



**PROSPECTUS**

**OF**

**THE ENDEAVOUR II FUND**

**(an authorised Non-UCITS retail scheme unit trust)**

This document is the Prospectus of The Endeavour II Fund (the "Scheme") and is valid as at 24 October 2024. This document replaces any previous prospectuses issued by the Scheme.

It has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook (COLL) and the Investment Funds Sourcebook (FUND), which forms part of the FCA Handbook, and complies with the requirements of COLL 4.2.5R and FUND 3.2.2R.

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The Scheme has been established as a Non-UCITS retail scheme. It is not intended that the Fund will be marketed outside the UK.

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Units in the Scheme. Investors should only consider investing in the Scheme if they understand the risks involved including the risk of losing all capital invested.

The distribution of the Prospectus and the offering or purchase of units may be restricted in certain jurisdictions. No persons receiving a copy of the Prospectus in any such jurisdiction may treat the Prospectus as constituting an invitation to them to subscribe for units unless, in the relevant jurisdiction, such an invitation should lawfully be made to them.

Accordingly, the Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of the Prospectus and any persons wishing to apply for units to inform themselves of and to observe all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for units should inform themselves as to legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

The units which are described in the Prospectus have not been and will not be registered under the 1933 Act, the United States Investment Company Act of 1940 or the securities laws of any of the states of the U.S and may not be directly or indirectly offered or sold in the U.S. to or for the account or benefit of any U.S. person (as defined below), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act, the United States Investment Company Act of 1940 and similar requirements of such state securities laws.

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

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

All communications in relation to this Prospectus shall be in English.

Copies of this Prospectus have been sent to the FCA and the Trustee.

The Prospectus is based on information, law and practice at the date hereof. The Scheme 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.

## **Data Protection**

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

## **Electronic Verification**

The Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, the Senior Management Arrangements, Systems and Controls Sourcebook and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the Manager must check your identity and the source of the money invested. The Manager may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your (or your associated party's) credit rating. They may also use your (or your associated party's) details in the future to assist other companies for verification purposes. If you apply for Units you are giving the Manager permission to ask for this information in line with the Data Protection Laws. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the Manager with your application.

**IMPORTANT: IF YOU ARE IN ANY DOUBT AS TO THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR FINANCIAL ADVISER**

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## DEFINITIONS

“Act”	Financial Services and Markets Act 2000, as amended or replaced from time to time;
“Administrator”	Northern Trust Global Services SE, UK Branch;
“AIF”	an alternative investment fund within the scope of the UK AIFM regime;
“AIFM”	the alternative investment fund manager for the purposes of the UK AIFM regime;
“AIFMD”	the Alternative Investment Fund Managers Directive (2011/61/EU);
“AIFMD Level 2 regulation”	as defined in the FCA Glossary;
“AIFMD UK regulation”	the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773);
“Approved Bank”	<p>(in relation to a bank account opened for the Scheme):</p> <p>(a) if the account is opened at a branch in the UK:</p> <ul style="list-style-type: none"><li>(i) the Bank of England; or</li><li>(ii) the central bank of a member state of the OECD; or</li><li>(iii) a bank; or</li><li>(iv) a building society;</li><li>(v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or</li></ul> <p>(b) if the account is opened elsewhere:</p> <ul style="list-style-type: none"><li>(i) a bank in (a); or</li><li>(ii) a bank which is regulated in the Isle of Man or the Channel Islands; or</li></ul> <p>(c) a bank supervised by the South African Reserve Bank; or</p> <p>(d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator,</p> <p>as such definition may be updated in the FCA Glossary from time to time;</p>
“Approved Derivative”	an approved derivative is one which is traded or dealt on an eligible derivatives market and any transaction in such

	a derivative must be effected on or under the rules of the market;
"AUT"	a UK authorised unit trust scheme;
"Authorised Investment Fund"	an AUT or an ICVC;
"Business Day"	a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Trust's portfolio of securities or a significant portion thereof, the Manager may decide that any business day shall not be construed as such;
"CASS"	the requirements relating to holding client assets and Client Money published by the FCA as part of the FCA Handbook as amended or replaced from time to time;
"Client Money"	any money that a firm receives from or holds for, or on behalf of, a Unitholder in the course of, or in connection with, its business unless otherwise specified;
"COLL"	the Collective Investment Schemes Sourcebook published by the FCA as amended from time to time;
"Custodian"	the person who provides custodian services to the Scheme, being The Northern Trust Company, and its successor or successors as custodian;
"Data Protection Laws"	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: <ul style="list-style-type: none"> <li>(a) the UK GDPR;</li> <li>(b) the Data Protection Act 2018;</li> <li>(c) any laws which implement any such laws; and</li> <li>(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</li> <li>(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);</li> </ul>
"Dealing Day"	Thursday of each week, but excluding the Thursday falling in the same week as the last Business Day of the month, when the Scheme will deal on that day and/or any such other Business Day as the Manager may from time to time determine and agree with the Trustee;
"Depositary Agreement"	the agreement between the Manager and the Trustee regarding the appointment of the Trustee as depositary;

"EEA"	the European Economic Area;
"EEA State"	a member state of the European Union or any other state which is within the European Economic Area;
"Efficient Portfolio Management"	an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of cost or generation of additional capital or income with an acceptably low level of risk;
"Eligible Institution"	as defined in the FCA Glossary;
"EMT"	European MiFID Template;
"EUWA"	means the European Union (Withdrawal) Act 2018;
"FCA"	the Financial Conduct Authority or such successor regulator authority as may be appointed from time to time, and (where applicable) its predecessors including the Financial Services Authority;
"FCA Glossary"	the glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time;
"FCA Handbook"	the FCA Handbook of rules and guidance, including COLL and FUND, as amended from time to time;
"FCA Rules"	the rules contained in COLL and FUND but, for the avoidance of doubt, not including guidance or evidential requirements contained in either sourcebook;
"Financial Instrument"	as defined in the FCA Glossary;
"FUND"	the Investment Funds Sourcebook published by the FCA as part of the FCA Handbook made under the Act as it may be amended, or replaced, from time to time;
"Fund Accountant"	the person who provides fund accounting services, being Northern Trust Global Services SE, UK Branch, and its successor or successors as fund accountant;
"Home State"	as defined in the FCA Glossary;
"International Tax Compliance Regulations"	the International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time;
"Investment Manager"	the investment managers retained by the Manager pursuant to the FCA Rules, being UBS Asset Management (UK) LTD ("UBS") and their successor or successors as investment managers to the Scheme;
"Manager"	Thesis Unit Trust Management Limited;



“MiFID II”	Markets in Financial Instruments Directive, effective from 3 January 2018, or the statutory equivalent thereof, which forms part of UK law by virtue of the EUWA, as applicable;
“Non-UCITS retail scheme”	an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund;
“OECD”	the Organisation for Economic Co-operation and Development;
“Register”	the register of Unitholders of the Scheme;
“Registrar and Transfer Agent”	Northern Trust Global Services SE, UK Branch, or such other entity as is appointed to act as registrar and maintain the Register and transfer agent from time to time;
“Scheme Property”	as defined in the FCA Glossary;
“Trust Deed”	the deed dated 29 November 2006 made between (1) the Manager and (2) the Trustee, constituting the Scheme, as amended from time to time;
“Trustee”	the person to whom is entrusted the safekeeping of all of the Scheme Property (other than certain Scheme Property designated by the FCA Rules), being NatWest Trustee and Depositary Services Limited and its successor or successor as trustee;
“UCITS Directive”	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK AIF”	as defined in the FCA Glossary;
“UK AIFM regime”	means: <ul style="list-style-type: none"> <li>(a) the AIFMD UK regulation;</li> <li>(b) the AIFMD Level 2 regulation; and</li> <li>(c) all other UK law and regulation (including FUND) which, when made, implemented AIFMD in the UK;</li> </ul>
“UK GDPR”	Regulation 2016/679 of the European Parliament and of the Council of 27th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) including as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of

	section 8 of the EUWA (as may be amended from time to time) following the UK's withdrawal from the European Union;
"UK UCITS"	as defined in the FCA Glossary;
"Unit" or "Units"	a unit or units in the Scheme;
"Unitholder"	holder(s) of registered Units in the Scheme;
"US" or "United States"	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> <p>(a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act; or</p> <p>(b) a person excluded from the definition of a "Non-United States person" as used in Commodity Futures Trading Commission ("CFTC") Rule 4.7.</p> <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>
"Valuation Point"	the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the Manager carries out a valuation of the Scheme Property for the Scheme for the purpose of determining the price at which units of a class may be issued, cancelled or redeemed. The current Valuation Point is 10.30 p.m. London time on each Dealing Day, with the exception of any bank holiday in England and Wales or the last Business Day prior to those days annually, where the valuation may be carried out at a time agreed in advance between the Manager and the Trustee;
"VAT"	value added tax;
"1933 Act"	the United States Securities Act of 1933 (as may be amended or re-enacted).

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

References in the main body of this Prospectus to paragraphs mean paragraphs in the main body of this Prospectus unless otherwise stated. Similarly, references in 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 the "Definitions" above or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the Act or the FCA Handbook shall bear the same meanings in this Prospectus.

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

1

## **The Scheme**

The Scheme is an authorised unit trust scheme for the purposes of the Act.

The Scheme is a "Non-UCITS retail scheme", being a category of authorised unit trust scheme for the purposes of COLL 1.2.1R of the FCA Rules and is an AIF for the purposes of FUND and the UK AIFM regime.

FCA Product Reference Number 455905.

Approval by the FCA in this context refers only to approval under the Act and does not in any way indicate or suggest endorsement or approval of the Scheme as an investment.

Unitholders are not liable for the debts of the Scheme.

The Scheme was authorised pursuant to an authorisation order dated 1 December 2006.

The base currency of the Scheme is pounds sterling or such other currency as may be the lawful currency of the UK from time to time.

The circumstances, and procedure, for winding up the Scheme are set out in "Winding Up the Scheme" below.

The Scheme is a collective investment scheme in which each investor's funds are pooled with all other investors' funds. The Manager takes reasonable steps to ensure that each investment transaction carried out within the Scheme is suitable for the Scheme, having regard to the investment objective and policy of the Scheme. This Prospectus is intended to provide information to potential investors about the Scheme.

2

## **Investment Objective**

The objective of the Scheme is to achieve long term (5 years plus) capital appreciation.

3

## **Investment Policy**

The Scheme will invest primarily in equities, both in developed and emerging world markets.

The Scheme will, largely, be managed to be a passive strategy and the portfolio will be constructed to predominantly replicate the MSCI ACWI Index. As such, the Scheme will be constrained by this Index.

Investment may also be made in other asset classes including other types of transferable securities, units of collective investment schemes with multi-asset exposure, warrants, deposits, cash, near cash and money market instruments.

Derivatives may be employed in the pursuit of the investment objectives of the Scheme for both investment purposes and for the purposes of Efficient Portfolio Management. **Using derivatives and forward transactions for investment purposes may increase the volatility and the risk profile of the Scheme.**

The Scheme will not maintain an interest in immovable property or tangible movable property.

#### 4 **Limitations on Investments**

The investment objective and policy set out in paragraphs 2 and 3 are subject to the limits on investment under the FCA Rules. These limits are summarised below.

Investments permitted for the Scheme are as follows:

##### 4.1 **Approved Securities**

The Scheme may be wholly invested in approved securities, with no maximum limit. An approved security is a transferable security that is admitted to an official listing in the UK or an EEA State or is traded under the rules of an eligible securities market (otherwise than by specific permission of the market authority). An eligible market is a regulated market that is open to the public and regularly traded.

##### 4.2 **Transferable Securities**

Transferable securities are, in general terms, shares, debentures, government and public securities, warrants or certificates representing certain securities. Not more than 20% in value in aggregate of the Scheme Property can be invested in transferable securities which are not approved securities or collective investment schemes referred to in (1) under that heading below.

The Scheme may be invested in transferable securities on which any sum is unpaid only if it is reasonable to foresee that the amount of any existing and potential call for any sum unpaid could be paid by the Scheme at the time when payment is required, without contravening the requirements of the FCA Rules.

##### 4.3 **Money Market Instruments**

Up to 100% in value of the Scheme Property can consist of money market instruments provided they are:

- (a) admitted to or dealt in on an eligible market; and
- (b) subject to a limit of 20% in value of the Scheme Property;
- (c) transferable securities which are not approved securities; or
- (d) money market instruments which are liquid and have a value which can be determined accurately at any time.

##### 4.4 **Derivatives**

Derivatives may be employed in the pursuit of the investment objectives of the Scheme for both investment purposes and for the purposes of Efficient Portfolio Management. Using derivatives and forward transactions for investment purposes may increase the volatility and the risk profile of the Scheme.

Notwithstanding the share transaction in derivatives or a forward transaction must not be effected for the Scheme unless:

- (a) the transaction is of a kind specified in the FCA Rules, as summarised below; and
- (b) the transaction is covered, as required by the FCA Rules.

Where the Scheme invests in derivatives, the exposure to the underlying assets must not exceed the limits specified under the heading "Spread" below.

Where a transferable security or money market instrument embeds a derivative, this must be taken into account for the purposes of complying with these requirements.

Where the Scheme invests in an index-based derivative, provided the relevant index falls within the relevant requirements of the FCA Rules the underlying constituents of the index do not have to be taken into account for the purposes of restrictions on spread, subject to the Manager taking account of the FCA Rules in relation to prudent spread of risk.

A transaction in an Approved Derivative must be effected on or under the rules of an eligible derivatives market.

A transaction in a derivative must not cause the Scheme to diverge from its investment objectives as stated in the Trust Deed and this Prospectus.

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, money market instruments, units in collective investment schemes, or derivatives.

Any forward transaction must be with an approved counterparty under the FCA Rules.

No agreement by or on behalf of the Scheme to dispose of property or rights may be made:

- (a) unless the obligation to make the disposal and any other similar obligations could immediately be honoured by the Scheme by delivery of property or the assignment (or, in Scotland, assignation) of rights; and
- (b) the property and rights that are the subject of the agreement are owned by the Scheme at the time of the agreement.

The restriction above does not apply to a deposit.

The transaction alone or in combination must be reasonably believed by the Manager to diminish a risk of a kind or level which it is sensible to reduce.

Each derivative transaction must be fully covered by cash, near cash or other property sufficient to meet any obligation that could arise.

Where Approved Derivatives transactions are for the purpose of hedging only (rather than for investment purposes in pursuit of the investment objectives of the Scheme), following Efficient Portfolio Management<sup>1</sup> techniques it is anticipated that the outcome of the use of derivatives would be to hedge against currency risks. Movements in currencies may, however, render such hedging ineffective.

#### 4.5 **Deposits**

The Scheme 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.

#### 4.6 **Collective Investment Schemes**

The Scheme may invest up to 100% of Scheme Property in units in a collective investment scheme (the 'second scheme') provided that the second scheme satisfies all of the following conditions:

- (a) be a UK UCITS scheme or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
- (b) is a Non-UCITS retail scheme; or

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<sup>1</sup> The Trust may also utilise the Scheme Property to enter into transactions for the purposes of Efficient Portfolio Management ("EPM") Permitted EPM transactions (excluding stock lending arrangements) are transactions in derivatives e.g. to hedge against price or currency fluctuations, dealt with or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. The Manager must take reasonable care to ensure that the transaction is economically appropriate to the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with a risk level which is consistent with the risk profile of the Trust and the risk diversification rules laid down in the FCA Rules. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or deliver that could arise.

Permitted transactions are those that the Trust reasonably regards as economically appropriate to EPM, that is:

- (i) Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the Manager reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
- (ii) Transactions for the generation of additional capital growth or income for the Trust by taking advantage of gains which the Manager reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:
  - (a) pricing imperfections in the market as regards the property which the Trust holds or may hold; or
  - (b) receiving a premium for the writing of a covered call option or a cash covered put option on property of the Trust which the Trust is willing to buy or sell at the exercise price, or
  - (c) stock lending arrangements.

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

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

- (c) is a recognised scheme under the provisions of Section 272 of the Financial Services and Markets Act 2000; or
- (d) is constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a Non-UCITS retail scheme; or
- (e) is a scheme not falling within (a) to (d) and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested;
- (f) the second scheme operates on the principal of prudent spread of risk;
- (g) has terms which prohibit more than 15% in value of the second scheme consisting of units in collective investment schemes (unless COLL 5.6.10AR applies); and
- (h) the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price related to the net value of the property to which the units relate and determined in accordance with the Scheme.

Subject to the restrictions above, investment may be made in other collective investment schemes managed by the Manager or an associate of the Manager, provided that the Manager makes good to the Scheme certain amounts specified in COLL 5.2.16R of the FCA Rules.

Any second schemes in which the Scheme invests will be established in the locations listed in Appendix 8. The Scheme may invest in second schemes established in locations not currently listed in Appendix 8 provided the second scheme satisfies the requirements of this Prospectus and the FCA Rules, where this occurs the list in Appendix 8 will be updated and an updated Prospectus issued.

#### 4.7 **Feeder Schemes**

- (a) A Non-UCITS retail scheme that is not a feeder NURS may, if the conditions in (b) to (e) are met, invest in units of:
  - (i) a feeder UCITS; or
  - (ii) a feeder NURS; or
  - (iii) a scheme dedicated to units in a single property authorised investment fund; or
  - (iv) a scheme dedicated to units in a recognised scheme.
- (b)
  - (i) The relevant master UCITS must comply with COLL 5.2.13R(2), (3) and (4) as if it were the second scheme for the purpose of that rule.
  - (ii) The relevant qualifying master scheme, property authorised investment fund or recognised scheme must comply with COLL 5.6.10R(2) to (5) as if it were the second scheme for the purpose of that rule.



- (c) Not more than 35% in value of the Scheme Property of the Non-UCITS retail scheme may consist of units of one or more schemes permitted under (a)(i) to (iv).
- (d) The Non-UCITS retail scheme must not invest directly in units of the relevant master UCITS, qualifying master scheme, property authorised investment fund or recognised scheme.
- (e) The authorised fund manager of the Non-UCITS retail scheme must be able to show on reasonable grounds that an investment in one or more schemes permitted under (a)(i) to (iv) is:
  - (i) in the interests of investors; and
  - (ii) no less advantageous than if the Non-UCITS retail scheme had held units directly in the relevant:
    - (1) master UCITS; or
    - (2) qualifying master scheme; or
    - (3) property authorised investment fund; or
    - (4) recognised scheme.

#### 4.8 **Warrants**

Not more than 5% of the value of the Scheme Property may be invested in warrants and the exposure created by the exercise of the rights conferred by those warrants must not exceed the limits set out in 'Spread' below.

#### 4.9 **Cash and Near Cash**

Cash and near cash must not be retained in the Scheme Property except to the extent that this may reasonably be regarded as necessary in order to enable the pursuit of the Scheme's investment objective, redemption of units, efficient management of the Scheme in accordance with its investment objective or other purposes which may reasonably be regarded as ancillary to the investment objective of the Scheme.

#### 4.10 **Spread - General**

With the exception of transferable securities or approved money-market instruments to which COLL 5.6.8R (Spread: government and public securities) applies:

- (a) not more than 10% of the value of the Scheme Property is to consist of transferable securities or money market instruments issued by one issuer (in application of which certificates representing certain securities are treated as equivalent to the underlying security);
- (b) not more than 20% in value of the Scheme Property is to consist of deposits with a single body;
- (c) the exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property; and

- (d) except for a feeder fund, not more than 35% in value of the Scheme Property is to consist of the units of any one collective investment scheme.

#### 4.11

#### **Spread – Government and Public Securities**

This section applies in respect of a transferable security or an approved money market instrument (“such securities”) that is issued or guaranteed by:

- (a) the UK or an EEA State; or
- (b) a local authority of the UK or an EEA State; or
- (c) a non-EEA State other than the UK; or
- (d) a public international body to which the UK or one or more EEA States belong.

Where no more than 35% in value of the Scheme Property 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.

The Scheme may invest more than 35% in value of the Scheme Property in such securities issued by any one body, provided that:

- (a) the Manager has before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Scheme;
- (b) no more than 30% in value of the Scheme Property consists of such securities of any one issue;
- (c) the Scheme Property includes such securities issued by that or another issuer, of at least six different issues; and
- (d) the disclosures in COLL 4.3.5R(3)(i) have been made in the most recently published version of this Prospectus.

In relation to such securities:

- (a) issue, issued and issuer include guarantee, guaranteed and guarantor; and
- (b) an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of issue.

Subject to the limitations set out in the FCA Rules, up to 100% in value of the Scheme Property may be invested in such securities issued by:

- (a) the government of the United States of America;
- (b) the government of the United Kingdom; or
- (c) the government of the Federal Republic of Germany.

#### 4.12

### **Eligible Markets**

To protect investors the markets on which investments of the Scheme are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.

Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20% restriction 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.

A market is eligible for the purposes of COLL if it is:

- (a) a regulated market (as defined in the FCA Glossary); or
- (b) operates regularly;
- (c) is recognised;
- (d) is open to the public; and
- (e) is adequately liquid.

The eligible securities markets for the Scheme are set out in Appendix 2.

Eligible derivatives markets are markets which the Manager, after consultation with and notification of the Trustee, has decided are appropriate for the purpose of investment of or dealing in the Scheme Property with regard to the relevant criteria set out in the FCA Rules and the guidance on eligible markets issued by the FCA (as amended from time to time).

#### 4.13

### **General**

The Scheme may not acquire any investment which has an actual contingent liability attached unless the maximum amount of such liability is ascertainable at the time of acquisition.

The above limitations on investment of the Scheme Property are no more restrictive than the limitations imposed by the FCA Rules.

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### **Borrowing**

The Trustee of the Scheme may, in accordance with the FCA Rules and with the instructions of the Manager, borrow sums of money for the use of the Scheme on terms that the borrowing is repayable out of the property of the Scheme.

Such borrowings must be made from Eligible Institutions or an Approved Bank and on a temporary basis as provided in the FCA Rules. Borrowings must not exceed 10 per cent of the value of the Scheme Property and the period of borrowing must not exceed three months without the prior consent of the Trustee.

Borrowing may be made from the Trustee or an associate of it at a normal commercial interest rate.

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

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## Leverage

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

- (a) set a maximum level of leveraging which it may employ on behalf of the Scheme; and
- (b) where the leverage arrangement allows the right to reuse collateral or the granting of a guarantee, set out the extent of that right or guarantee.

For the Scheme, the Manager has set the following limits:

<b>Derivative Type</b>	<b>Limits</b>
<b>Allowable on a 'substantial' basis</b>	No
<b>Unsecured cash borrowings</b>	Not permitted
<b>Secured cash borrowings</b>	Up to 10% for liquidity purposes only. ONLY for short-term use.
<b>Convertible borrowings</b>	Not permitted
<b>Interest rate swaps</b>	Not permitted
<b>Contracts for differences</b>	Not permitted
<b>Futures contracts</b>	Not permitted
<b>Total return swaps</b>	Not permitted
<b>Forward agreements</b>	Only as required; No greater than 40% of the Net Asset Value of the portfolio.
<b>Options</b>	Only as required; No greater than 30% of the Net Asset Value of the portfolio.
<b>Repurchase arrangements</b>	Not permitted
<b>Reverse repurchase arrangements</b>	Not permitted
<b>Securities lending arrangements</b>	Not permitted
<b>Securities borrowing</b>	Not permitted

Derivative Type	Limits
Credit default swaps	Not permitted
<b>MAXIMUM LEVEL OF LEVERAGE USING THE COMMITMENT METHOD*</b>	200%
<b>MAXIMUM LEVEL OF LEVERAGE USING THE GROSS METHOD*</b>	300%

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

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

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

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

1. derivative instruments are converted (using certain specified conversion methodologies) into the equivalent position in their underlying assets;
2. netting and hedging arrangements are applied, subject to specified conditions;
3. the exposure created through the reinvestment of borrowings where such reinvestment increases the exposure of the Fund is calculated;
4. derivative instruments used for currency hedging purposes are excluded.

The maximum level of leverage for the Fund expressed as a ratio of the Fund's total exposure to its Net Asset Value current ratio under the commitment method is: **2:1**.

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

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### **Investor Profile**

Whether investing in the Scheme is appropriate for you will depend on your own requirements and attitude to risk. The Scheme is designed for investors of any category, including retail investors, who:

- (a) want to achieve long term capital growth through investing in UK and overseas markets using the expertise of the Investment Manager,
- (b) can meet the minimum investment levels,
- (c) are able to commit to a long term investment in the Scheme and take the risk of losing part or all of their investment capital, and
- (d) who understand and are willing to take the risks involved in investing in the Scheme (as summarised above and detailed under "Risk Factors" in the full Prospectus).

If you have any doubts as to whether the investment is suitable for you, please contact a financial adviser.

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### **General Warning For Investors**

Unit trusts should be regarded as long term investments.

The value of the Units is based upon the value of the underlying investments.

The value of those investments and the income from them and consequently the value of the units and the income from them can go down as well as up and is not guaranteed.

Past performance is not necessarily a guide to future performance.

Investors may not get back the amount originally invested.

Exchange rate changes may cause the value of overseas investments to rise or fall.

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### **Reporting, Distributions and Accounting Dates**

The Scheme's accounting reference date and accounting periods and income allocation dates are:

Annual Accounting date	5 April
Interim accounting date	5 October
Annual income allocation date	5 August

Distributions of income for the Scheme are made on or before the annual income allocation date in each year.

Each holder of income units is entitled, on the annual income allocation date, to the net income attributable to their holding.

Net income on accumulation units is not distributed but is accumulated, being automatically reinvested after the accounting reference date to increase the value of each Unit.

The Manager reserves the right to change or create additional accounting and income distribution dates, usually as a result of accounting or taxation changes.

Any distribution that remains unclaimed for a period of 6 years after the distribution became due for payment will be forfeited and shall revert to the Scheme.

The income available for distribution is determined in accordance with the FCA Rules. It comprises all income received or receivable for the account of the Scheme in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Manager considers appropriate, after consulting with the Scheme's auditors, in accordance with the FCA Rules, in relation to taxation and other matters.

On the income allocation date, an amount, as determined by the Manager in accordance with the Trust Deed, is either paid, reinvested or accumulated to those Unitholders who are entitled to the distribution by evidence of their holding on the Register at the previous accounting date. Payments will be made by means of direct credit to the Unitholder's nominated bank account. If the income allocation date is a non-Business Day, payment will be made on the next Business Day.

An Annual report of the Scheme will be published within four months of each annual accounting period and a half-yearly report will be published within two months of the end of each half-year accounting period. The annual and half-yearly reports are available upon request.

The annual and half-yearly reports will include disclosures on the following:

- (a) the percentage of the Scheme's assets that are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements for managing the liquidity of the Scheme;
- (c) the current risk profile of the Scheme and the risk management systems employed by the Manager to manage those risks;
- (d) any changes to the maximum level of leverage that the Manager may employ on behalf of the Scheme;

- (e) any changes to any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and
- (f) the total amount of leverage employed by the Scheme.

Income will be distributed as a dividend payment where the Scheme is deemed to be an Equity Trust or as an interest payment where the Scheme is deemed to be a Bond Trust over the relevant accounting period. The treatment of income anticipated by the Manager is given in Appendix 1, although Unitholders are advised the treatment of income will depend on the composition of assets over the accounting period. Income can only be distributed as an interest payment if the Scheme has held the minimum Qualifying Investments over the accounting period (see Taxation for further details). Details of the treatment of income for taxation purposes over an accounting period will be given in a tax voucher sent to all Unitholders when the income is allocated.

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### **Characteristics of Units and Voting**

Units may be issued as income units or as accumulation units. Net income receivable in respect of income Units is distributed to Unitholders. Holders of accumulation Units are not entitled to be paid the income attributable to such Units, but that income is automatically transferred to (and retained as part of) the capital assets of the Scheme at the end of the relevant distribution period and is reflected in the price of an accumulation Unit. An income Unit represents one undivided Unit in Scheme Property. An accumulation Unit represents one undivided Unit in the Scheme Property plus further Units relating to net income retained. Save as mentioned above, each undivided Unit ranks *pari passu* with the other undivided Units in the Scheme. The nature of the right represented by Units is that of a beneficial interest under a trust.

A meeting of Unitholders duly convened and held may, by extraordinary resolution:

- (a) authorise any modification, alteration or addition to the provisions of the Trust Deed relating to the Scheme which have been properly put forward;
- (b) authorise the departure by the Manager from a policy statement or set of investment objectives included in the Prospectus;
- (c) remove the Manager (or determine that the Manager be removed as soon as this is permitted by law); and
- (d) approve a proposed scheme of amalgamation or of reconstruction put forward by the Manager.

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

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

Unitholders will receive at least 14 days' notice of any meeting of Unitholders and are entitled to be counted in the quorum and vote at any such meeting either in person or by proxy. For the purposes of the FCA Rules the quorum at a meeting of Unitholders shall be two Unitholders present in person or by proxy.



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

In the context of voting, "Unitholder" means a person who was entered on the Register seven days before the notice of meeting was given but excluding any persons who are known not to be entered on the Register at the date of the meeting.

On a show of hands, every Unitholder who is present shall have one vote.

On a poll:

- (a) votes may be given either personally or by proxy;
- (b) the voting rights attached to each unit are the proportion of the voting rights attached to all of the units in issue that the price of the unit bears to the aggregate price or prices of all the units in issue, at the date specified in the FCA Rules; and
- (c) a Unitholder entitled to more than one vote need not, if they vote, use all their votes or cast all their votes in the same way.

For joint Unitholders of a unit, only the vote of the first-named in the Register can be taken.

The Manager cannot be counted in the quorum of, nor can the Manager or any of its associates vote at, any meeting of Unitholders, save where units are held on behalf of, or jointly with, a person who, if they are the registered Unitholder, would be entitled to vote and from whom the Manager or its associate have received voting instructions.

For the purpose of voting, units held, or treated as held, by the Manager must not, save as mentioned in paragraph 10.11, be regarded as being in issue.

Changes to the Investment Objective and Policy will normally require approval by Unitholders at an extraordinary general meeting if the change alters the nature or risk profile of the Scheme, or on giving 60 days notice to Unitholders where the changes do not alter the nature or risk profile of the Scheme. In exceptional circumstances, changes may be made to the Investment Objective and Policy of the Scheme with no minimum period of notice where these are for clarification purposes only. In all cases, changes may only be made to the Investment Objective and Policy following notification to the FCA pursuant to the Act and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Scheme.

In the event that the Scheme is wound up for whatever reason, the Unitholders will be unable to buy or sell units once the winding-up has commenced. This will be the date when dealing in units ceases. Under COLL 7.4.4R 2(a) of the FCA Rules the Trustee must realise the Scheme Property and, after ensuring all liabilities and costs are covered, distribute the proceeds to Unitholders proportionately to their respective interests in the Scheme as at the date dealing in the units ceased. After one year from the date payment to the Unitholders fell due, the Trustees must pay any unclaimed proceeds into court. If the end of the annual accounting period, or interim accounting period, falls

after the winding up has commenced, a Unitholder will be supplied with final accounts within four months of the end of the final accounting period.

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

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

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

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

- (a) affects a Unitholder's ability to exercise their rights in relation to their investment;
- (b) would reasonably be expected to cause the Unitholder to reconsider his participation in the Scheme;
- (c) results in any increased payments out of the Scheme Property to the Manager; or
- (d) The notice period must be of reasonable length, and must not be less than 60 days.

The Manager must inform Unitholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Scheme. This is a change or event other than a fundamental or significant change, which a Unitholder must be made aware of unless the Manager concludes the change is insignificant. The appropriate manner of notification could include the information being included in the next long form report of the Scheme.

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### **The Manager**

The Manager is Thesis Unit Trust Management Limited, a private company limited by shares, incorporated in England and Wales under the Companies Act 1985 on 6 February 1998 with company number 3508646. The Manager is authorised to carry on certain permitted regulated activities in the UK in accordance with the Act and is also the AIFM for the purpose of the UK AIFM regime. The address for the FCA is set out in the Directory.

The Manager also acts as an authorised fund manager to other regulated collective investment schemes. Details of these schemes as at the date of this Prospectus are set out in Appendix 5 of this Prospectus.

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

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

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

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

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

The Manager has delegated its investment management function to UBS Asset Management (UK) LTD, and its administrative functions to Northern Trust Global Services SE, UK Branch.

The Manager will cover at all times the risks outlined below of loss or damage caused by any relevant person through the negligent performance of activities for which the Manager has legal responsibility by maintaining an amount of own funds, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the UK AIFM regime and the FCA Rules. In addition, the Manager holds significant professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered, and will comply with the qualitative requirements addressing such risks, in each case, in accordance with the UK AIFM regime and the FCA Rules.

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

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

## 12 **The Investment Manager**

The Investment Manager to the Manager in connection with the Scheme is UBS Asset Management (UK) LTD ("UBS").

### 12.1 **Head Office and Registered Office**

UBS' head office and registered office is at:  
5 Broadgate  
London  
EC2M 2QS

### 12.2 **Terms of Appointment**

The Investment Manager is regulated by the FCA and authorised to carry on regulated activities in the United Kingdom.

The appointment of UBS has been made under an agreement between the Manager and UBS (the 'UBS Investment Management Agreement').

Under the UBS Investment Management Agreement the Investment Manager is to act as discretionary investment manager in accordance with the investment objectives, guidelines and restrictions set out in the Prospectus as they are amended from time to time. The Investment Manager may delegate

any of its rights and obligations under the relevant Investment Management Agreement with the prior written consent of the Manager.

The Investment Management Agreement provides that the appointment of the Investment Manager may be terminated on three month's written notice by either the Investment Manager or the Manager. The Investment Management Agreement may be terminated immediately by the Manager if it is in the best interests of investors.

Copies of the Investment Manager's execution policies and voting policies are available from the Manager on request.

### 12.3 **Investment Manager's Fees**

The fee payable to the investment manager by the Scheme pursuant to the Investment Management Agreement is as set out in Appendix 1. The Investment Manager's fee accrues daily and is calculated by reference to the value of the Scheme managed by the Investment Manager on the last Business Day of the preceding month. The fee is payable monthly in arrears on receipt of the invoice from the Investment Manager. Any out-of-pocket expenses, such as brokers' and agents' commissions and sums in respect of taxation arising in the course of fund management, will either be paid by the Manager and reimbursed to the Manager as set out in paragraphs 18.2 and 18.6, or paid directly out of the Scheme Property.

The Investment Management Agreement provides indemnities to be given by the Manager to the Investment Manager against claims by third parties save where such claims arise in connection with the fraud, wilful default or negligence of the Investment Manager. The Investment Manager is excluded from any liability to the Manager or the Scheme unless such liabilities arise as a direct consequence of the Investment Manager's fraud, wilful default, negligence, breach of duty or breach of trust in relation to the Manager or the Scheme. The Investment Manager agrees to indemnify the Manager and the Scheme against any claims by third parties arising as a result of or in connection with the fraud, wilful default or negligence of the Investment Manager. Nothing in the Investment Management Agreement excludes the Investment Manager from any liability under the Act, the FCA Rules or the Regulations.

### 13 **The Trustee**

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

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

The Trustee's registered and head office address is 250 Bishopsgate, London EC2M 4AA. The address of its office which handles matters relating to the Scheme is set out in Appendix 6.

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

The Trustee is established in the UK and is authorised and regulated by the FCA to act as a trustee or depositary of a UK UCITS or a UK AIF.

### 13.1 **Duties of the Trustee**

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

### 13.2 **Terms of appointment**

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

The Depositary Agreement provides that the Trustee be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties required in COLL and FUND.

The powers, duties, rights and obligations of the Trustee, the Scheme and the Manager under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.

Under the Depositary Agreement the Trustee has the power to appoint a sub-custodian and may include in such appointment powers to sub-delegate. The Trustee has delegated custody of the Scheme Property to the Custodian. Contact details for the Custodian are set out in Appendix 5. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Scheme may invest to various sub-delegates ("sub-custodians").

Under the Depositary Agreement the Trustee will be liable to the Scheme for any loss of Financial Instruments held in Custody or for any liabilities incurred by the Scheme as a direct result of the Trustee's fraud, negligence or negligent or intentional failure to properly fulfil its obligations under the Depositary Agreement or the UK AIFM regime.

However, where the event which led to the loss of a Financial Instrument is not the result of the Trustee's own act or omission (or that of its sub-custodian), the Trustee is discharged of its liability for the loss of a Financial Instrument where the Trustee can prove that the Trustee could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depository as reflected in common industry practice and despite rigorous and comprehensive due diligence. The Manager will inform investors without delay of any changes with respect to the Trustee's liability.

The Depositary Agreement provides that the Trustee will be indemnified from the net assets of the Scheme for any liabilities suffered or incurred by the Trustee in the proper performance of its obligations and duties under the Depositary Agreement except in the case of fraud or negligent breach of the Depositary Agreement or of any applicable laws.

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

Other than to exercise the rights of lien or set off over the Scheme Property in relation to unpaid fees and expenses in relation to the proper performance of services under the Depositary Agreement or sub-custody agreement and unless otherwise agreed by the Manager on behalf of the Scheme, the Trustee shall not be entitled to, and no sub-custodian of the Trustee shall be authorised by the Trustee to, transfer or re-use for its own purpose and benefit any of the Scheme Property it has been entrusted with.

Details of the fees payable to the Trustee are set out in the Trustee's Fees and Expense section of this Prospectus at paragraph 17.6.

### 13.3

#### **Conflicts of interest**

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

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

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

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

### 13.4

#### **Delegation of Safekeeping Functions**

The Trustee is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of Scheme Property.

The Trustee has delegated safekeeping of the Scheme Property to the Custodian. In turn, the Custodian has delegated the custody of assets in certain markets in which the Trust may invest to various sub-delegates ("sub-custodians").

14 **The Registrar, Transfer Agent and Fund Accountant**

Northern Trust Global Services SE, UK Branch has been appointed as Registrar and managing agent of the Scheme. The Register is kept at 50 Bank Street, London, E14 5NT where it can be inspected during normal business hours.

15 **The Auditors**

The Auditors of the Scheme are Johnston Carmichael LLP, whose address is Bishop's Court, 29 Albyn Place, Aberdeen, AB10 1YL.

16 **Conflicts of Interest**

The Manager, the Trustee and the Investment Manager are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the Scheme. In addition, the Scheme may enter into transactions at arm's length with companies in the same group as the Manager or the Investment Manager. Copies of the Manager's and the Investment Manager's conflicts of interest policies are available from the Manager on request.

The Trustee may, from time to time, act as depositary or trustee of other companies or funds.

The Custodian may, from time to time, act as custodian and hold assets of other funds and investors.

Each of the parties will, to the extent of their ability and in compliance with the FCA Rules, ensure that the performance of their respective duties will not be impaired by any such involvement.

The Manager maintains a written conflict of interest policy. The Manager acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Trust or its Unitholders will be prevented. Should any such situations arise the Manager will, as a last resort if the conflict cannot be avoided, disclose these to Unitholders in the report and accounts or otherwise an appropriate format.

17 **Fair Treatment of Investors**

- (a) The Manager ensures fair treatment of investors by its compliance with the applicable rules in COLL and FUND and with the rules contained in the FCA Handbook.
- (b) The Manager is required, under the FCA Handbook, to treat its customers fairly, when they become, remain or as they cease to be Unitholders. The Manager complies with the rules in the FCA Handbook, and has adopted a series of policies and procedures (including a Conflict of Interest policy) which are designed to achieve this outcome.
- (c) The Manager and the Investment Manager may in certain circumstances grant preferential treatment to investors. This may include, for example, access to certain Unit Classes, a waiver or reduction of certain charges, the payment of rebates, or access to individuals within the



Manager or the Investment Manager. If such rights are granted, this would typically be to investors who invest significant amounts in the Fund. Such investors would not typically be legally or economically linked to the Manager.

(d) Any Unitholder may be granted preferential treatment in relation to the terms of its investment in the Fund by the Manager, the Investment Manager and/or any other service provider to the Fund.

(e) The Manager and/or the Investment Manager may enter into side letters and/or other arrangements ("Side Arrangements") with Unitholders, including those deemed to involve a significant or strategic relationship, that will result in the terms of an investment in the Fund being different to the terms applicable to other Unitholders and/or provide the following preferential treatment:

(i) Disclosure/Reporting:

notification of (A) certain 'key man' events and/or (B) certain changes to the organisation of the Fund and/or (C) the issue of Units on more favourable terms to those described herein (as amended by the relevant side letter and/or other arrangement) and/or (D) certain other changes and/or other events, in each case that affects, or relates to, the Fund and/or its service providers (including, but not limited to, the Investment Manager) or the relevant Unitholder's investment in the Fund;

notification if holdings in the Fund by the relevant Unitholder exceed specific levels; and/or

the provision of certain limited information relating to the Investment Manager and/or to the Fund's assets, including in order to allow the relevant Unitholder to comply with the laws and regulations to which it is subject.

(ii) Investor Liquidity terms:

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

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

(iii) Fees:

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

(f) Side Arrangements:

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

The main conflict of interest with Side Arrangements is the potential for one or more investors to be advantaged over other investors by terms within their Side

Arrangements. For example, the preferential early exit of one investor may reduce the portfolio liquidity, which might make withdrawals unavailable to other investors. Subsequently, it may be the case that other investors are actually disadvantaged. The Manager will give consideration as to whether the nature and scope of the provisions are consistent with treating all investors fairly.

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

## 18 **Payments Out of the Scheme Property**

### 18.1 **Manager's Preliminary Charge**

The Manager is authorised to make and receive for its own account on the issue of units a preliminary charge, to be included in the sale price of a unit, of such amount as it shall from time to time determine either generally or in relation to any specific transaction or call of transaction.

The Manager's preliminary charge is currently 5% of the issue price of the Units.

### 18.2 **Manager's Periodic Charge**

The Manager is entitled under the Trust Deed to make a periodic charge which is payable monthly, calculated on the value of the Scheme Property and payable out of the Scheme Property in accordance with the FCA Rules. For this purpose the value of the Scheme is inclusive of the issues and cancellations which take effect as at the relevant valuation point. The periodic charge accrues daily and is payable monthly in arrears on the last Business Day of each month. The fee is calculated by reference to the value of the Scheme on the last Business day of the preceding month.

The current rate of the periodic charge is up to 0.65% per annum with a minimum of £32,000 per annum (£2666.57 per month).

The Manager may also be paid additional remuneration out of the Scheme Property for acting as Registrar of the Scheme, if it so acts, and for services in establishing and maintaining a plan sub-register, if it provides such services, of such amounts and such rates as shall be determined by reference to such tariff as the Manager and the Trustee shall in their discretion from time to time agree. The Manager currently waives its right to any such fee. The Manager shall be reimbursed out of the Scheme Property for any expenses which it properly may incur in establishing and maintaining or arranging for another person to establish and maintain a Register and/or plan sub-register. The Manager shall not be obliged to account to the Unitholders or any of them for any such payments.

In addition to the remuneration payable to the Manager pursuant to this Prospectus, the Manager shall be entitled to the reimbursement of all expenses, fees and charges properly incurred by the Manager in performing or arranging for the performance of the functions permitted or required by the FCA Rules including those fees set out at 17.8 below.

Any fees payable to the Manager may be reduced or waived by the Manager at its discretion.

### 18.3 **Change to Manager's Preliminary or Periodic Charge**

Any increase in the Manager's preliminary or periodic charge may be made by the Manager only if it has, at least 60 days before implementing the increase, given written notice to the Trustee and Unitholders (in the case of an increase in the periodic charge) or to the Trustee (in the case of an increase in the preliminary charge) and revised the Prospectus to reflect the proposed increase.

### 18.4 **Investment Manager's Fees**

The fees payable to the Investment Manager are as set out in paragraph 13.4.

### 18.5 **Manager's Charge on Redemption**

The Trust Deed contains a provision for the Manager to make a redemption charge but at present there are no plans to impose such a charge. The Manager must not introduce a redemption charge, or change the rate or method of calculation of a current redemption charge, in a manner which is adverse to Unitholders, unless at least 60 days before the introduction or change, the Manager:

- (a) gives notice in writing of that introduction or change and of the date of its commencement to the Trustee and to all persons who ought reasonably to be known to the Manager to have made an arrangement for the purpose of Units at regular intervals; and
- (b) revises the Prospectus to reflect the introduction or change and the date of its commencement and makes the revised Prospectus available to Unitholders.

### 18.6 **Trustees' Fees and Expenses**

The Trustee is paid a monthly periodic fee (plus VAT) in remuneration for its services, from the Scheme Property.

The current fee payable is 0.0275% on first £50 million, 0.025% between £50 million and £100 million, 0.02% between £100 million and £200 million; and 0.015% above £200 million per annum plus VAT; the minimum charge is £7,500 per annum plus VAT.

In addition to the above periodic fees, the Trustee levies transaction charges and custody charges of such amounts as may be agreed by the Manager and the Trustee from time to time.

Global custody is provided by The Northern Trust Company.

Transaction charges vary from country to country, dependent on the markets and the value of the stock involved, and currently range from £7.50 to £180 (or equivalent in another currency). Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable and in any event not later than the last Business Day of the month when such charges arose, or as otherwise agreed between the Trustee and the Manager.

Custody charges again vary from country to country depending on the geographic location and the market value of the holdings involved and currently range from 0.000% to 0.9%, subject to a minimum aggregate custody charge of £7,500 per annum and accrue and are payable as agreed from time to time by the Trustee and the Manager.

The Trustee is entitled to be reimbursed out of the Scheme Property for expenses properly incurred in performing, or arranging the performance of, duties imposed on it or exercising powers conferred upon it by the Trust Deed and the FCA Rules together with any VAT payable. The relevant duties may include without limitation:

- (a) delivery of stock to the Trustee or Custodian;
- (b) custody of assets;
- (c) collection of income;
- (d) submission of tax returns, handling tax claims;
- (e) preparation of the Trustee's annual report; and
- (d) such other duties as the Trustee is required by law to perform.

In addition the Trustee may be paid the following expenses or disbursements (plus VAT) out of the Scheme Property:

- (a) all expenses of registration of assets in the name of the Trustee or its nominees or agents, of acquiring, holding, realising or otherwise dealing with any asset; of custody of documents; of insurance of documents and of collecting income or capital; of opening bank accounts, effecting currency transactions and transmitting money; of obtaining advice, including legal, accountancy, tax or other advice; of conducting legal proceedings; of communicating with Unitholders, the Manager, the Registrar or other persons in respect of the Scheme, dealing with any enquiry by the Trustee into the conduct of the Manager and any report to Unitholders; or otherwise relating to the performance by the Trustee of its duties or the exercise by the Trustee of its powers; and
- (b) all charges of nominees or agents in connection with any of the matters referred to in this section; and any other costs, disbursements or expenses accepted under the laws of England and Wales from time to time as being properly chargeable by Trustees. If any person, at the request of the Trustee in accordance with the FCA Rules, provides services including but not limited to those of a custodian of the Scheme Property, the expenses and disbursements hereby authorised to be paid to the Trustee out of the Scheme Property shall extend to the remuneration of such persons as approved by the Trustee and the Manager.

The Trustee shall be entitled to recover its fees, charges and expenses when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Trustee and the Manager.

On a winding up of the Scheme, the Trustee will be entitled to its pro rata fees, charges and expenses to the date of winding up and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the Trust Deed.

#### 18.7 **Stamp Duty Reserve Tax**

On 30 March 2014, Schedule 19 Stamp Duty Reserve Tax (SDRT) ceased to be chargeable on dealings in units in authorised unit trusts. As such, the provisions relating to SDRT no longer apply. However, investors should note that should SDRT or a similar tax relating to dealings on units in authorised unit trusts be reintroduced in the future, all such costs will be paid out of the Trust's Scheme Property and charged to capital.

However it should be noted that in the unlikely event of either of the below occurring within the Scheme SDRT may still be triggered and where applicable be charged to the investor:

- (a) third party transfer of units; or
- (b) non-pro rata in specie redemptions.

#### 18.8 **Other expenses**

No payments may be made out of the Scheme Property other than payments to the Manager and the Trustee as set out above (and other sums due by virtue of the FCA Rules (such as, for example, cancellation proceeds and reasonable stock lending expenses)) and the following (to the extent of the actual amount properly incurred):

- (a) broker's commission, fiscal charges and other disbursements which are:
  - (i) necessary to be incurred in effecting transactions for the Scheme; and
  - (ii) normally show in contract notes, confirmation notes and difference accounts as appropriate; and
- (b) taxation and duties payable in respect of the Scheme Property, the Trust Deed or the issue of units; and
- (c) any costs incurred in modifying the Trust Deed, including costs incurred in respect of meetings of Unitholders convened for the purpose where the modification is:
  - (i) necessary to implement any change in the law (including changes in the Rules); or
  - (ii) necessary as a direct consequence of any change in the law (including changes in the Rules); or
  - (iii) expedient having regard to any fiscal enactment and which the Manager and the Trustee agree is in the interest of Unitholders; or
  - (iv) to remove from the Trust Deed constituting the Scheme obsolete provisions; and

- (d) any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager; and
- (e) liabilities on unitisation, amalgamation or reconstruction arising in certain circumstances specified by the Rules; and
- (f) the expenses of the Trustee in convening a meeting of Unitholders convened by the Trustee alone; and
- (g) the audit fee properly payable to the auditors and VAT thereon and any proper expenses of the auditors;
- (h) the fees of the FCA as prescribed in the FCA Rules or the corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which units are or may be marketed;
- (i) any fees or expenses incurred in the modification of the Prospectus and/or Trust Deed and/or simplified prospectus, to the extent permitted by the FCA Rules;
- (j) any expenses incurred in the printing and preparation (but not the dissemination) of the simplified prospectus;
- (k) any expenses incurred in the dissemination of the Prospectus and the reports and accounts; and
- (l) any fees or costs associated with any CASS related support activity incurred by the Registrar.

VAT will be paid on any relevant expenses.

Any third party research received in connection with investment advisory services that an Investment Manager provides to the Scheme will be paid for by the Investment Manager out of its fees, as relevant in relation to the Scheme, and will not be charged to the Scheme.

## 18.9 **Allocation of Payments**

Expenses are allocated between income and capital in accordance with the FCA Rules and as specified in Appendix 1. Where expenses are allocated to income (except those charges and expenses relating directly to the purchase and sale of investments), but at the end of the accounting period there is insufficient income, the shortfall may be allocated to capital in accordance with the FCA Rules. This may constrain capital growth.

## 19 **Valuation of the Scheme**

The valuation of the Scheme will take place each week at 10:30 p.m. on Thursdays, except in the last week of the month where the Scheme will value on the last business day and not that Thursday.

The Manager reserves the right to have an additional valuation point for the Scheme, in which case they will first inform the Trustee.

The Manager maintains a Fair Value Pricing policy with an audit review carried out annually. The policy is detailed fully in the Fair Value Policy document.

The Transfer Agent may request a change to the pricing methodology in certain circumstances.

All asset prices from the primary price source are compared to two other sources to ensure the validity of each price.

The valuation will determine the net asset value of the Scheme. The net asset value of an investment for which different prices are quoted according to whether it is being bought or sold will be valued at its mid-market price. Where only a single price is quoted for buying and selling a security the net asset value of an investment shall be the quoted price. Any part of the Scheme Property that is not an investment will be valued at fair value, subject always to the Rules. Any fiscal changes, commissions, professional fees or other charges that were paid or would be payable on acquiring or disposing of any part of the Scheme Property will be excluded when valuing it.

There must be only a single price for any unit as determined from time to time by reference to a particular valuation point. The price of a unit will be calculated by reference to the net asset value of the Scheme Property. All deals in units will be at a forward price.

## 20 **Publication of Prices**

The most recent prices will appear daily on the Trustnet website at [www.trustnet.com](http://www.trustnet.com) and can also be obtained by telephone on 01483 783 900.

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

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

## 21 **Risk Factors**

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

### 21.1 **General Risks**

The price of units of the Scheme and any income from them may fall as well as rise and investors may not get back the full amount invested. Past performance is not a guide to future performance. There is no assurance that the investment objective of a fund will actually be achieved.

The following statements are intended to summarise some of the risks, but are not exhaustive, nor do they offer advice on the suitability of investments.

### 21.2 **Pricing And Valuation Risk**

For quoted investments a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid investments which are difficult to value may increase the risk of mispricing. Furthermore, the Scheme will compute Net Asset Values when some markets are closed for holidays or other reasons. In these and similar cases a verifiable source of market prices will not be available and the Manager may invoke its Fair Value process which will determine a fair value price for the relevant investments; this Fair Value process involves assumptions and subjectivity.

### 21.3 **Emerging Countries And Developing Markets Risk**

The Scheme may invest in emerging markets which are undergoing rapid growth and regulatory change. Emerging markets present additional risks to those normally encountered in developed securities markets. These risks may be political, social and economic in nature and may be complicated by inflationary pressures and currency depreciation. The accounting and financial reporting standards, practices and disclosure requirements in some of the countries in which investments may be made may differ from those experienced in more developed markets. Similarly, reliability of the trading and settlement systems in such markets and the liquidity of these markets may not be equal to those available in more developed markets and this could lead to delays in settlement or affect the price at which investments could be realised. Government influence or control of private companies in some countries may be significant and investments may be exposed to the risks of political change, political uncertainty or governmental action. Such assets could be expropriated, nationalised, confiscated or subjected to changes in legislation relating to foreign ownership. The value of investments in emerging markets may therefore be adversely affected by political and/or economic conditions, which would, in turn, adversely impact on the performance of the Scheme and its unit price.

### 21.4 **Smaller And Unquoted Companies Risk**

Significant investments may be made in smaller companies, in which there may be no established market for the shares, or the market may be highly illiquid. Because of this potential illiquidity investment in the Scheme may not be appropriate for all investors, including those who are not in a position to take a long-term view of their investment. The Scheme may also invest, directly and indirectly, in securities that are not listed or traded on any stock exchange. In such situations, the Scheme may not be able to immediately sell such securities. The purchase price and subsequent valuation of these securities may reflect a discount, which could be significant, from the market price of comparable securities for which a liquid market exists.

### 21.5 **Risk To Capital**

This includes potential risk of erosion resulting from withdrawals or cancellations of shares and distributions in excess of investment returns.

### 21.6 **Liquidity Risk**

In normal market conditions a fund's assets comprise mainly realisable investments which can be readily sold. A fund's main liability is the redemption of any units that investors wish to sell. In general the Scheme manages its investments, including cash, such that it can meet its liabilities. Investments held may need to be sold if insufficient cash is available to finance such redemptions. If the size of the disposals are sufficiently large, or the market is illiquid, then there is a risk that either the investments might not be sold or the price at which they are sold may adversely affect the Net Asset Value of the Scheme. If there were significant requests for redemption of units in the Scheme at a time when a large proportion of the Scheme's assets were invested in illiquid investments, then the Scheme's ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in units in the Scheme.



## 21.7 **Equities Risk**

Where investments are in the shares of companies (equities), the value of those equities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events. Currency exchange rate movements will also cause changes in value when the currency of the investment is other than sterling.

## 21.8 **Warrants Risk**

Where investments are in warrants, the price per unit of the Scheme may fluctuate more than if the Scheme was invested in the underlying securities because of the greater volatility of the warrant price.

## 21.9 **Bonds And Debt Instruments (Including High Yielding Securities) Risk**

Where investments are in bonds or other debt instruments, the value of those investments will depend on market interest rates, the credit quality of the issuer and liquidity considerations. Investments in high yielding debt instruments where the level of income may be relatively high (compared to investment grade debt instruments); however the risk of depreciation and realisation of capital losses on such debt instruments held will be significantly higher than on lower yielding debt instruments.

## 21.10 **Lower Rated/Unrated Securities Risk**

The credit quality of debt instruments is often assessed by rating agencies. Medium and lower rated securities and unrated securities of comparable quality may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and accentuated market expectations, and consequently greater fluctuations in market values, than higher rated securities. Changes in such ratings, or expectation of changes, will be likely to cause changes in yield and market values, at times significantly so.

## 21.11 **Collective Investment Schemes Risk**

The Scheme may make investments in collective investment schemes. Such investments may involve risks not present in direct investments, including, for example, the possibility that an investee collective investment scheme may at any time have economic or business interests or goals which are not fully consistent with those of the Scheme. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. There may be liquidity constraints and the extent to which an investee fund's securities are valued by independent sources are factors which could impact on the Scheme's valuation.

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

#### 21.12 **Leveraged Companies Risk**

Investments may be made in companies or collective investment schemes which borrow funds. Such companies or collective investment schemes may not be subject to any limitations on the amount of their borrowings, and the amount of borrowings that they may have outstanding at any time may be large in comparison to their capital. Furthermore, given that the Scheme may borrow in order to make investments, the Unitholders must be aware that they may suffer a greater risk resulting from the decline of the net asset value of the underlying investments made with this borrowing facility and therefore, the Schemes' risk exposure will be higher.

#### 21.13 **Leverage Risk**

Leverage is where a fund borrows money in order to meet redemption requests or, through the use of derivatives, for the purpose of buying or selling assets. Where assets are bought or sold using borrowed money this increases the risk that in the case of losses that these are compounded and as a result have a material negative impact on the value of the Scheme.

#### 21.14 **Futures And Options (Derivatives) Risk**

The Scheme may use options and futures for both the purposes of Efficient Portfolio Management and investment purposes in pursuit of the investment objectives of the Scheme. Also, the Scheme may hedge market and currency risks using futures, options and forward exchange contracts. These instruments are volatile and expose investors to a high risk of loss. They may also result in the Scheme carrying increased risk with counterparties and may also attract a high degree of illiquidity. Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses or to further the Scheme's investment objectives to certain amounts may not be effective because market conditions make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling ("writing") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or acquire or deliver the underlying interest. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future on another option, the risk may be reduced.

#### 21.15 **Foreign Currency Risk**

The Scheme may invest in securities denominated in a number of different currencies other than sterling in which the Scheme is denominated. Changes in foreign currency exchange rates may adversely affect the value of a fund's investments and the income thereon.

#### 21.16 **Credit Risk**

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties (default). Credit risk also arises from the uncertainty about the ultimate repayment of principal and interest for bond or other debt instrument investments. The entire

deposit or purchase price of the debt instrument is at risk of loss if there is no recovery after default. The risk of default is usually greatest with bonds and debt instruments that are classed as 'sub-investment' grade.

#### 21.17 **Settlement Risk**

All security investments are transacted through brokers who have been approved by the investment manager as an acceptable counterparty. The list of approved brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations to the Scheme, for example, the possibility that a counterparty may default, by failing to make payments due, or make payments in a timely manner. If settlement never occurs the loss incurred by the Scheme will be the difference between the price of the original contract and the price of the replacement contract, or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided. Furthermore, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if the Scheme meets its settlement obligations but the counterparty fails before meeting its obligations.

#### 21.18 **Custody Risk**

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

Tax laws, currently in place, may change in the future which could affect the value of the Scheme's and therefore the Unitholders' investments. Refer to the section headed 'Taxation' in the prospectus for further details about the taxation of the Scheme.

#### 21.19 **Inflation Risk**

Unless the performance of your investment keeps up with or beats inflation, the real value of your investments will fall over time.

#### 21.20 **Political And/Or Environmental Risk**

The investee companies may operate in countries where the ownership rights may be uncertain and development of the resources themselves may be subject to disruption due to factors including civil disturbances, industrial action, interruption of power supplies, as well as adverse climatic conditions.

#### 21.21 **Market Risk**

The risk that the entire market of an asset class will decline thus affecting the prices and the values of the assets.

## 21.22 **Infectious Diseases Risk**

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

## 21.23 **Client Money**

The FCA Handbook contains provisions (known as the "Client Money Rules") designed to safeguard Client Money in the hands of authorised persons. However, the Client Money 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 Manager receives the money from a client in relation to the Manager's obligation to issue Units in the Fund in accordance with COLL; or
- (b) the money is held in the course of redeeming Units, where the proceeds are paid to the client within the timeframe specified in COLL.

Where money is received in either of the circumstances set out in (a) or (b) above, the Manager must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Trustee or the client as applicable.

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

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

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

## 22 **Purchasing Units**

### 22.1 **Minimum Purchases**

The minimum initial lump sum purchase of units is currently £1,000,000. The minimum value of units which may be the subject of subsequent purchases is currently £1,000. Units may be bought direct from the Manager or through intermediaries, normally at no extra cost, at not more than the price prevailing at the next weekly Dealing Day following receipt of instructions, as calculated in accordance with the FCA Rules.

### 22.2 **Procedure**

The Dealing Office, details of which are set out in Appendix 6, is open from 9.00 am to 5.00 pm (London time) on each Business Day to receive requests for the purchase, redemption and switching of units, which will be effected at prices determined at the next Valuation Point following receipt of such request.

Where the minimum investment levels allow, initial investments can only be made by sending a completed application form to the Transfer Agent at the Dealing Office set out in Appendix 6, either (i) accompanied by a cheque (up to a maximum value of £50,000) or (ii) having made a telegraphic transfer to the Manager's bank account. Application forms are available from the Transfer Agency Team. The Manager will also accept telephone instructions accompanied by payment for subsequent transactions which can be carried out by writing to the Manager's Transfer Agency team at the Correspondence Address set out in Appendix 6. The Manager will also accept telephone purchases from FCA regulated entities for subsequent investments, which may purchase units by telephoning the Transfer Agent on 0333 300 0375. The Manager may accept applications to purchase units by electronic communication. Electronic communication does not include email.

Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

No interest payment will be made on Client Money held by the Manager prior to investment in the Scheme. Client Money will be held in designated Client Money accounts with an Approved Bank.

### 22.3 **Documentation**

A contract note confirming the purchase will be issued to the Unitholder (the first named, in the case of joint Unitholders) by the end of the next Business Day following the valuation point by reference to which the purchase price is determined, together with a notice of the applicant's right to cancel. Payment in full should be made not later than the fourth Business Day after the date of purchase and the Manager reserves the right to require payment in advance.

Unit certificates will not be issued in respect of Units. Ownership of Units will be evidenced by an entry on the Trust's Register. Tax vouchers in respect of half yearly distributions of income will show the number of Units held by the recipient in respect of which the distribution is made. Individual statements of a Unitholder's (or, when Units are jointly held, the first named holder's) Units will also be issued at any time on request by the registered holder.

## 22.4 **Cancellation of Transaction**

Unitholders have a right to cancel their transactions within 14 calendar days of receipt their contract note. If a Unitholders cancels their contract, they will receive a refund of the amount that they invested including the initial charge either in full or less a deduction to reflect any fall in unit price since the date of investment. This may result in a loss on the part of Unitholders. If Unitholders wish to exercise their right to cancel, they should write to the Transfer Agent at the Dealing Office set out in Appendix 6. Unitholders will not be able to exercise their cancellation rights after 14 calendar days of receipt of your contract note. Unitholders should note that in certain circumstances, there may be a delay in returning their investment.

## 22.5 **Dealing as Principal**

### 22.6 **Investors buy and redeem Units through the Manager who nets them to reduce the number of Units issued/cancelled by the Scheme. When carrying out deals in Units, the Manager acts as principal but does not profit from this activity.**

## 23 **Selling Units**

### 23.1 **Minimum Redemption and Holding**

The minimum value of units which may be held is currently £1,000. There is no minimum value of units which may be sold.

If a redemption of units would take a holding below £1,000 in value, then the entire holding must, at the Manager's discretion, be sold.

### 23.2 **Procedure**

The Manager normally will buy back units from registered holders and holders of units accumulated through the reinvestment of distributions, free of commission, at not less than the price prevailing on the next weekly Dealing Day, as calculated in accordance with the FCA Rules. Requests to redeem Units may be made to the Manager by telephone on 0333 300 0375, by electronic communication, or by sending clear written instructions by post to the Dealing Office, as set out in Appendix 6. The Manager may accept requests to sell or transfer Units by electronic communication. Electronic communication includes email.

Redemption proceeds will be payable only to one or more of the registered Unitholders. The Manager will reserve the right, at all times, to require a form of renunciation to be completed. If this is necessary, it will be issued with the contract note. The Manager will also reserve the right to send repurchase proceeds by cheque to the registered address, payable to the registered Unitholder(s).

Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

23.3

### **Documentation**

A contract note giving details of the number and price of units sold will be sent to the selling Unitholder (the first named, in the case of joint Unitholders) or their duly authorised agents together with a form of renunciation for completion and execution by the Unitholder (and, in the case of a joint holding, by all the joint holders) not later than the end of the next Business Day following the valuation point by reference to which the redemption price is determined. A BACS or telegraphic transfer will be made in satisfaction of the redemption monies within four Business Days of the later of:

- (a) receipt by the Manager of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Unitholders and completed as to the appropriate number of units, together with any other appropriate evidence of title; or
- (b) the valuation point following receipt by the Manager of the request to redeem.

23.4

### **In Specie Redemption**

There are no circumstances in which the Manager may arrange for the cancellation of units in specie.

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### **Suspension of Dealings in the Scheme**

The Manager may, with the prior agreement of the Trustees, and shall, if the Trustee so requires, temporarily suspend the sale and redemption of units in certain circumstances (for example, where the Scheme is invested in other authorised funds which are themselves suspended) if the Manager, or the Trustee in the case of any requirement by it, is of the opinion that there is a good and sufficient reason to do so having regard to the interests of all the Unitholders. The suspension will only be permitted to continue for as long as it is justified having regard to the interests of the Unitholders. The Manager and the Trustee 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.

The Manager will notify all Unitholders of the suspension in writing as soon as practicable and will publish details to keep Unitholders appropriately informed about the suspension, including its likely duration.

Re-calculation of the unit price for the purpose of sales and purchases will commence on the next relevant Valuation Point following the ending of the suspension.

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### **Dealings**

Telephone and postal instructions actually received by the Manager prior to 5:00 p.m. on the weekly Dealing Day (currently Thursday) will normally be dealt at the price to be calculated for that week unless the Manager is instructed otherwise (i.e. dealing will be on a forward basis). Telephone and postal instructions received by the Manager after 5:00 p.m. on the weekly valuation day (currently Thursday) will normally be dealt at the price resulting for the next valuation of the Scheme after receipt of those instructions.

The Manager reserves the right at any time to cease dealing at a known price and to deal at the next calculated price.

The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no units are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection, the Manager may, *inter alia*, reject in its discretion any application for the purchase, sale, transfer or switching of units.

The Manager may, with the agreement of the Trustee, or must if the Trustee so requires, for a period of up to 28 days suspend the issue, cancellation, sale and redemption of units, if the Manager or the Trustee is of the opinion that due to exceptional circumstances there is good and sufficient reason to do so having regard to the interests of Unitholders or potential Unitholders. Re-calculation of the unit price for the purpose of sales and purchases will commence on the next relevant valuation point following the ending of the suspension.

## 25.1 **Switching**

If applicable, a holder of units may at any time switch all or some of their units ("old units") for units of another fund ("new units"). The number of new units issued will be determined by reference to the respective prices of new units and old units at the valuation point applicable at the time the old units are repurchased and the new units are issued.

Switching may be effected in writing to the Manager at the Dealing Office set out in Appendix 6. The Manager may at its sole discretion and by prior agreement, accept switching instructions by telephone from FCA regulated entities only. A switching Unitholder must be eligible to hold the units into which the switch is to be made. The Manager may accept requests to switch Units by electronic communication. Electronic communication includes email.

Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

The Manager may at its discretion charge a fee on the switching of units between funds. The fee will not exceed an amount equal to the then prevailing preliminary charge for the fund into which units are switched. The switching fee is payable by the Scheme to the Manager. Currently no switching charge is levied.

If the switch would result in the Unitholder holding a number of Old Units or New Units of a value which is less than the minimum holding, the Manager may, if it thinks fit, convert the whole of the applicant's holding of Old Units to New Units or refuse to effect any switch of the Old Units. No switch will be made during any period when the right of Unitholders to require the redemption of their units is suspended. The general provisions on selling Units shall apply equally to a switch.

The Manager may adjust the number of New Units to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect of the issue or sale of the New Units or repurchase or cancellation of the Old Units as may be permitted pursuant to the FCA Rules.



A switch of units between different funds is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation.

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

## 25.2

### **Unit Class Conversions**

If applicable, a holder of units in a unit class ("Old Class Units") of a fund may exchange all or some of their units for units of a different Unit Class within the same fund ("New Class Units"). An exchange of Old Class Units for New Class Units will be processed as a conversion ("Unit Class Conversion").

Unlike a Switch, a conversion of Old Class Units into New Class Units will not involve a redemption and issue of units. This transaction will not be included in the calculations for SDRT (see "Taxation" for further details), and for the purposes of income equalisation the New Class Units will receive the same treatment as the Old Class Units.

The number of New Class Units issued will be determined by a conversion factor calculated by reference to the respective prices of New Class Units and Old Class Units at the Valuation Point applicable at the time the Old Class Units are converted to New Class Units.

Conversions may be effected by writing to the Transfer Agency Team. A converting Unitholder must be eligible to hold the Units into which the conversion is to be made. The Manager may, at its discretion and by prior agreement, accept conversion instructions by telephone from FCA regulated entities only. It is the Manager's intention that Unit Class Conversions will be processed at the next Valuation Point following receipt of the instruction, however the Manager reserves the right to defer a Unit Class Conversion until no later than after the next annual accounting date if it is in the interests of other Unitholders.

Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

If the conversion would result in the Unitholder holding a number of Old Class Units or New Class Units of a value which is less than the minimum holding in the unit class concerned, the Manager may, if it thinks fit, convert the whole of the applicant's holding of Old Class Units to New Class Units or refuse to effect any conversion of the Old Class Units.

Please note that, under current tax law, a conversion of units between different unit classes in the same Fund will not be deemed to be a realisation for the purposes of capital gains taxation.

A Unitholder who converts their units in one unit class to units in a different unit class in the same Fund will not be given a right by law to withdraw from or cancel the transaction.

## **Dilution Levy**

The actual cost of purchasing or selling investments may be higher or lower than the mid-market value used in calculating the unit price - for example, due to dealing charges or through dealing at prices other than the mid-market price. Under certain circumstances (for example large volumes of deals) this may have an adverse effect on the Unitholders' interest in the Scheme. In order to prevent this effect ('dilution'), the Manager has the power to charge a 'dilution levy' on the sale and/or redemption of units, but does not at present intend to do so. If the Manager decides in the future to charge a dilution levy, it will be calculated by reference to the costs of dealing in the underlying investments of the Trust, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of sales and redemptions. The Manager may charge a discretionary dilution levy on the sale and redemption of units if, in its opinion, the existing Unitholders (for sales) or remaining Unitholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged in the following circumstances:

- (a) where the Scheme Property is in continual decline;
- (b) on 'large deals' (which for these purposes is defined as a deal in respect of units exceeding the sum of £15,000 in value); or
- (c) in any case where the Manager is of the opinion that the interests of remaining Unitholders require the imposition of a dilution levy.

If a dilution levy is not charged in such circumstances, this may have an adverse effect on the future growth of the Scheme Property.

It is not possible to predict accurately whether dilution would occur at any point in time. If a dilution levy is required then, based on future projections the estimated rate or amount of such levy will be 0.05% on sales (creations) and 0.04% on redemptions (liquidations) and it will be incurred on a majority of deals. The Manager may alter its dilution policy in accordance with the FCA Rules either by Unitholder consent pursuant to the passing of a resolution to that effect at a properly convened meeting of Unitholders and by amending this Prospectus or by giving Unitholders notice and amending the Prospectus 60 days before the change to the dilution policy is to take effect.

## **Governing Law**

All deals in Units are governed by the laws of England and Wales. By applying for Units, the Unitholder agrees to be bound by the Trust Deed and this Prospectus (as may be amended from time to time). The Scheme, the Trust Deed and this Prospectus are governed by the laws of England and Wales. The Scheme, the Manager and Unitholders will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with a Unitholder's investment in the Scheme or any related matter.

The UK AIFM regime requires the Manager to give details of legal instruments providing for enforcement of judgments in England and Wales (which is the territory in which the Scheme is established). The laws of England and Wales provide a number of legal mechanisms for the recognition and enforcement of judgments.

### **Income Equalisation**

When an incoming Unitholder purchases a unit during an accounting period, part of the purchase price will reflect the relevant share of accrued income in the net asset value of the Scheme. The first allocation of income in respect of that unit refunds this amount as a return of capital. This is known as 'income equalisation'. The amount of income equalisation is calculated by dividing the aggregate of the amounts of income included in the creation price of units of the class in question issued or re-issued in a group period by the number of those units and applying the resulting average to each of the units in question.

Grouping periods are consecutive periods within each annual accounting period, being the interim accounting periods (including the period from the end of the last interim accounting period in an annual accounting period to the end of that annual accounting period) as specified in paragraph 10 above. If there are no interim accounting periods, the periods for grouping of units will be annual accounting periods. Grouping is permitted by the Trust Deed for the purposes of equalisation.

### **Unit Certificates**

Certificates are not issued to Unitholders. Title to units in the Scheme is evidenced by entries on the Register. Details of a Unitholder's Register entry will be available from the Manager on request.

### **Winding up the Scheme**

The Trustee shall proceed to wind up the Scheme:

- (a) if the order declaring the Scheme to be an authorised unit trust scheme ('Order of Authorisation') is revoked.
- (b) if the Manager or the Trustee requests the FCA to revoke the Order of Authorisation and the FCA has agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Scheme, the FCA will accede to that request;
- (c) on the effective date of a duly approved scheme of amalgamation of the Scheme with another authorised unit trust scheme or a recognised scheme (as defined in the Act);
- (d) on the effective date of a duly approved scheme of reconstruction which results in all the Scheme Property becoming the property of two or more authorised or recognised schemes; or
- (e) on the effect date of a conversion which results in all of the Scheme Property subject to the conversion becoming the property of one or more authorised companies.

If any of the events set out in paragraph 30.1 occurs, the FCA Rules concerning pricing, dealing, investment and borrowing powers respectively, will cease to apply, the Trustee shall cease the creation and cancellation of units and the Manager will cease issuing, redeeming, buying and selling units.

In the case of an amalgamation or reconstruction referred to in paragraphs 30.1.3 and 30.1.4 above, the Trustee shall wind up the Scheme in accordance with the approved scheme of amalgamation or reconstruction. In any other

case, the Trustee shall, as soon as practicable after the Scheme falls to be wound up, realise the Scheme Property and, after paying all liabilities properly payable and retaining provision for the costs of the winding-up, distribute the proceeds to the Unitholders and the Manager proportionately to the size of their holdings.

Any unclaimed net proceeds or other cash held by the Trustee after twelve months from the date the proceeds became payable shall be paid by the Trustee into court, although the Trustee will have the right to retain any expenses incurred in making that payment. On completion of the winding-up, the Trustee shall notify the FCA in writing of that fact and the Trustee or the Manager shall request the FCA to revoke the Order of Authorisation.

## 31 **Taxation**

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

### 31.1 **Taxation of the Scheme**

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

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

#### (a) **Income**

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

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

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

(b) **Capital gains**

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

(c) **Stamp Duty Reserve Tax**

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

No SDRT charge arises on the issue or surrender of units in AUTs. However investors may be subject to an SDRT charge where Units in the Scheme are surrendered and the investors receive assets from the Scheme (rather than cash) which are not in proportion to each investor's share of the total assets held by the Scheme.

31.2 **Taxation of Unitholders**

(a) **Income**

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

The distribution accounts of the Scheme for any of its distribution periods may show income available for distribution as either (x) an interest distribution or (y) 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 Scheme.

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

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

**(A) Interest distributions**

UK resident individuals

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

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

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

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

#### UK corporate Unitholders

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

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

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

#### **(B) Dividend distributions**

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

#### UK resident individuals

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

#### UK corporate Unitholders

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

(b) **Chargeable gains**

UK resident individuals

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

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

UK corporate Unitholders

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

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

31.3 **Income equalisation – tax implications**

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

31.4 **UK information reporting regime**

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

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

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

31.6 **International Tax Compliance**

The Scheme 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 Scheme must collect information about each Unitholder's tax residence and, in certain circumstances, provide information about Unitholders' holdings in Units to HMRC. HMRC may in turn share this information with overseas tax authorities. Such tasks may be delegated to the Administrator.

Unitholders should note that:

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

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

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## **Notices**

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

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

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

- (a) is consistent with the Manager's knowledge of how the recipient of the document wishes or expects to receive the document;
- (b) is capable of being provided in hard copy by the Manager;



- (c) enables the recipient to know or record the time of receipt; and
- (d) is reasonable in the context. General information

Copies of the Trust Deed, any deeds supplemental to it, the Prospectus and the annual and half yearly reports are kept and may be inspected at and obtained from the Manager at its head office set out in Appendix 6.

Past performance information is available on Appendix 3.

### 32.1 **Liabilities of the Trust**

If the Manager is unable to meet any of its liabilities to the Scheme or the Unitholders in the Scheme there may be a right to redress from the Financial Services Compensation Scheme. Details of the cover provided by the Financial Services Compensation Scheme will be sent to Unitholders on request.

### 32.2 **Complaints**

Unitholders who have a complaint about the operation of the Scheme should in the first instance contact the Manager at the address set out in Appendix 6. If a complaint cannot be resolved satisfactorily with the Manager, it may be referred to the Financial Services Ombudsman Service at Exchange Tower, London E14 9SR.

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

### 32.3 **Compensation**

Under the Financial Services Compensation Scheme (FSCS), in the event of default your investment is protected up to the value of £85,000 per person per firm.

### 32.4 **Money Laundering**

The EC Money Laundering Directive has now been implemented in the UK by measures added to the Criminal Justice Act 1993 and by the Money Laundering Regulations 2007. As a result, firms carrying out regulated activities are required to maintain procedures to combat money laundering. In order to implement these procedures, in certain circumstances Unitholders may be asked to provide some proof of identity when buying or selling Units. In the latter case, the Manager cannot pay the proceeds until satisfactory evidence has been received.

### 32.5 **Risk Management**

Each Unitholder may obtain on request from the Manager information supplementary to this Prospectus relating to:

- (a) the quantitative limits applying in the risk management of the Trust;
- (b) the methods used in relation to (a); and
- (c) any recent development of the risk and yield of the main categories of investment.

The FCA Rules require that authorised fund managers maintain a liquidity risk management process.

The Manager assesses how many days are likely to be required to sell investments without negatively impacting the Unit price or liquidity on a best endeavours basis i.e. a liquidity ladder. The Manager assesses the bid/offer spreads and trading volumes as widening spreads and thin trading volumes give an indication that it might be more difficult to dispose of an investment. The characteristic of the Scheme determines the frequency of this assessment. The main factors are:

- (a) liquidity of underlying investments;
- (b) the size of the investment as a proportion of the Scheme and also relative to the market (e.g. proportion of the holding to the average trade size); and
- (c) the average holding period of Unitholders in the Scheme.

It is also the Manager's responsibility to ensure that the Investment Manager undertakes testing of its liquidity management arrangements against various stressed liquidity arrangements on a regular basis.

#### 32.6 **Telephone Recordings**

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

Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where the Manager can identify the call. If you ask the Manager to send you a recording of a particular call, the Manager may ask for further information to help identify the exact call to which your request relates.

#### 32.7 **Best Execution**

The Manager must act in the best interests of the Scheme when executing decisions to deal on behalf of the Scheme. The Manager's order execution policy sets out the (i) systems and controls that have been put in place and (ii) the factors which the Manager expects the Investment Manager to consider when effecting transactions and placing orders in relation to the Scheme. This policy has been developed in accordance with the Manager's obligations under the Regulations to obtain the best possible result for the Scheme.

Details of the order execution policy are available from the Manager on request. If you have any questions regarding the policy please contact the Manager or your professional adviser.

#### 32.8 **Inducements and Soft Commission**

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Scheme, an Investment Manager or the Manager (as relevant) will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party.

The Investment Manager or Manager will return to the Scheme as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to the Scheme, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

However, the Investment Manager or Manager may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the Trust; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of the Scheme.

### 32.9 **Benchmark Regulation**

In accordance with the EU Benchmark Regulation 2016/1011 of the European Parliament and of the Council, the Manager has in place and maintains robust written plans setting out the actions that it would take in the event that a benchmark Index is materially changed or ceases to be provided. The Manager shall, upon request, provide the relevant competent authority with those plans and any updates and shall reflect them in the contractual relationship with clients. Pursuant to these written plans, where the Manager is notified by the benchmark administrator of a material change or cessation of a Benchmark Index, the Manager will assess the impact of a material change to the Benchmark Index on the Scheme and, where it determines appropriate or in the event of the cessation of a Benchmark Index, consider substituting another index for the Benchmark Index. Prior Unitholder approval will be sought in advance where a change of the Benchmark Index constitutes a change to the investment objective and/or a material change to the investment policy of a fund. Where the Manager is unable to substitute another index for the Benchmark Index, the Directors may resolve to seek the winding up of the Scheme to the extent reasonable and practicable.

### 32.10 **Non-accountability for profits**

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

- (a) dealings in the Units of the Scheme; or**
- (b) any transaction in the Scheme Property; or**
- (c) the supply of services to the Scheme.**

## APPENDIX 1

### THE ENDEAVOUR II FUND – TRUST DETAILS

<b>Name:</b>	The Endeavour II Fund
<b>Type of Scheme:</b>	Non UCITS scheme
<b>Investment Objective and Policy:</b>	<p>The objective of the Scheme is to achieve long term (5 years plus) capital appreciation.</p> <p>The Scheme will invest primarily in equities, both in developed and emerging world markets.</p> <p>The Scheme will, largely, be managed to be a passive strategy and the portfolio will be constructed to predominantly replicate the MSCI ACWI Index. As such, the Scheme will be constrained by this Index.</p> <p>Investment may also be made in other asset classes including other types of transferable securities, units of collective investment schemes with multi-asset exposure, warrants, deposits, cash, near cash and money market instruments.</p> <p>Derivatives may be employed in the pursuit of the investment objectives of the Scheme for both investment purposes and for the purposes of Efficient Portfolio Management. <b>Using derivatives and forward transactions for investment purposes may increase the volatility and the risk profile of the Scheme.</b></p> <p>The Scheme will not maintain an interest in immovable property or tangible movable property.</p>
<b>Constraining Benchmark</b>	<p>The Scheme is constrained by MSCI ACWI Index. This means that the investment manager is limited to investing most of the portfolio in securities that are included in the Index. The ACD and the Investment Manager have chosen this Index as the most appropriate to carry out the Investment Manager's strategy of capital appreciation through developed and emerging markets. However, the Index is not a target for the Scheme and there is no guarantee that the performance of the Index will be matched or exceeded.</p>

**Accounting and distribution dates:**

Final accounting date:	5 April
Interim accounting date:	5 October
Final income distribution date:	5 August*

**Type of Units:** Income and Accumulation

**Fees and Charges:**

Initial charge:	5%
Redemption charge:	No redemption charge is currently made
Switching charge:	No switching charge is currently made
Charge for investment research:	None
Annual Management Charge:	Up to .65% subject to a minimum charge of £32,000 per annum
Investment Manager's fee	Up to 1%
Charges taken from Income:	All charges (other than those relating directly to the purchase and sale of transactions) are deducted from income.
Investment minima:**	£1,000,000
Income to be distributed as a dividend or interest?	The Scheme may distribute income in the form of a dividend or interest depending on the composition of the assets held over the accounting period.

**Past performance:** Past performance information is set out in Appendix 3

\*In addition to the above income allocation dates there was an additional ad-hoc payment distributed on 11 December 2019, for the period of 6 April 2019 to 21 November 2019.

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

**Ongoing Charges Figure (OCF)**

The OCF provides investors with a clearer picture of the total annual costs in running a collective investment scheme and is based on the previous year's expenses. The figure may vary from year to year and it excludes the costs of buying or selling assets for the Scheme (but includes transaction charges incurred by investing in any other collective investment schemes). Where there is not enough historic data available, or when historic data will not provide a reliable indication of future costs, an estimated OCF will be calculated based on the most reliable information available (OCF (Estimated)). The OCF is displayed in the Key

Investor Information Document (NURS-KII). A copy of the NURS-KII is available at [www.tutman.co.uk](http://www.tutman.co.uk) or can be provided free of charge on request.

## APPENDIX 2

### List of Eligible Securities and Derivatives Markets

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 Manager, after consultation with, and notification to, the Trustee, determines is appropriate for the purpose of investment of, or dealing in, the property of the Scheme. 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 Scheme is currently permitted to deal.

Australia	Australian Securities Exchange
Canada	The Montreal Exchange Toronto Stock Exchange TSX Venture Exchange
Hong Kong	Hong Kong Exchanges and Clearing Company
Indonesia	Indonesia Stock Exchange
Japan	Nagoya Stock Exchange Osaka Securities Exchange Tokyo Stock Exchange
Korea, Republic of	Korea Exchange
Mexico	Mexican Stock Exchange (Bolsa Mexicana de Valores)
New Zealand	New Zealand Exchange Ltd
Philippines	Philippine Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Limited
Switzerland	Eurex Zurich SIX Swiss Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Borsa Istanbul

United States of  
America

Chicago Board Options Exchange  
CME Group  
ICE Futures U.S.  
NASDAQ  
NASDAQ OMX Futures Exchange  
NASDAQ OMX PHLX  
New York Stock Exchange  
NYSE Arca  
NYSE MKT LLC



### APPENDIX 3

#### HISTORICAL PERFORMANCE DATA

The performance data shows the total annual return up to 31 December in each year listed.

The performance information is net of subscription and redemption fees and assumes that any income distributed has been reinvested. It does not include the effect of any preliminary charge that may be paid on the purchase of an investment.

<b>Unit class</b>	<b>2019</b> (%)	<b>2020</b> (%)	<b>2021</b> (%)	<b>2022</b> (%)	<b>2023</b> (%)
Accumulation units	15.9	11.9	19.3	-8.2	15.0

*Source of data:* Morningstar.

<b>Constraining benchmark</b>	<b>2019</b> (%)	<b>2020</b> (%)	<b>2021</b> (%)	<b>2022</b> (%)	<b>2023</b> (%)
MSCI AC World Index	21.7	12.7	19.6	-8.1	15.3

On 07/06/2019 the Scheme changed its investment objective and became constrained by the MSCI ACWI Index. Performance before this date was achieved under circumstances that no longer apply.

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.

**Investors should note that these figures refer to the past and past performance is not a reliable indicator of future results, growth or rates of return.**

## **APPENDIX 4**

### **Typical Investor Profile(s)**

Below is an indication of the target market of the Scheme as required under MiFID II and its supplementing regulations, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable.

This is fully detailed in the EMT which should be made available to you before making an investment. If you do not believe you fit the target market of this Scheme please seek advice from your professional adviser.

This Scheme is suitable for all investor types whose knowledge and experience is informed or experienced, coming into the Scheme from all available distribution channels.

Basic investors in particular should however be aware the Scheme uses derivatives for investment purposes and the risks associated, please refer to the Risk Factors section of this prospectus.

Investors should be seeking no capital guarantee and be able to bear losses up to their full investment.

The Scheme seeks to increase capital with a neutral stance on income growth over the long term.

Please refer to the latest EMT or NURS-KII for the Synthetic Risk Reward Indicator (SRRRI).

## APPENDIX 5

### Other Authorised Collective Investment Schemes Operated by the Manager

Authorised Contractual Schemes	Authorised Investment Companies with Variable Capital	Authorised Unit Trusts
TM Brunel Pension Partnership ACS	Abaco Fund ICVC Arch House Fund Ariel Fund Bryth ICVC Canterbury Investment Fund CP Investment Funds Destiny Fund ICVC Harroway Capital ICVC Hawarwatza Fund Libero Portfolio Fund Lime Grove Fund 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 Hall Fund The HoundStar Fund The Iceberg Trust The Maiden Fund The Millau Fund The Norfolk Trust The Notts Trust The Palfrey Fund The TM Stockwell Fund The White Hill Fund Thesis Headway Fund Thesis Lion Growth Fund Thesis PM A Fund Thesis PM B Fund Thesis Thameside Managed Fund The TUTMAN B&CE Contracted-out Pension Scheme TM Balanced Fund TM Chainpoint Fund TM Growth Fund TM Hearthstone UK Residential Feeder Fund TM Managed Fund TM Masonic Charitable Foundation Investment Fund

	<p> 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 Oak Fund  TM OEIC  TM Optimal Funds  TM P1 Investment Funds  TM Redwheel Funds  TM Ruffer Portfolio  TM Stonehage Fleming Global Multi-Asset Umbrella Fund  TM Stonehage Fleming Investments Funds  TM Tellworth Investments Funds  TM Total Return Fund  TM UBS (UK) Fund  TM Veritas Investment ICVC  Trowbridge Investment Funds </p>	<p> 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 </p>
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## **APPENDIX 6**

### **Directory**

#### **The Scheme and Head Office**

The Endeavour II Fund  
Exchange Building  
St Johns Street  
Chichester  
West Sussex  
PO19 1UP

#### **The Manager**

Registered Office and correspondence address:  
Thesis Unit Trust Management Limited  
Exchange Building  
St Johns Street  
Chichester  
West Sussex  
PO19 1UP

Telephone Numbers:  
For Dealing – 0333 300 0375  
For Prices, Registration and Other Enquiries – 01483 783 900

#### **Registrar, Transfer Agent and Fund Accountant**

Northern Trust Global Services SE, UK Branch  
50 Bank Street  
London  
E14 5NT

#### **Dealing Office**

Thesis Unit Trust Management Limited  
Sunderland  
SR43 4AZ

#### **The Investment Manager**

UBS Asset Management (UK) LTD  
5 Broadgate  
London  
EC2M 2QS

#### **The Trustee**

Head Office:  
NatWest Trustee and Depositary Services Limited  
250 Bishopsgate  
London  
EC2M 4AA

Principal Place of Business:  
NatWest Trustee and Depositary Services Limited  
House A, Floor 0  
Gogarburn  
175 Glasgow Road  
Edinburgh  
EH12 1HQ

**The Custodian**

The Northern Trust Company  
Principal Place of Business:  
50 South LaSalle Street  
Chicago  
Illinois USA

London Branch:  
50 Bank Street  
London  
E14 5NT

**The Auditors**

Johnston Carmichael LLP  
Bishop's Court  
29 Albyn Place  
Aberdeen  
AB10 1YL