.2).
- 14.10 Not more than 20% in value of the Fund is to consist of the units of any one collective investment scheme.
- 14.11 In applying the limits in paragraphs 14.3, 14.4, 14.5, 14.7 and 14.8, and subject to paragraph 14.6, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
- 14.11.1 transferable securities or approved money-market instruments issued by; or
 - 14.11.2 deposits made with; or
 - 14.11.3 exposures from OTC derivatives transactions made with;
- a single body.
- 14.12 The ACD must ensure that counterparty risk arising from an OTC derivative transaction is subject to the limits set out in paragraphs 14.8 and 14.11 above.
- 14.13 When calculating the exposure of the Fund to a counterparty in accordance with the limits set out in paragraph 14.8, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

- 14.14 The ACD may net the OTC derivative positions of the Fund with the same counterparty, provided:
- a. it is able, legally, to enforce netting arrangements with the counterparty on behalf of the Fund; and
 - b. the netting agreements referred to above do not apply to any other exposures the Fund may have with that same counterparty.
- 14.15 The ACD may reduce the exposure of the Scheme Property to a counterparty to an OTC derivative transaction through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 14.16 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits set out in paragraph 14.8 when it passes collateral to the counterparty to an OTC derivative transaction on behalf of the Fund.
- 14.17 Collateral passed in accordance with paragraph 14.16 may be taken into account on a net basis only if the ACD is able, legally, to enforce netting arrangements with this counterparty on behalf of the Fund.
- 14.18 The ACD must calculate the issuer concentration limits referred to in paragraphs 14.1 to 14.11 above on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.
- 14.19 In relation to exposures arising from OTC derivative transactions, as referred to paragraph 14.11 the ACD must include in the calculation any counterparty risk relating to the OTC derivatives transactions.

15 Spread: Government and public securities

- 15.1 This paragraph 15 applies in respect of transferable securities or approved money-market instruments ("such securities") that are issued or guaranteed by:
- a. the UK or an EEA State;
 - b. a local authority of the UK or an EEA State;
 - c. a non-EEA State; or
 - d. a public international body to which the UK or one or more EEA States belong.
- 15.2 **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.**
- 15.3 **The Fund may invest more than 35% in value of its Scheme Property in such securities issued by any one body provided that:**
- 15.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the**

issuer of such securities is one which is appropriate in accordance with the investment objective of the Fund;

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

15.3.3 the Scheme Property of the Fund includes such securities issued by that or another issuer, of at least six different issues; and

15.3.4 the disclosures in COLL 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made.

15.4 In relation to such securities:

15.4.1 issue, issued and issuer include guarantee, guaranteed and guarantor; and

15.4.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

15.5 Currently the Fund does not invest in excess of 35% of the Scheme Property in government and public securities.

15.6 Notwithstanding paragraph 14.1 and subject to paragraphs 15.2 and 15.3, in applying the 20% limit in paragraph 14.11 with respect to a single body, such securities issued by that body shall be taken into account.

16 Investment in collective investment schemes

16.1 The Fund may invest in units in a collective investment scheme (a "second scheme") provided that the second scheme satisfies the following conditions of paragraph 16.2, and provided that no more than 30% of the value of the Fund is invested in second schemes within paragraphs 16.2.2 to 16.2.5:

16.2 The second scheme must be one that:

16.2.1 is a UK UCITS or a scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or

16.2.2 is a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or

16.2.3 is authorised as a Non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1), (3) and (4) are met); or

16.2.4 is authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or

16.2.5 it is authorised by the competent authority of an OECD member country (other than another EEA State) which has:

- i. signed the IOSCO Multilateral Memorandum of Understanding; and
 - ii. approved the scheme's management company, rules and depositary/custody arrangements;

(provided the requirements of COLL 5.2.13AR are met); or
 - 16.2.5 complies where relevant with paragraph 16.3;
 - 16.2.6 has terms which prohibit more than 10% in value of the Scheme Property consisting of units in collective investment schemes;
 - 16.2.7 the second scheme must comply (where relevant) with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other collective group schemes);
 - 16.2.8 where the second scheme is an umbrella, the provisions in paragraphs 14.1 to 14.11 (inclusive), 16.2.6 and 16.2.7 above apply to each sub-fund as if it were a separate scheme.
- 16.3 The Fund may invest in or dispose of (and the Scheme Property of the Fund may include) units in a second scheme, which is managed or operated by (or in the case of an OEIC, whose authorised corporate director is), the ACD, or an associate of the ACD, provided that the ACD pays the amounts referred to in paragraph 16.5 to the Fund by the close of business on the fourth Business Day next after the agreement to buy or sell where there is a change in respect of such investment or disposal.
- Where a substantial proportion of the Fund's assets are invested in other collective investment schemes the maximum level of management fees that may be charged to the Fund, and to the other collective investment schemes in which it invests, should not exceed 2% per annum plus VAT (if applicable).
- 16.4 The requirements of COLL 5.2.13AR are that:
- 16.4.1 the second scheme is an undertaking:
 - a) with the sole objective of collective investment in transferable securities or in other liquid financial assets, as referred to in COLL 5, of capital raised from the public and which operate on the principle of risk spreading;
 - b) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption).
 - 16.4.2 the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the UK, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured:

- 16.4.3 the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UK UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and approved money-market instruments are equivalent to the requirements of COLL 5;
- 16.4.4 the business of the second scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.
- 16.5 Where the Fund makes an investment in, or disposal of, units or shares of a second scheme detailed in paragraph 16.3 and there is a charge in respect of such investment or disposal, the ACD must pay the Fund the amount referred to in either paragraph 16.6 or paragraph 16.7 within four Business Days following the date of the arrangement to invest or dispose.
- 16.6 On investment, the amount referred to in paragraph 16.6 is either:
- 16.6.1 any amount by which the consideration paid by the Fund for the units in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units been newly issued or sold by it; or
 - 16.6.2 if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of the units in the second scheme.
- 16.7 When a disposal is made the amount referred to in paragraph 16.5 is any charge made for the account of the authorised fund manager or operator of the second scheme or an Associate of any of them in respect of the disposal.
- 16.8 In this paragraph 16
- 1. any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy made in accordance with COLL 6.3.8R is to be treated as part of the price of the units and not as part of any charge; and
 - 2. any charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

17 Investment in nil and partly paid securities

- 17.1 A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the rules in COLL 5.

18 Derivatives – General

- 18.1 Under COLL derivatives are permitted for UK UCITS for investment purposes and derivative transactions may be used for the purposes of hedging or meeting the investment objectives or both.

Derivatives may be used by the Fund for the purposes of Efficient Portfolio Management as well as for investment purposes.

Where derivatives are used in accordance with Efficient Portfolio Management techniques, this will not compromise the risk profile of the Fund. However, using derivatives for investment purposes may increase the risk profile of the Fund.

- 18.2 A transaction in derivatives or a forward transaction must not be effected for the Fund unless the transaction is of a kind specified in paragraph 20; and the transaction is covered, as required by paragraph 32.
- 18.3 Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in paragraphs 14 and 15, except for index based derivatives where paragraph 18.7 below applies.
- 18.4 Where a transferable security or an approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this Appendix.
- 18.5 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 18.5.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, Financial Instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
 - 18.5.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
 - 18.5.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 18.6 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 18.7 Where the Fund invests in an index based derivative, provided the relevant index falls within paragraph 21 the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 14 and 15. This relaxation is subject to the ACD taking account of COLL 5.2.3R in relation to the prudent spread of risk.

18.8 Please refer to paragraph 26 of the main body of this Prospectus (Risk Factors) above for a description of the risk factors associated with investments in derivatives.

19. **Derivatives and forward transactions – general**

19.1. The ACD may make use of a variety of derivative instruments in accordance with COLL 5.3.11G.

20 Permitted Transactions (derivatives and forwards)

20.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 24.

20.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the Fund is dedicated:

20.2.1 transferable securities permitted under paragraphs 5.2.1 to 5.2.3 and 5.2.5;

20.2.2 approved money-market instruments permitted under paragraphs 5.2.1 to 5.2.4;

20.2.3 deposits permitted under COLL 5.2.26 R;

20.2.4 derivatives permitted under this paragraph 20;

20.2.5 collective investment scheme units permitted under paragraph 16;

20.2.6 financial indices which satisfy the criteria set out in paragraph 21;

20.2.7 interest rates;

20.2.8 foreign exchange rates and currencies.

20.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

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

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

20.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.

20.7 A derivative includes an instrument which fulfils the following criteria:

- 20.7.1 it allows the transfer of the credit risk to the underlying independently from the other risks associated with that underlying;
 - 20.7.2 it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR including cash;
 - 20.7.3 in the case of an OTC derivative, it complies with the requirements in paragraph 24;
 - 20.7.4 its risks are adequately captured by the risk management process of the ACD, and by its internal control mechanisms in the case of risk of asymmetry of information between the ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 20.8 The Fund may not undertake transactions in derivatives on commodities.

21 Financial indices underlying derivatives

- 21.1 The financial indices referred to in paragraph 20.2.6 are those which satisfy the following criteria:
- 21.1.1 the index is sufficiently diversified;
 - 21.1.2 the index represents an adequate benchmark for the market to which it refers;
 - 21.1.3 the index is published in an appropriate manner.
- 21.2 A financial index is sufficiently diversified if:
- 21.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - 21.2.2 where it is composed of assets in which the Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and
 - 21.2.3 where it is composed of assets in which the Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.
- 21.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 21.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 21.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

- 21.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 21.4 A financial index is published in an appropriate manner if:
- 21.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
- 21.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 21.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 20.2 be regarded as a combination of those underlyings.

22 Transactions for the purchase of property

- 22.1 A derivative or forward transaction which will or could lead to the delivery of property for the account of the Fund may be entered into only if that property can be held for the account of the Fund, and the ACD having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of COLL.

23 Requirement to cover sales

- 23.1 No agreement by or on behalf of the Fund to dispose of property or rights (except for a deposit) may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment of rights, and the property and rights above are owned by the Fund at the time of the agreement.
- 23.2 Paragraph 23.1 does not apply where:
- 23.2.1 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
- 23.2.2 the ACD or the Depositary 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:
1. cash;
 2. liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
 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).

- 23.3 In the asset classes referred to in paragraph 23.2, 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.

24 OTC transactions in derivatives

- 24.1 Any transaction in an OTC derivative under COLL 5.2.20R(1)(b) must be:

24.1.1 in a future or an option or a contract for differences;

24.1.2 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:

1. an Eligible Institution or an Approved Bank;
2. a person whose permission (including any requirements or limitations), as published in the Financial Services Register, permits it to enter into the transaction as principal off-exchange;
3. a CCP that authorised in that capacity for the purposes of EMIR;
4. a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
5. 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.

24.1.3 on approved terms; the terms of the transaction in derivatives are approved only if the ACD:

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 only on market quotations by the counterparty; and
2. can enter into one or more further transactions to sell, liquidate or close out that transactions at any time, at its fair value;

“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.

- 24.1.4 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy: on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or, if that value is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- 24.1.5 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 an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

24.2 The following additional provisions apply:

24.2.1 The ACD must:

- a) establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Fund to OTC derivatives; and
- b) ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

24.2.2 Where the arrangements and procedures referred to in paragraph 24.2.1 involve the performance of certain activities by third parties, the ACD must comply with the requirements of SYSC 8.1.13R and COLL 6.6A.4R (5) and (6); and

24.2.3 The arrangements and procedures referred to in this paragraph 24.2 must be adequate and proportionate to the nature and complexity of the OTC derivative concerned, and adequately documented.

25 Risk management

The ACD uses a risk management process (including a risk management policy) in accordance with COLL, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure at any time the risks of the Fund's positions and their contribution to the overall risk profile of the Fund.

The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:

- a) a true and fair view of the types of derivatives and forwards transactions to be used within the Fund together with their underlying risks and any quantitative limits;

- b) the methods for estimating risks in derivative and forward transactions.

The ACD must assess, monitor and periodically review:

- a) the adequacy and effectiveness of the risk management policy and of the arrangements, processes and techniques referred to in COLL 6.12.5R;
- b) the level of compliance by the ACD with the risk management policy and with those arrangements, processes and techniques referred to in COLL 6.12.5R; and
- c) the adequacy and effectiveness of measures taken to address any deficiencies in the performance of the risk management process.

The ACD must notify the FCA of any material change to the risk management process.

A copy of the risk management process is available on request from the ACD.

26 Investment in deposits

The Fund 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.

27 Significant influence

27.1 The Fund must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

27.1.1 immediately before the acquisition, the aggregate of any such securities held by the Fund gives the Fund power to influence significantly the conduct of business of that body corporate; or

27.1.2 the acquisition gives the Fund that power.

27.2 For the purpose of paragraph 27.1, the Fund is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

28 Concentration

28.1 The Fund

28.1.1 must not acquire transferable securities (other than debt securities) which:

1. do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

2. represent more than 10% of those securities issued by that body corporate;
- 28.1.2 must not acquire more than 10% of the debt securities issued by any single issuing body;
 - 28.1.3 must not acquire more than 25% of the units in a collective investment scheme;
 - 28.1.4 must not acquire more than 10% of the approved money-market instruments issued by any single body; and
 - 28.1.5 need not comply with the limits in paragraphs 28.1.2 to 28.1.4 if, at the time of acquisition, the net amount in issue of the relevant investment cannot be calculated.

29 Schemes replicating an index

- 29.1 **Notwithstanding paragraph 14, the Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined in paragraph 30.**
- 29.2 Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of Efficient Portfolio Management.
- 29.3 The limit in paragraph 29.1 can be raised for the Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

30 Relevant indices

- 30.1 The indices referred to in paragraph 29 are those which satisfy the following criteria:
 - 30.1.1 The composition is sufficiently diversified;
 - 30.1.2 The index represents an adequate benchmark for the market to which it refers; and
 - 30.1.3 The index is published in an appropriate manner.
- 30.2 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this Appendix.
- 30.3 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- 30.4 An index is published in an appropriate manner if:
 - 30.4.1 it is accessible to the public;

30.4.2 the index provider is independent from the Fund; this does not preclude index providers and the Fund from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

31 Derivatives exposure

31.1 The Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.

31.2 Cover ensures that the Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore the Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Paragraph 23 sets out detailed requirements for cover of the Fund.

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

32 Cover for transactions in derivatives and forward transactions

32.1 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 Fund is or may be committed by another person is covered globally.

32.2 The ACD must calculate the Fund's global exposure on at least a daily basis in accordance with the methods described in COLL. Exposure is covered globally if adequate cover from within the Scheme Property is available to meet the Fund'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.

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

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

32.5 The exposure relating to derivatives held in the Fund may not exceed the net value of the Scheme Property of the Fund.

33 Cover and borrowing

33.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under COLL 5.3.3A R as long as the normal limits on borrowing (see below) are observed.

33.2 Where, for the purposes of this paragraph, the Fund 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 their 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 35 do not apply to that borrowing.

34 Cash and near cash

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

34.1.1 the pursuit of the Fund's investment objective; or

34.1.2 redemption of units; or

34.1.3 efficient management of the Fund in accordance with its investment objectives; or

34.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund.

34.2 During the period of any initial offer, the Scheme Property of the Fund may however consist of cash and near cash without limitation.

35 General power to borrow

35.1 The Fund may, in accordance with this paragraph and paragraph 36 and subject to COLL, borrow money for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property of the Fund. This power to borrow is subject to the obligation of the Fund to comply with any restriction in the instrument constituting the Fund.

35.2 The Fund may borrow under paragraph 35.1 only from an Eligible Institution or an Approved Bank.

35.3 The ACD must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the ACD must have regard in particular to:

35.3.1 the duration of any period of borrowing; and

35.3.2 the number of occasions on which resort is had to borrowing in any period.

35.4 The ACD must ensure that no period of borrowing exceeds three months, whether in respect of any specific sum or at all, without the prior consent of the Depositary. The Depositary may only give its consent as required under this paragraph on such conditions as appear to the Depositary appropriate to ensure that the borrowing does not cease to be on a temporary basis only.

35.5 These borrowing restrictions do not apply to "back to back" borrowing for currency hedging purposes.

35.6 The Fund must not issue any debenture unless it acknowledges or creates a borrowing that complies with this paragraph 35.

36 Borrowing limits

36.1 The ACD must ensure that the Fund's borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property of the Fund.

36.2 This paragraph does not apply to "back to back" borrowing for currency hedge purposes.

36.3 In this paragraph 36, "borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.

36.4 In this paragraph 36, "borrowing" does not include any arrangement for the Fund to pay to a third party (including the ACD) any set up costs which the Fund is entitled to amortise under COLL and which were paid on behalf of the Fund by the third party.

37 Restrictions on lending of money

37.1 None of the money in the Scheme Property of the Fund may be lent and, for the purposes of this prohibition, money is lent by the Fund if it is paid to a person ("the payee") on the basis that it should be repaid, whether or not by the payee.

37.2 Acquiring a debenture is not lending for the purposes of paragraph 37.1; nor is the placing of money on deposit or in a current account.

37.3 Paragraph 37.1 does not prevent the Fund from providing an officer of the Fund with funds to meet expenditure to be incurred by them for the purposes of the Fund (or for the purposes of enabling them properly to perform their duties as an officer of the Fund) or from doing anything to enable an officer to avoid incurring such expenditure.

38 Restrictions on lending of property other than money

38.1 The Scheme Property of the Fund other than money must not be lent by way of deposit or otherwise.

38.2 The Scheme Property of the Fund must not be mortgaged.

39 General power to accept or underwrite placings

39.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation.

39.2 This section applies, subject to paragraph 39.3, to any agreement or understanding:

39.2.1 which is an underwriting or sub-underwriting agreement; or

- 39.2.2 which contemplates that securities will or may be issued or subscribed for or acquired for the account of the Fund.
- 39.3 Paragraph 39.2 does not apply to:
- 39.3.1 an option; or
- 39.3.2 a purchase of a transferable security which confers a right:
1. to subscribe for or acquire a transferable security; or
 2. to convert one transferable security into another.
- 39.4 The exposure of the Fund to agreements and understandings within paragraph 39.2 must, on any Business Day:
- 38.4.1 be covered in accordance with the requirements of paragraph 32; and
- 38.4.2 be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL 5.

40 Underwriting

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

41 Guarantees and indemnities

- 41.1 The Fund or the Depositary for the account of the Fund must not provide any guarantee or indemnity in respect of the obligation of any person.
- 41.2 None of the Scheme Property of the Fund may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 41.3 Paragraphs 41.1 and 41.2 do not apply in respect of the Fund to:
- 41.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL;
- 41.3.2 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
- 41.3.3 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
- 41.3.4 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the

first property of the Fund and the holders of units in that scheme become the first Shareholders in the Fund.

42 Efficient Portfolio Management (EPM)

42.1 The ACD may use the Scheme Property of the Fund for the purposes of "hedging" using EPM style techniques.

42.2 To achieve EPM the ACD will use derivative transactions or forward currency transactions as appropriate. However such transactions must be:

42.2.1 economically appropriate;

42.2.2 fully covered by assets within the Fund;

42.2.3 used to achieve one or more of the following:

1. a reduction in risk;
2. a reduction in cost;
3. the generation of additional capital or income with no, or an acceptable low level of risk.

42.3 Therefore, no transaction may be undertaken under these provisions if it could reasonably be regarded as speculative.

42.4 Transactions deemed to offer an acceptable low level of risk under paragraph 42.2.3.3 above are those where the:

42.4.1 transactions take advantage of pricing imperfections in relation to the acquisition and disposal (or disposal and acquisition) of rights in relation to the same or equivalent property; or

42.4.2 transactions where the Fund receives a premium for the writing of a covered call or put option, even if the benefit arising is obtained at the expense of the chance of greater possible future benefit.

43 General

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

APPENDIX 3

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

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

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

List of Eligible Securities Markets:

Australia	ASX Group
Brazil	BM&FBOVESPA
Canada	Montreal Exchange Toronto Stock Exchange TSX Venture Exchange
Channel Islands (Guernsey/Jersey)	Channel Islands Stock Exchange (CISX)
China	Shanghai Stock Exchange Shenzhen Stock Exchange
Czech Republic	Prague Stock Exchange
Hong Kong	Hong Kong Stock Exchange
India	Bombay Stock Exchange (BSE) National Stock Exchange of India
Indonesia	Indonesia Stock Exchange IDX
Japan	Tokyo Stock Exchange Sapporo Securities Exchange Osaka Securities Exchange Nagoya Stock Exchange JASDAQ Securities Exchange
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 (La Bolsa de Valores de Lima)
Philippines	Philippines Stock Exchange
Singapore	Singapore Exchange (SGX)
South Africa	JSE Limited
Sri Lanka	Colombo Stock Exchange
Switzerland	SIX Swiss Exchange AG
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand (SET)
Turkey	Istanbul SE (ISE)
USA	NASDAQ NASDAQ OMX NYSE Euronext Chicago Stock Exchange (CHX) NYSE Arca Equities NASDAQ OMX PHLX The National Stock Exchange

In addition to the above, the Fund can invest in any regulated market of the European Economic Area on which transferable securities admitted to official listing in that country are dealt or traded.

List of Eligible Derivatives Markets:

Australia	ASX Group
Canada	Montreal Exchange
Denmark	NASDAQ OMX Copenhagen A/S
Europe	EUREX
Finland	NASDAQ OMX Helsinki Ltd
France	Euronext Paris
Hong Kong	Hong Kong Stock Exchange
Italy	Italy Equities Derivatives Market (IDEM)
Japan	Osaka Securities Exchange Tokyo Stock Exchange Tokyo Financial Exchange Inc.

Netherlands	Euronext, Amsterdam
New Zealand	New Zealand Stock Exchange (NZX)
Singapore	Singapore Exchange (SGX)
South Africa	JSE Limited
Spain	BME, Spanish Exchanges
United Kingdom	NYSE London International Financial Futures and Options Exchange (LIFFE) London Securities & Derivatives Exchange Ltd (OMLX)
USA	CME Group Inc. Chicago Board Options Exchange NASDAQ OMX PHLX AMEX, New York

APPENDIX 4

Past Performance Details

The comparisons have been based on performance information over a five year period. The performance table shows the total annual return up to 31 December in each year listed. There is not a complete five year record for Sterling B Income Shares as the Share class was launched on 26 January 2021. Where data is not available for a five year period the table is marked 'N/A'.

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

Share Class	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)
Sterling Income Shares	15.30	13.88	1.86	-14.43	6.94
Sterling B Income Shares	N/A	N/A	N/A	-14.43	6.94

Source of data: Morningstar

Figures refer to the past and past performance is not a reliable indicator of future results. The value of Shares, and the income from them, is not guaranteed and can fall as well as rise due to stock market and currency movements.

When you sell your investment you may get back less than you originally invested. The impact of the preliminary charge, which may be up to 6%, can be material on the performance of your investment.

These performance figures are presented as a matter of record and should be regarded as such.

Performance is determined by many factors including the general direction and volatility of markets and may not be repeatable.

APPENDIX 5

List of other authorised collective investment schemes operated by the ACD

<u>Authorised Contractual Schemes</u>	<u>Authorised Investment Companies with Variable Capital</u>	<u>Authorised Unit Trusts</u>
TM Brunel Pension Partnership ACS	Abaco Fund ICVC Arch House Fund Ariel Fund Bryth ICVC Canterbury Investment Fund CP Investment Funds Destiny Fund ICVC Harroway Capital ICVC Hawarwata Fund Liberio Portfolio Fund Lime Grove Fund Meadowgate Funds Moulsoe Fund Scarp Fund Skiwi Fund The Ambrose Fund The Astral Fund The Capital Link Growth Fund The Contact Fund The Diversification Fund ICVC The Dunnottar Fund The Global Multi Asset Fund The Gulland Fund The Hector Fund The Juniper Fund The Lockerley Fund The Mazener Fund The MCMLXIII Fund The Motim Fund The Northern Funds The Oenoke Fund The Ord Fund ICVC The Overstone Fund The Penare Fund The Saint Martins Fund The Staderas Fund The Stratford Fund The Sun Portfolio Fund The TBL Fund The TM Lancewood Fund The TM Mitcham Fund The Torridon Growth Fund The Vinings Fund The Wharton Fund Thesis JDS Fund	BPM Trust Eden Investment Fund Elfynn International Trust Glenhuntley Portfolio Trust Hawthorn Portfolio Trust KES Diversified Trust KES Ivy 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 Endeavour II Fund The Hall Fund The HoundStar Fund The Iceberg Trust The Maiden Fund The Millau Fund The Norfolk Trust The Notts Trust The Palfrey Fund The 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

Authorised Contractual Schemes

Authorised Investment Companies with Variable Capital

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

Authorised Unit Trusts

TM Masonic Charitable Foundation Investment Fund
TM Merlin Fund
TM New Court Fund
TM New Court Growth Fund
TM New Court Return Assets Fund
TM New Institutional World Fund
TM Preservation Fund
TM Private Portfolio Trust
TM Stonehage Fleming Global Equities Fund
TM Stonehage Fleming Global Equities Fund II
TM Stonehage Fleming Global Equities Umbrella Fund

APPENDIX 6

LIST OF SUB-CUSTODIANS

As appropriate in line with the Eligible Markets

Jurisdiction	Sub-Custodian	Sub-Custodian Delegate
Argentina	Citibank N.A., Buenos Aires Branch	
Australia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG	
Bahrain	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Bangladesh	Standard Chartered Bank	
Belgium	The Northern Trust Company	
Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Bosnia and Herzegovina (Republic of Srpska)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Botswana	Standard Chartered Bank Botswana Limited	
Brazil	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
Bulgaria	Citibank Europe plc, Bulgaria Branch	
Canada	Royal Bank of Canada	
Chile	Citibank N.A.	Banco de Chile
China A Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
China B Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
Clearstream	Clearstream Banking S.A	
Colombia	Cititrust Columbia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Croatia	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
Cyprus	Citibank Europe PLC	

Jurisdiction	Sub-Custodian	Sub-Custodian Delegate
Czech Republic	UniCredit Bank Czech Republic and Slovenia, a.s.	
Denmark	Skandinaviska Enskilda Banken AB (publ)	
Egypt	Citibank N.A., Cairo Branch	
Estonia	Swedbank AS	
Euroclear	Euroclear Bank S.A/N.V	
Finland	Skandinaviska Enskilda Banken AB (publ)	
France	The Northern Trust Company	
Germany	The Northern Trust Company	
Ghana	Standard Chartered Bank Ghana Limited	
Greece	Citibank Europe PLC	
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	
Hong Kong (Stock and Bond Connect)	The Hongkong and Shanghai Banking Corporation Limited	
Hungary	Citibank Europe plc	
Iceland	Landsbankinn hf	
India	Citibank N.A.	
Indonesia	Standard Chartered Bank	
Ireland	The Northern Trust Company, London	
Israel	Citibank, N.A., Israel Branch	
Italy	Citibank Europe plc	
Japan	The Hongkong and Shanghai Banking Corporation Limited	
Jordan	Bank of Jordan Plc	
Kazakhstan	Citibank Kazakhstan JSC	

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

Jurisdiction	Sub-Custodian	Sub-Custodian Delegate
Portugal	BNP Paribas SA	
Qatar	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Romania	Citibank Europe PLC	
Russia	AO Citibank	
Saudi Arabia	The Northern Trust Company of Saudi Arabia	
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
Singapore	The Hongkong and Shanghai Banking Corporation Limited	
Slovakia	Citibank Europe PLC	
Slovenia	UniCredit Banka Slovenija d.d.	
South Africa	The Standard Bank of South Africa Limited	
South Korea	The Hongkong and Shanghai Banking Corporation Limited	
Spain	Citibank Europe plc	
Sri Lanka	Standard Chartered Bank	
Sweden	Skandinaviska Enskilda Banken AB (publ)	
Switzerland	UBS AG Switzerland	
Taiwan	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
Thailand	Citibank N.A., Bangkok Branch	
Tunisia	Union Internationale de Banques	
Turkey	Citibank A.S.	

Jurisdiction	Sub-Custodian	Sub-Custodian Delegate
Uganda	Standard Chartered Bank Uganda Limited	
Ukraine (Market Suspended)	JSC "Citibank"	
United Arab Emirates (ADX)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (DFM)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (NASDAQ)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Kingdom	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
United States	The Northern Trust Company	
Uruguay	Banco Itau Uruguay S.A.	
Vietnam	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
West Africa (UEMOA)	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
Zambia	Standard Chartered Bank Zambia PLC	
Zimbabwe	The Standard Bank of South Africa Limited	Stanbic Bank Zimbabwe Limited

APPENDIX 7

DIRECTORY

The Fund and Head Office:	TM Oak Fund Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP
Authorised Corporate Director:	Thesis Unit Trust Management Limited Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP
Investment Managers:	Thesis Asset Management Limited Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP www.thesisam.com Ruffer LLP 80 Victoria Street, London SW1E 5JL www.ruffer.co.uk Meridiam Investment Management Limited Riverside House, 2A Southwark Bridge Road, London SE1 9HA www.meridieminvestment.com
Administrator, Registrar and Fund Accountant: <i>Dealing Office:</i>	Northern Trust Global Services SE, UK branch 50 Bank Street, Canary Wharf, London E14 5NT Thesis Unit Trust Management Limited Sunderland SR43 4AZ Tel: 0333 300 0375
Depository:	NatWest Trustee and Depository Services Limited House A, Floor 0, Gogarburn, 175 Glasgow Road, Edinburgh EH12 1HQ
Custodian <i>Principal place of business</i> <i>Who may also act under this power through its London branch:</i>	The Northern Trust Company 50 South LaSalle Street, Chicago, Illinois, USA 50 Bank Street, Canary Wharf, London E14 5NT
Auditors:	Ernst & Young LLP 1 More London Place, London SE1 2AF
The Financial Conduct Authority (FCA):	12 Endeavour Square, London E20 1JN