



# **THE GLOBAL MULTI ASSET FUND**

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## **PROSPECTUS**

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**This document is the Prospectus of THE GLOBAL MULTI ASSET FUND and is dated and valid as at 21 June 2024. This document replaces any previous prospectuses issued by the Company.**

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

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

## CONTENTS

| Paragraph   | Page Number |
|---|-------------|
| Introduction .....  | 1           |
| The Company.....  | 6           |
| Investment objective .....  | 7           |
| Investment policy.....  | 7           |
| Investor profile .....  | 8           |
| Limitations on type of investments.....   | 8           |
| Borrowing .....   | 21          |
| Efficient Portfolio Management .....  | 22          |
| Conflicts of interest .....   | 23          |
| Stock lending.....  | 23          |
| Reporting, distributions and accounting dates .....                               | 23          |
| Characteristics of shares .....   | 24          |
| Payment of distributions .....  | 24          |
| Meetings of shareholders, voting rights and service of notices or documents ..... | 25          |
| The ACD.....  | 27          |
| Depository .....  | 28          |
| The Registrar, Administrator and Fund Accountant .....                            | 30          |
| Investment Manager .....  | 30          |
| Auditors.....   | 30          |
| Payments out of scheme property .....   | 31          |
| Valuation and Pricing of scheme property .....                                    | 35          |
| Publication of Prices .....   | 38          |
| Pricing Basis.....  | 38          |
| Income Equalisation .....   | 38          |
| Buying and selling shares .....   | 38          |
| Electronic communications.....  | 41          |
| Client Money Rules .....  | 42          |

**Taxation ..... 42**

**Further Information ..... 46**

**APPENDIX A ..... 49**

**APPENDIX B ..... 51**

**APPENDIX C ..... 58**

**APPENDIX D ..... 60**

**APPENDIX E..... 61**

## **THE GLOBAL MULTI ASSET FUND**

***If you are in any doubt about the contents of this Prospectus you should consult your professional adviser authorised under the Financial Services and Markets Act 2000.***

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

***The ACD, Thesis Unit Trust Management Limited, is responsible for the information contained in this Prospectus. To the best of the ACD's knowledge and belief, (having taken all reasonable care to ensure that 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 to be included in it. The ACD accepts responsibility accordingly.***

***The Depositary is not a person responsible for the information contained in this prospectus and, accordingly does not accept any responsibility for it under the COLL Sourcebook or otherwise.***

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

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

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

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

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

***Purchases must be made on the basis of the information contained in the most recently published Prospectus and supplementary documentation, including the latest reports when issued, which are available from the registered office of the ACD. Investors should check with the ACD that this is the most recently published version of the Prospectus.***

***Obligations have been imposed on financial sector professionals to prevent the use of funds such as The Global Multi Asset Fund for money-laundering purposes. Within this context a procedure for the identification of subscribers is required. That is, the application form of a subscriber must be accompanied, in the case of individuals, by a copy of a passport or identification card and/or in the case of legal entities, a copy of its statutes and an extract from its commercial register (in the case of a non-UK entity any such copy must be certified to be a true copy by one of the following authorities: ambassador, consulate, notary, local police). Any such information provided is collected for money-laundering compliance purposes only. These specific requirements may be waived by the ACD where other suitable evidence is available which in its sole judgement allows the ACD to cover its obligations under money-laundering legislation.***

***Neither the ACD nor any of its officers, representatives or advisers, shall be regarded as giving any advice, representation or warranty (express or implied) to any person in connection with the proposals contained in this Prospectus.***

***No part of this Prospectus may, be reproduced, stored in a retrieval system or transmitted in any form or any means, electronic, mechanical, photocopying, recording or otherwise without the prior written permission of the ACD.***

#### ***Data Protection:***

***The personal details of each applicant for shares and each shareholder will be held by the ACD and/or the Administrator as its agent in accordance with the Data Protection Laws for the purposes of carrying out the ACD's agreement with each applicant or shareholder's investment in the Company. This may include the transfer of such data to other members of the ACD's group and to other businesses providing services to the ACD (including their offices outside the UK) where the transfer is necessary for the provision of services in relation to the ACD's role as operator of the Company. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances, the ACD will take steps to ensure that your privacy rights are respected. Shareholders have the right to access their personal data processed by the ACD together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons.***

***A copy of the ACD's Privacy Notice relating to investors is available in the application form, at [www.tutman.co.uk](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 ACD must check your identity and the source of the money invested.***

***The ACD may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency may check the details you (or 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 shares you are giving the ACD 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 ACD with your application.***

## **RISK FACTORS**

- **Collective investment schemes should be regarded as long term investments.**
- **The value of the shares in the Company 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 shares and the income from them, can go down as well as up and are not guaranteed.**
- **Past performance is not necessarily a guide to future performance.**
- **The Company may invest in currencies other than sterling. As a result, exchange rate changes may cause the value of overseas investments to rise or fall, and the value of the shares to go up or down.**
- **Investors may not get back the amount originally invested.**
- **Approved derivatives transactions are used for the purpose of Efficient Portfolio Management (including hedging). It is, therefore, anticipated that the outcome of the use of derivatives for Efficient Portfolio Management would be principally to hedge against currency risks and to reduce, rather than to increase, the risk profile to the Company. Movements in currencies may, however, render such hedging ineffective.**
- **The Company may invest in warrants. A warrant is a time-limited right to subscribe for shares, derivatives, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be highly volatile.**
- **An investment in an open-ended investment company such as the Company should be regarded as a longer-term investment. Investors should be aware that the price of shares and the income from them can fall as well as rise and investors may not receive back the full amount invested.**
- **Past performance is not necessarily a guide to future performance.**
- **Investments denominated in currencies other than the base currency are subject to fluctuations in exchange rates which can be favourable or unfavourable.**

- **Investors should be aware that concentrating the Company's investments in one country could increase the risks associated with investing in the Company's shares.**
- **"Exchange Traded Funds" or "ETFs" are usually open-ended collective investment schemes, the units of which track an index, a commodity or a basket of assets like an index, but are traded like a stock on regulated markets and investment exchanges. An investment by the Company in ETFs generally presents the same primary risks as an investment in a collective investment fund. The Company investing in ETFs are exposed not only to movements in the value of the underlying asset but also to the risk that the issuer or counterparty gets into financial problems. In addition, an ETF may be subject to the following risks (a) a discount of the ETF's shares to its net asset value; (b) failure to develop an active or liquid trading market for the ETF's shares. The lack of a liquid secondary market, in particular, may make it very difficult for the Company to sell the ETFs it holds and there can be no guarantee that a secondary trading market will develop; (c) the listing / relevant exchange halting trading of the ETF's shares; (d) failure of the ETF's shares to track the quoted reference index; (e) the re-weighting of; and (f) the holding of troubled or illiquid securities in the quoted reference index. Certain of the ETFs in which the Company may invest are leveraged and this can cause their prices to be more volatile and their value to fall below the value of the underlying asset. The more the Company invests in leveraged ETFs, the more this leverage will increase any losses on those investments. ETFs may involve duplication of management fees and certain other expenses, as the Company indirectly bears their proportionate share of any expenses paid by the ETFs in which it invests and whilst most ETFs quote an on-going charge figure or a total expense ratio, swap-based ETFs and currency hedged ETFs may have additional costs which are not included in these figures.**
- **"Exchange Traded Notes" or "ETNs" are a type of unsecured, unsubordinated debt security, the returns of which are based on the performance of a market index minus applicable fees, combining both the aspects of bonds and exchange traded funds and traded on a major exchange(s). ETNs are subject to credit risk, including the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark of strategy remaining unchanged. The general credit market environment can also affect the creditworthiness of the issuer, causing the value of the ETN to fluctuate significantly. Changes in interest rate conditions can also affect the value of the ETN. Generally, if interest rates fall, the value of these investments rises. Conversely, if interest rates rise, their value falls. The value of an ETN may also be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in tracked assets, and economic, legal, political, or geographic events that affect the underlying asset that is tracked (or referenced) in the ETN. Although most ETNs will quote an annual management charge ratio, this may not include all of the costs involved in running the investment and they do not always quote a total expense ratio figure.**

- **Counterparty risk in over-the-counter markets:** The Company may enter into transactions in over-the-counter markets which will expose the Company to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Company may enter into agreements or use other derivative techniques, each of which exposes the Company to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of bankruptcy or insolvency of a counterparty, the Company could experience delays in liquidating the position and significant losses, includes declines in the value of its investment during the period in which the Company seeks to enforces its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances investors may be unable to recover any losses incurred.
- **Legal and Regulatory Risks:** legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as the Company is subject to change. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of shareholders.
- **Conflicts Policy:** transactions may be effected in which the ACD has, either directly or indirectly, an interest that may potentially involve a conflict of its obligation to the Company. Where a conflict cannot be avoided, the ACD will have regard to its fiduciary responsibility to act in the best interests of the Company and its investors. The ACD will ensure that investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.
- **Custody Risk:** the Depositary may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint custody agents. The Depositary 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 Company.

It is expected that such risks will be mitigated by the Custodian's trade matching and reconciliation processes, however in the event of an irreconcilable shortfall, the affected clients would bear the risk of any shortfall on a pro-rata basis and the Company may not recover all of its Financial Instruments.

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



## THE GLOBAL MULTI ASSET FUND PROSPECTUS

### 1 Introduction

1.1 This document is the Prospectus of **The Global Multi Asset Fund** (the "Company").

1.2 In this Prospectus the following words and expressions shall have the following meanings:

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

"Act" the Financial Services and Markets Act 2000;

"Approved Bank" (in relation to a bank account opened for the Company):

a) if the account is opened at a branch in the United Kingdom:

i) the Bank of England; or

ii) the central bank of a member state of the OECD; or

iii) a bank; or

iv) a building society; or

v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or

b) if the account is opened elsewhere:

i) a bank in a); or

ii) a bank which is regulated in the Isle of Man or the Channel Islands; or

c) a bank supervised by the South African Reserve Bank; or

d) a credit institution established in an EEA State and duly authorised by the relevant Home State Regulator,

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

"Business Day" any day which is not a Saturday, a Sunday or a public holiday on which banks are ordinarily open for business in the City of London; and

|                                  |  |
|----------------------------------|--|
|                                  | (for the purposes of dealing, paragraph 25) is every day or part of a day, other than Saturdays, Sundays, public holidays in England or any day or part of a day on which the London Stock Exchange is not open for trading.   |
| "CASS"                           | the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook;  |
| "CCP"                            | as defined in the FCA Glossary;  |
| "COLL"                           | the Collective Investment Schemes Sourcebook issued by the FCA as amended or replaced from time to time;   |
| "Custodian"                      | the person who provides custodian services to the Company, being The Northern Trust Company, and its successor or successors as custodian;   |
| "Data Protection Laws"           | means all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances: <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;</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;</li> </ul> |
| "Depository"                     | the person to whom is entrusted the safekeeping of all of the Scheme Property of the Company (other than certain Scheme Property designated by the FCA Rules), being NatWest Trustee and Depository Services Limited and its successor or successors as depository;  |
| "Depository Agreement"           | the agreement between the Company, the ACD and the Depository regarding the appointment of the Depository;   |
| "EEA"                            | the European Economic Area;  |
| "EEA State"                      | a member state of the European Union and any other state which is within the EEA;  |
| "Efficient Portfolio Management" | techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:  |

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

|                               |   |
|-------------------------------|---|
| "Eligible Institution"        | as defined in the FCA Glossary;   |
| "EMIR"                        | as defined in the FCA Glossary;   |
| "ERISA Plan"                  | (i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan's investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans; |
| "EUWA"                        | the European Union (Withdrawal) Act 2018;   |
| "FATCA"                       | the Foreign Account Tax Compliance Act (US);  |
| "FCA"                         | the Financial Conduct Authority or any successor body which may assume its regulatory responsibilities from time to time;   |
| "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, as amended from time to time;   |
| "FCA Rules"                   | the rules contained in COLL but, for the avoidance of doubt, not including guidance or evidential requirements contained in COLL;   |
| "Financial Instruments"       | as defined in the FCA Glossary;   |
| "Fund Accountant"             | the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch and its successor or successors as fund accountant;  |
| "Home State"                  | as defined in the FCA Glossary;   |
| "Instrument of Incorporation" | the instrument of incorporation constituting the Company, as amended from time to time;   |

|  |  |
|--|--|
| "International Tax Compliance Regulations" | the International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time;   |
| "Investment Manager"                       | the investment manager retained by the ACD pursuant to the FCA Rules, being Quilter Cheviot Limited and its successor as investment manager to the Company;  |
| "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;  |
| "OEIC Regulations"                         | The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended or re-enacted from time to time;   |
| "OTC"                                      | over the counter;  |
| "Register"                                 | the register of shareholders of the Company;   |
| "Registrar"                                | the person who maintains the Register, being Northern Trust Global Services SE, UK branch and its successor or successors as registrar;  |
| "Regulations"                              | the OEIC Regulations and the FCA Handbook (including COLL);  |
| "Rules"                                    | the FCA Rules and any other regulations that may be made under section 262 of the Act and for the time being in force;   |
| "Scheme Property"                          | as defined in the FCA Glossary;  |
| "SYSC"                                     | the Senior Management Arrangements, Systems and Controls Sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time;   |
| "UCITS Directive"                          | the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No. 2009/65/EC), as amended; |
| "UK AIF"                                   | as defined in the FCA Glossary;  |

|                          |   |
|--------------------------|---|
| "UK GDPR"                | means Regulation 2016/679 of the European Parliament and of the Council of 27 <sup>th</sup> April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK's withdrawal from the European Union; |
| "UK UCITS"               | as defined in the FCA Glossary;   |
| "UK UCITS Regulations"   | the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK's withdrawal from the European Union;   |
| "United Kingdom" or "UK" | the United Kingdom of Great Britain and Northern Ireland;   |
| "United States" or "US"  | the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;  |
| "US Person"              | a person who is in either of the following two categories: <ol style="list-style-type: none"> <li>1 a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act; or</li> <li>2 a person excluded from the definition of a "Non-United States person" as used in Commodity Futures Trading Commission ("CFTC") Rule 4.7.</li> </ol> <p>For the avoidance of doubt, a person is excluded from this definition of US Person only if they are outside both the definition of "U.S. person" in Rule 902 and the definition of "Non-United States person" under CFTC Rule 4.7;</p>                   |
| "VAT"                    | value added tax;  |
| "1933 Act"               | the United States Securities Act of 1933 (as may be amended or re-enacted); and   |
| "1940 Act"               | the United States Investment Company Act of 1940 (as may be amended or re-enacted).   |

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

- 1.4 References in the main body of 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.
- 1.5 References to the plural shall include the singular and vice versa.
- 1.6 Unless otherwise defined in paragraph 1.2 above or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the OEIC Regulations, the Act or the FCA Handbook shall bear the same meanings in this Prospectus.
- 1.7 References to statutes, statutory provisions or regulations (including any provision of the FCA Handbook) shall include those statutes, provisions, regulations, or provision of the FCA Handbook as amended, extended, consolidated, substituted or re-enacted from time to time and, in particular, references to Regulations and/or Directives of the European Union shall, where appropriate, include all domestic law and regulation enacted (or re-enacted) for the purpose of bringing such European Union law and regulation into domestic law and regulation.

## **2 The Company**

- 2.1 The Company is an investment company with variable capital for the purposes of the Act.
- 2.2 The Company is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Company will be marketed outside the UK. The FCA product reference number is 518825.
- 2.3 The Company was authorised by the Financial Services Authority pursuant to an authorisation order dated 14 May 2010 and was launched on 21 June 2010. The Financial Services Authority was superseded by the Financial Conduct Authority and the Prudential Regulation Authority.
- 2.4 The base currency of the Company is pounds sterling.
- 2.5 The Company has an unlimited duration.
- 2.6 The minimum share capital of the Company is £1,000,000 and the maximum share capital is £1,000,000,000.
- 2.7 The registered office and head office of the Company is at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP. This is the address in the UK for service on the Company of notices or other documents required or authorised to be served on it.
- 2.8 The Company is a collective investment scheme in which each investor's funds are pooled with all other investors' funds. The ACD takes reasonable steps to ensure that each investment transaction carried out within the Company is suitable for the Company, having regard to the investment objective and policy of the Company. This Prospectus is intended to provide information to potential investors about the Company.
- 2.9 Historical performance figures for the Company are set out in Appendix D.
- 2.10 Shareholders are not liable for the debts of the Company.
- 2.11 The Company will continue until wound up in accordance with the Rules.
- 2.12 The Company may be wound up under chapter 7.3 of COLL or as an unregistered company under Part V of the Insolvency Act 1986. Winding up of the Company under COLL is only permitted (a) effect under regulation 21 of the OEIC Regulations, to proposals to wind up the Company may be given and (b) a statement has been prepared, and delivered, to the FCA under COLL 7.3.5R, prior to satisfaction of condition (v).

Subject to the foregoing, the Company will be wound up under COLL:

- 2.12.1 if an extraordinary resolution of shareholders of the Company to that effect is passed;
  - 2.12.2 when the period (if any) fixed for the duration of the Company (if any) by the Instrument of Incorporation expires or any event occurs for which the Instrument of Incorporation provides that the Company is to be wound up;
  - 2.12.3 on the date stated in any agreement by the FCA in response to a request from the ACD for the Company to be wound up; or
  - 2.12.4 on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any Scheme Property.
- 2.13 If any of the events set out in paragraph 2.12 above occur, the FCA Rules concerning pricing and dealing and investment and borrowing Powers will cease to apply. The creation and cancellation of shares will cease and the ACD will cease issuing, redeeming, buying and selling shares except in respect of final calculation under COLL 7.3.7(R).
- 2.14 In the case of an approved scheme of arrangement referred to in paragraph 2.12.4 above the Depositary shall wind up the Company in accordance with the approved scheme of arrangement.

In any other case, the ACD shall, as soon as practicable after the Company falls to be wound up, realise the property of the Company and, after paying all liabilities properly payable and retaining provision for the costs of the winding-up distribute the proceeds to the shareholders and the ACD proportionately to the size of the holdings.

Shareholders will be notified of any proposal to wind up the Company. On commencement of such winding up the Company will cease to issue and cancel shares and transfers of such shares shall cease to be registered.

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

### **3 Investment objective**

The investment objective of the Company is to achieve capital growth, net of fees, over a rolling 5 year period.

### **4 Investment policy**

To achieve the objective the Company will invest in a geographically diversified global portfolio which will comprise of at least 70% in equities and up to 30% in fixed income assets (which may include government and public securities). The Company may also invest in other transferable securities, eligible alternatives (e.g. property, infrastructure, commodities) via permitted instruments such as collective investment schemes, permitted closed-ended investment funds, money market instruments, warrants, deposits, near cash and cash investments.

Typically, half of the exposure to the assets above will be gained by investing through collective investment vehicles (including those managed by the ACD or its Associates or the Investment Manager or its Associates). All other exposure will be attained from direct investments.

The proportion of the Company invested in different geographical areas (which may include emerging markets) will vary over time in response to the economic and market environment.

**Derivatives may be used for Efficient Portfolio Management (including hedging), although use is expected to be limited.**

The Investment Manager will actively manage the Company. This means the Investment Manager actively makes decisions about how to invest the Scheme Property of the Company (and which investments to buy and sell) instead of simply following a market index.

**Performance Comparator**

The Company uses the Investment Association Mixed Investment 40-85% Shares peer group for performance comparison purposes only. This peer group is not a target benchmark and the Company is not constrained by it. The peer group has been selected as a comparator for performance because the parameters for this peer group of between 40 and 85% exposure to equities are closely aligned to the parameters as set out in the Policy of the Company.

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

**5 Investor profile**

The Company is available for investment by any type of investor, including those who are not interested in or informed about capital market topics, but who see investment funds as a convenient 'savings' vehicle. It may also be appropriate for more experienced investors wishing to attain defined investment objective. The investor must be able to accept the risk of losses, thus the Company may be appropriate for investors who can afford to set aside capital for at least five years. For investors holding a portfolio of securities, it can play the role of a core position.

**6 Limitations on type of investments**

- 6.1 All the Scheme Property of the Company must be invested in any or all of the following assets: transferable securities, approved money-market instruments, deposits, derivatives and forward transactions and units in collective investment schemes. Cash or near cash may be held for the pursuit of the Company's investment objective or redemption of shares or for the efficient management of the Company in accordance with its investment objective or any other purpose reasonably regarded as ancillary to the investment objective of the Company. From time to time the Company may have a higher than usual level of liquidity if the ACD considers that to be in the interests of shareholders.
- 6.2 The investment objective and policy set out in paragraphs 3 and 4 are subject to the limits on investment under the FCA Rules and as set out in this Prospectus. These limits are summarised below. Subject to those limits, there is no restriction on the proportion of the assets of the Company which may consist of assets of any of the descriptions set out in paragraph 6.1.
- 6.3 The Company will not maintain an interest in immovable property or tangible movable property.



- 6.4 The investment policy of the Company may involve the Investment Manager investing the Company's Scheme Property wholly or principally in scheme units, however this is subject to change from time to time at the discretion of the Investment Manager where a change is believed to be in the best interests of the shareholders.
- 6.5 Normally, the Scheme Property will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of shares) and efficient management of the Company both generally and in relation to its investment objective and policy. This amount will vary depending upon prevailing circumstances and there may be times when the ACD considers stock markets to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased.
- 6.6 Investments permitted for the Company are as follows:

#### **6.6.1 Approved securities**

The Scheme Property may be invested in approved securities. An approved security is a transferable security that is admitted to an official listing in the UK or an EEA State or is traded on or 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 regulated, open to the public and operates regularly; further details are set out in sub-paragraph 6.6.11 below.

Recently issued transferable securities may also be treated as approved securities provided that:

- a) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
- b) such admission is secured within a year of issue.

#### **6.6.2 Transferable securities**

Transferable securities are, in general terms, shares, debentures, alternative debentures, government and public securities, warrants or certificates representing certain securities (as such terms as defined in the FCA Glossary). Not more than 10% in value of the Scheme Property can be invested in transferable securities which are not approved securities.

The Scheme Property may be invested in transferable securities on which any sum is unpaid only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Company, at the time when payment is required, without contravening the rules in COLL 5.

#### **6.6.3 Money-market instruments**

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

A money-market instrument is regarded as normally dealt in on the money market if it:

- a) has a maturity at issuance of up to and including 397 days;
- b) has a residual maturity of up to and including 397 days;

- c) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
- d) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in a) or b) or is subject to yield adjustments as set out in c).

A money-market instrument is regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem shares at the request of any qualifying shareholder.

A money-market instrument is regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:

- (a) enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
- (b) based either on market data or on valuation models including systems based on amortised costs.

A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market is presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

Except as set out below, approved money-market instruments held by the Company must be admitted to or dealt in an eligible market.

Not more than 10% in value of the Scheme Property is to consist of money-market instruments, which are not:

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

#### **6.6.4 Derivatives**

A transaction in derivatives or a forward transaction must not be effected for the Company unless:

- a. the transaction is of a kind specified in COLL 5.2.20R; and
- b. the transaction is in accordance with COLL 5.3.11G; and
- c. the transaction is covered, as required by COLL 5.3.3AR; and
- d. the transaction is economically appropriate for the purpose of efficiently managing the portfolio; and
- e. the transaction is entered into for one or more of the following specific aims:
  - i. the reduction of risk; or
  - ii. the reduction of cost; or
  - iii. the generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL.

**A transaction in derivatives or a forward transaction will be effected for the purpose of Efficient Portfolio Management only and will not be effected for the purposes of speculation or investment.**

Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the limits specified in COLL 5.2.11 R and COLL 5.2.12 R save as provided in COLL 5.2.19R(4).

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

Where the Company invests in an index based derivative, provided the relevant index falls within COLL 5.2.20AR, the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R, subject to the ACD taking account of COLL 5.2.3R in relation to the prudent spread of risk.

A transaction in a derivative must be in an approved derivative or comply with the requirements for transactions in OTC derivatives as described in COLL 5.2.23R.

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 Company to diverge from its investment objectives as stated in the Instrument of Incorporation of the Company and the most recently published version of 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, approved money-market instruments, units in collective investment schemes, or derivatives.

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

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

- (a) the obligation to make the disposal and any other similar obligations could immediately be honoured by the Company by delivery of property or the assignment of rights; and
- (b) the property and rights at (a) are owned by the Company at the time of the agreement.

The transaction alone or in combination must be reasonably believed by the ACD 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 which could arise.

A transaction in an OTC derivative must be:

- (a) with an approved counterparty. A counterparty to a transaction in derivatives is approved only if the counterparty is:
  - 1. an Eligible Institution or an Approved Bank; or
  - 2. a person whose permission (including any requirements or limitations), as published in the Financial Services Register, permits it to enter into the transaction as principal off-exchange;
  - 3. a CCP that is authorised in that capacity for the purposes of EMIR;
  - 4. a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
  - 5. to the extent not already covered above, a CCP supervised in a jurisdiction that:
    - (i) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the UK;
    - (ii) is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019.
- (b) on approved terms. The terms of the transaction in derivatives are approved only if the ACD:
  - (i) carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
  - (ii) can enter into one or more further transactions to sell, liquidate or close out that transactions at any time, at its fair value;
- (c) capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

- (i) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
  - (ii) if the value referred to in (i) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- (d) subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
- (i) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
  - (ii) a department within the ACD which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

The jurisdictions that fall within paragraph (a)(5) above are Australia, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Singapore, Spain, Switzerland, and the United States of America.

For the purposes of paragraph (b) above, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Depositary must take reasonable care to ensure that the ACD has systems and controls that are adequate to ensure compliance with paragraphs (a) to (d) above.

The following additional provisions apply:

- (e) The ACD must:
  - (i) establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Company to OTC derivatives; and
  - (ii) ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- (f) Where the arrangements and procedures referred to in paragraph (e) involve the performance of certain activities by third parties, the ACD must comply with the requirements of SYSC 8.1.13R and COLL 6.6A.4R(5) and (6).
- (g) The Company may invest in derivatives and forward transactions as part of its investment policy provided:
  - (i) its global exposure relating to derivatives and forward transactions held in the Company does not exceed the net value of the Scheme Property; and
  - (ii) its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in COLL 5.2.11R (Spread: general).

- (h) The ACD must calculate the global exposure of the Company on at least a daily basis, in accordance with the methods described in COLL 5.3.7R to COLL 5.3.10R.
- (i) For the purposes of this paragraph, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.
- (j) The ACD must calculate the global exposure of the Company either as:
  - (i) the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in COLL 5.2.19(R)(3A), which may not exceed 10% of the net value of the Scheme Property of the Company by way of the commitment approach; or
  - (ii) the market risk of the Scheme Property of the Company by way of the value risk approach.
- (k) The ACD must ensure that the method selected above is appropriate, taking into account:
  - (i) the investment strategy pursued by the Company;
  - (ii) the types and complexities of the derivatives and forward transactions used; and
  - (iii) the proportion of the Scheme Property comprising derivatives and forward transactions.
- (l) Where the Company employs techniques and instruments including repo contracts or stock lending transactions in order to generate additional leverage or exposure to market risk, the ACD must take those transactions into consideration when calculating global exposure.
- (m) For the purposes of this section, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.
- (n) Where the ACD uses the commitment approach for the calculation of global exposure, it must:
  - (i) ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in COLL 5.2.19(R)(3A), whether used as part of the Company's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management; and
  - (ii) convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).
- (o) The ACD may apply other calculation methods which are equivalent to the standard commitment approach.

- (p) For the commitment approach, the ACD may take account of netting and hedging arrangements when calculating global exposure of the Company, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.
- (q) Where the use of derivatives or forward transactions does not generate incremental exposure for the Company, the underlying exposure need not be included in the commitment calculation.
- (r) Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Company need not form part of the global exposure calculation.

**Approved derivatives transactions are used for the purpose of Efficient Portfolio Management (including hedging). It is, therefore, anticipated that the outcome of the use of derivatives for the purpose of Efficient Portfolio Management would be principally to hedge against currency risks and to reduce, rather than to increase, the risk profile to the Company. Movements in currencies may, however, render such hedging ineffective.**

#### **6.6.5 Deposits**

**The Company may invest in deposits only with an Approved Bank with a rating of not less than A and which are repayable on demand or have the right to be withdrawn and maturing in no more than 12 months.**

#### **6.6.6 Collective investment schemes**

6.6.6.1 The Company may invest up to 100% of its Scheme Property in units in collective investment schemes.

6.6.6.2 The Company may invest in units in a collective investment scheme (the "second scheme") provided that the second scheme satisfies all of the following conditions, and provided that not more than 30% of the value of the Company will be invested in second schemes within paragraphs (ii) to (v) below:

- (i) it is a UK UCITS or satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
- (ii) it is a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR, as set out in paragraph 6.6.6.3 are met); or
- (iii) it is authorised as a Non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1), (3) and (4) are met); or
- (iv) it is authorised in an EEA State (provided the requirements of COLL 5.2.13AR are met); or
- (v) it is authorised by the competent authority of an OECD member country (other than an EEA State) which has:

- 1.1 signed the IOSCO Multilateral Memorandum of Understanding; and

1.2 approved the scheme's management company, rules and depositary/custody arrangements;

(provided the requirements of COLL 5.2.13AR are met);

- a) it complies, where relevant, with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes);
- b) it has terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes; and
- c) where the second scheme is an umbrella, the provisions in paragraphs b) and c) above and COLL 5.2.11R (Spread: general) apply to each sub-fund as if it were a separate scheme.

6.6.6.3 The requirements of COLL 5.2.13AR are that:

- a) the second scheme is an undertaking:
  - i. with the sole objective of collective investment in transferable securities or in other liquid financial assets, as referred to in COLL 5, of capital raised from the public and which operate on the principle of risk spreading; and
  - ii. with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption);
- b) the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the UK, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured;
- c) the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UK UCITS, and in particular that the rules on asset segregation, borrowing, lending and uncovered sales of transferable securities and approved money-market instruments are equivalent to the requirements of COLL 5; and
- d) the business of the second scheme is reported in half- yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.

6.6.6.4 Where the Company makes an investment in, or disposal of, units or shares of a second scheme detailed in paragraph 6.6.6.8 and there is a charge in respect of such investment or disposal, the ACD must pay the Company the amount referred to in either below paragraphs 6.6.6.5 or 6.6.6.6 within four Business Days following the date of the agreement to invest or dispose.

6.6.6.5 When an investment is made the amount referred to in above paragraph 6.6.6.4 is either:



- a. any amount by which the consideration paid by the Company for the units or shares in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units or shares been newly issued or sold by it;
- b. if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units or shares in the second scheme.

6.6.6.6 When a disposal is made the amount referred to in paragraph 6.6.6.4 is any charge made for the account of the authorised fund manager or operator of the second scheme or an associate of any of them in respect of the disposal.

6.6.6.7 In paragraphs 6.6.6.4 or 6.6.6.5 above:

- a. any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy made in accordance with COLL 6.3.8R, is to be treated as part of the price of the units and not as part of any charge; and
- b. any switching charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

6.6.6.8 Subject to the restrictions above, the Company may invest in or dispose of (and the Scheme Property of the Company may include) units in collective investment schemes managed or operated by the ACD or an associate of the ACD, provided that the ACD makes good to the Company certain amounts specified in COLL 5.2.16R.

6.6.6.10 Where a substantial proportion of the Company's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged to the Company and to the other collective investment schemes in which it invests should not exceed 2% per annum plus VAT (if applicable).

## **6.6.7 Warrants**

The Company may invest in warrants but the exposure created by the exercise of the rights conferred by those warrants must not exceed the limits set out in "Spread: General" below. It is not anticipated that extensive use will be made of warrants, and in any event no more than 15% of the value of the Company's property will be invested in them.

**A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be highly volatile.**

## **6.6.8 Spread: General**

6.6.8.1 This paragraph does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 6.6.9 applies.

6.6.8.2 The specific limits are set out as follows:

- (a) not more than 20% in value of the Scheme Property is to consist of deposits with a single body;
- (b) not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money-market instruments issued by one issuer, and the limit of 5% may be increased to 10% in respect of up to 40% of the value of the Scheme Property;
- (c) exposure to any one counterparty in an OTC derivative transaction shall not exceed 5% in value of the Scheme Property (or 10% where the counterparty is an Approved Bank); and
- (d) not more than 20% in value of the Scheme Property is to consist of transferable securities and approved money-market instruments issued by the same group;
- (e) not more than 20% in value of the Scheme Property is to consist of the units of any one collective investment scheme;
- (f) in applying the limits in paragraphs (a), (b) 6.6.8.3 and (c), and subject to COLL 5.2.11R(5A), not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
  - i. transferable securities or approved money-market instruments issued by; or
  - ii. deposits made with; or
  - iii. exposures from OTC derivatives transactions made with;  
a single body.
- (g) the ACD must ensure that the counterparty risk arising from an OTC derivative transaction is subject to the limits set out in paragraphs (c) and (f) above.
- (h) when calculating the exposure of the Company to a counterparty in accordance with the limits set out in (c), the ACD must use the positive mark-to-market value of the OTC derivative contract for that counterparty.
- (i) the ACD may net the OTC derivative positions for the Company with the same counterparty, provided:
  - (i) it is able, legally, to enforce netting arrangements with the counterparty on behalf of the Company; and

- (ii) the netting agreements referred to above do not apply to any other exposures the Company may have with that same counterparty.
- (j) the ACD may reduce the exposure of the Scheme Property to a counterparty to an OTC derivative transaction through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- (k) the ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits set out in paragraph (m) when it passes collateral to the counterparty to an OTC derivative transaction on behalf of the Company.
- (l) collateral passed in accordance with paragraph (k) may be taken into account on a net basis only if the ACD is able, legally, to enforce netting arrangements with this counterparty on behalf of the Company.
- (m) the ACD must calculate the issuer concentration limits referred to in COLL 5.2.11R on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach; and
- (n) in relation to exposures arising from OTC derivative transactions, as referred to paragraph (f), the ACD must include in the calculation any counterparty risk relating to the OTC derivatives transactions.

6.6.8.3 In applying the limit under paragraph (b) above, certificates representing certain securities are to be treated as equivalent to the underlying securities.

6.6.8.4 For the purposes of this paragraph 6.6.8, companies included in the same group for the purposes of consolidated accounts as defined in section 399 of the Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards, are regarded as a single body.

#### **6.6.9 Spread: Government and Public Securities**

The following applies in respect of transferable securities or approved money-market instruments ("such securities") that are issued or guaranteed by:

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

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

- (a) the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Company;**
- (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 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made.**

**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 the issue.**

**More than 35% in value of the Scheme Property may be invested in such securities issued by:**

- (a) the Government of the United Kingdom**
- (b) the Government of Canada; and**
- (c) the Government of the United States of America.**

#### **6.6.10 Significant influence**

In addition to any constraint contained above, the Company may not acquire or hold:

- a. transferable securities issued by a body corporate carrying in aggregate 20% or more of the votes which may be cast at a general meeting of that body corporate;
- b. non-voting shares representing more than 10% of the issued share capital of the issuing body corporate;
- c. more than 25% of the units in a collective investment scheme;
- d. more than 10% of the debt securities issued by any single issuing body; or
- e. more than 10% of the approved money-market instruments issued by a single body.

#### **6.6.11 Eligible markets**

The markets upon which transferable securities and approved money-market instruments are traded must meet certain criteria laid down in the FCA Rules.

Eligible markets include any regulated market, and markets established in the UK or an EEA State which are regulated, operate regularly and are open to the public.

In the case of all other markets, in order to qualify as an eligible market, the ACD after consultation with and notification to the Depositary, must decide that market is appropriate for investment of, or dealing in, the Scheme Property. A market must not be considered appropriate unless it:

- a) is regulated;
- b) operates regularly;
- c) is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator;
- d) is open to the public;
- e) is adequately liquid; and
- f) has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

The eligible securities markets for the Company are set out in Appendix A to this Prospectus.

Eligible derivatives markets are markets which the ACD, after consultation with and notification to the Depositary, 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).

The eligible derivatives markets for the Company are set out in Appendix A to this Prospectus.

#### 6.6.12 **General**

- a. The Company 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.
- b. The restrictions on investment set out above are tighter than those imposed by the FCA Rules in the following respects:

for the purposes of paragraph 6.6.5, the FCA Rules do not require a particular credit rating for an Approved Bank.

## 7 **Borrowing**

- 7.1 The Company may, in accordance with the FCA Rules, borrow sums of money on terms that the borrowing is repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Company to comply with any restriction in the Instrument of Incorporation. The Company may only borrow money, in accordance with this paragraph, from an Eligible Institution or an Approved Bank.
- 7.2 Borrowings must not exceed 10% of the value of the Scheme Property, on any Business Day.

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

## **8 Efficient Portfolio Management**

- 8.1 The ACD may utilise the property of the Company to enter into transactions for the purpose of Efficient Portfolio Management. These are techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

8.1.1 The transactions must be **economically appropriate** in that they are realised in a cost effective way.

8.1.2 The transactions must be entered into for one or more of the following specific aims, namely:

- a) the reduction of risk;
- b) the reduction of cost; or
- c) The generation of additional capital or income for the Company with a risk level which is consistent with the risk profile of the Company and the risk diversification rules laid down in COLL.

8.1.3 The first aim allows for tactical asset allocation; that is a switch in exposure through the use of derivatives rather than through the sale and purchase of underlying property.

8.1.4 Similarly, the aim of reduction of risk allows for the use of derivatives with a view to switching the currency exposure of all or part of the underlying Scheme Property away from a currency which the ACD considers to be unduly prone to risk.

### **8.2 Economically appropriate**

8.2.1 The guidelines adopted by the ACD, under which the Company will operate are:

- a) Any transaction must be one which (alone or in combination with one or more of others) is reasonably believed by the Company to be economically appropriate to the Efficient Portfolio Management of the Company.

8.2.2 This means that the ACD reasonably believes that a transaction must be economically appropriate to the efficient portfolio management of the Company on one of the following bases:

- a) For transactions undertaken to reduce risk or cost (or both), the transaction (alone or combination) will diminish a risk or cost of a kind or level which it is sensible to reduce; and
- b) For transactions undertaken to generate additional capital or income, the Company is certain (or certain barring events which are not reasonably foreseeable) to derive a benefit from the transaction.

- 8.2.3 The transaction may not be entered into if its purpose could reasonably be regarded as speculative.
- 8.2.4 Where the transaction relates to the actual or potential acquisition of transferable securities, the ACD must intend that the Company should invest in transferable securities within a reasonable time and must ensure thereafter that, unless the position has itself been closed out, that intention is realised within that reasonable time.

**Efficient Portfolio Management techniques may be utilised by the Company when considered appropriate.**

## **9 Conflicts of interest**

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

## **10 Stock lending**

- 10.1 The ACD may request the Depositary to enter into stock lending transactions in respect of the Company. The Company may only enter into stock lending transactions in accordance with the rules in COLL if the arrangement or contract is for the account of, and benefit of, the Company, and in the interest of its shareholders. The purpose of the stock lending transaction must be for the generation of capital or income for the Company with no, or an acceptably low, degree of risk. Such an arrangement or contract will not be in the interests of shareholders unless it reasonably appears to the ACD to be appropriate with a view to generating capital or income for the Company with no, or an acceptably low, degree of risk.
- 10.2 Briefly, such transactions are those where the Depositary delivers the securities which are the subject of the transaction, in return for which it is agreed that securities of the same kind and amount should be re-delivered at a later date. The Depositary at the time of delivery of the securities receives assets as collateral to cover the risk that the securities are not returned. Such transactions must always comply with the relevant requirements of the Taxation of Chargeable Gains Act 1992 and the FCA Rules. There is no limit on the value of the Scheme Property which may be the subject of repo contracts or stock lending transactions.

## **11 Reporting, distributions and accounting dates**

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

|                                   |             |
|-----------------------------------|-------------|
| Accounting reference date         | 30 April    |
| Interim accounting reference date | 31 October  |
| Annual income allocation date     | 31 August   |
| Interim income allocation date    | 31 December |

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

Annual long reports of the Company will be published by the ACD within four months of the end of each annual accounting period. Half-yearly long reports of the Company will be published by the ACD within two months of the end of each half-yearly accounting period.

Long reports will be available (free of charge) on request from the ACD. Reports shall also be available, without charge, for inspection by the public during normal working hours at the ACD's place of business. The ACD's place of business address is set out in Appendix E.

## **12 Characteristics of shares**

- 12.1 The Instrument of Incorporation allows the Company to issue income and accumulation shares of each class.
- 12.2 Income receivable in respect of income shares is distributed to shareholders. Holders of accumulation shares are not entitled to be paid the income attributable to such shares, but that income is automatically transferred to (and retained as part of) the capital assets of the Company at the end of the relevant distribution period and is reflected in the price of an accumulation share.
- 12.3 Income is distributed or credited to capital (as the case may be) without any tax being deducted or accounted for by the Company.
- 12.4 Where the Company has different classes of shares, each class may attract different charges and so monies may be deducted from classes in unequal proportions. In these circumstances the proportionate interests of the classes within the Company will be adjusted accordingly.
- 12.5 The price of the shares is expressed in pounds sterling and the shares themselves have no nominal value.
- 12.6 The rights attaching to the shares may be expressed in two denominations and the proportion of a larger denomination share represented by a smaller denomination share shall be one thousandth of the larger denomination share.
- 12.7 No certificates are issued to shareholders.
- 12.8 Title to shares is evidenced by the entry on the Register; shareholders may but need not support an instruction to the ACD by enclosing the contract note or the most recent annual statement or copies of such documents.
- 12.9 Shares in the Company are not listed or dealt in on any investment exchange.

## **13 Payment of distributions**

- 13.1 The income available for distribution is determined in accordance with COLL. It comprises all income received or receivable for the account of the Company in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the ACD considers appropriate, after consulting with the Company's auditors, in accordance with COLL, in relation to taxation and other matters.
- 13.2 Each holder of income shares is entitled, on the interim income allocation date and the annual income allocation date, to the income attributable to their holding.



- 13.3 Income on accumulation shares is not distributed but that income is automatically transferred to (and retained as part of) the capital assets of the Company at the end of the relevant distribution period and is reflected in the price of an accumulation share.
- 13.4 The ACD reserves the right to change or create additional accounting and income distribution dates, usually as a result of accounting or taxation changes.
- 13.5 On the income allocation dates, an amount, as determined by the ACD in accordance with the Instrument of Incorporation, is either paid, reinvested or accumulated to those shareholders who are entitled to the distribution by evidence of their holding on the Register at the previous accounting date. Payments will be made by means of direct credit to the shareholder's nominated bank account. If a nominated bank account is not provided, a cheque will be sent out, within four Business Days, to the shareholder's address as appearing in the Register. If the income allocation date is not a Business Day, payment will be made on the next Business Day.
- 13.6 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 Company.

#### **14 Meetings of shareholders, voting rights and service of notices or documents**

- 14.1 The Company will not hold annual general meetings.
- 14.2 A meeting of shareholders duly convened and held shall be competent by extraordinary resolution to require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the relevant regulations.
- 14.3 An extraordinary resolution is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for the resolution at a general meeting, or, as the case may be, a class meeting, of shareholders.
- 14.4 Except where an extraordinary resolution is specifically required or permitted, any resolution of shareholders is passed by a simple majority of the votes validly cast at a general meeting of the shareholders.
- 14.5 A meeting of shareholders has no powers other than those contemplated by the FCA Rules.
- 14.6 Shareholders must receive at least 14 days' notice of any meeting of shareholders and are entitled to be counted in the quorum and vote at any such meeting either in person or by proxy.
- 14.7 The quorum at a meeting of shareholders shall be two shareholders present in person or by proxy.
- 14.8 At any meeting of shareholders, on a show of hands every shareholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, shall have one vote.
- 14.9 On a poll, every shareholder who is present in person or by proxy shall have one vote for every share in the Company. A shareholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way.
- 14.10 In the context of despatch of notice, "shareholders" means the persons who were entered in the Register seven days before the notice of meeting was given but excluding persons who are known not to be entered on the Register at the date of despatch of the notice.

- 14.11 In the context of voting, "shareholders" means the persons who were entered on the Register seven days before the notice of meeting was given but excluding any persons who are known not to be entered on the Register at the date of the meeting.
- 14.12 The ACD is not entitled to vote at or be counted in a quorum at a meeting of shareholders in respect of shares held or deemed to be held by the ACD, except where the ACD holds shares on behalf of, or jointly with, a person who, if themselves the sole registered shareholder would be entitled to vote, and from whom the ACD has received voting instructions. Associates of the ACD are entitled to be counted in a quorum and, if they hold shares on behalf of a person who would have been entitled to vote if they had been a registered shareholder and they have received voting instructions from that person, may vote in respect of such shares pursuant to such instructions.
- 14.13 Any notice or document to be served upon a shareholder will be duly served if it is:
- 14.13.1 delivered to the shareholder's address as appearing in the Register; or
  - 14.13.2 delivered by using an electronic medium in accordance with paragraph 26.
- 14.14 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.
- 14.15 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.
- 14.16 Any document or notice to be served on or information to be given to a shareholder, must be in legible form.

For this purpose, any form is legible form which:

- 14.16.1 is consistent with the ACD's knowledge of how the recipient of the document wishes or expects to receive the document;
  - 14.16.2 is capable of being provided in hard copy by the ACD;
  - 14.16.3 enables the recipient to know or record the time of receipt; and
  - 14.16.4 is reasonable in the context.
- 14.17 The ACD must obtain the prior approval of shareholders by extraordinary resolution for any proposed change to the Company that is a fundamental change. This is a change or event which:
- 14.17.1 changes the purpose or nature of the Company;
  - 14.17.2 may materially prejudice a shareholder;
  - 14.17.3 alters the risk profile of the Company; or
  - 14.17.4 introduces a new type of payment out of the Company property.

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

- 14.17.5 affects a shareholder's ability to exercise their rights in relation to their investment;
- 14.17.6 would reasonably be expected to cause the shareholder to reconsider their participation in the Company;

14.17.7 results in any increased payments out of the Company property to the ACD or an associate of the ACD; or

14.17.8 materially increase other types of payment out of the Company property.

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

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

## **15 The ACD**

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

Registered office and head office:

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

Telephone number: 01243 531234

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

15.2 The directors of the ACD are:

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

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 as the ACD. 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 ACD.

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

- 15.3 The ACD is authorised and regulated by the Financial Conduct Authority and is authorised to carry on certain permitted regulated activities in the UK in accordance with the Act. The address, for the FCA, is set out in Appendix E.
- 15.4 Investors buy and redeem shares through the ACD who nets them to reduce the number of shares issued or cancelled by the Company. When carrying out deals in shares the ACD acts as principal but does not profit from this activity.
- 15.5 The ACD is the sole director of the Company and its duties and obligations are governed by the terms of the agreement between the Company and the ACD ("the ACD Agreement"). The ACD Agreement provides that the ACD manage and administer the Company in accordance with the Act and the OEIC Regulations, the Instrument of Incorporation and the contents of this Prospectus.
- 15.6 The ACD Agreement may be terminated by either party on not less than 3 months' written notice. The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any shareholder for any act or omission except in the case of negligence, wilful default, breach of duty or breach of trust in relation to the Company on its part. The ACD Agreement provides indemnities to the ACD other than the matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations.

### **15.7 Delegated functions**

The ACD has delegated its administration, registrar and fund accountancy functions to Northern Trust Global Services SE, UK branch. The investment management function has been delegated to Quilter Cheviot Limited.

- 15.8 The ACD acts as authorised fund manager to other regulated collective investment schemes. As at the date of this Prospectus, details of these schemes are set out in Appendix C.

## **16 Depositary**

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

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

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

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

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

### **Duties of the Depositary**

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

### **Terms of Appointment**

The appointment of the Depositary has been made under the terms of the Depositary Agreement between the Company, the ACD and the Depositary.

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

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

Under the Depositary Agreement the Depositary has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Depositary has delegated custody of the Scheme Property to The Northern Trust Company (the "Custodian"). Contact details for the Custodian are set out in the Directory at the front of this Prospectus. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("sub-custodians").

A list of sub-custodians is set out in Appendix B. Investors should note that the list of sub-custodians is updated only at each Prospectus review.

To the extent permitted by applicable law and the UK UCITS Regulations, the Depositary will not be held liable for any loss incurred by it, or through any of its agents in carrying out its obligations or functions, unless such loss arises as a direct result of the fraud, wilful default, negligence or intentional failure of the Depositary to properly fulfil its obligations under the Depositary Agreement.

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

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

Details of the fees payable to the Depositary are set out in paragraph 32.

### **Conflicts of interest**

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

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

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

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

## **Updated Information**

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

### **17 The Registrar, Administrator and Fund Accountant**

The ACD has delegated the following functions to Northern Trust Global Services SE, UK branch; the function of registrar relating to the Register (as the "Registrar") and certain administrative and fund accountancy functions as administrator to the Company (as the "Administrator" and "Fund Accountant").

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

The Register is kept and can be inspected at the office of the Registrar located at 50 Bank Street, Canary Wharf, London E14 5NT.

### **18 Investment Manager**

- 18.1 The ACD is responsible for the overall investment management and administration of the Company. The ACD has delegated its day-to-day responsibility for investment management to Quilter Cheviot Limited (the "Investment Manager").

Quilter Cheviot Limited is a private limited company incorporated in England and Wales with company number 01923571. Its registered office and principal place of business is set out in Appendix E.

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

- 18.2 The appointment of the Investment Manager has been made under an agreement between the ACD and the Investment Manager (the "Investment Management Agreement"). The Investment Manager has full discretionary powers over the investment of the part of the property of the Company entrusted to it subject to the overall responsibility and right of veto of the ACD.
- 18.3 The Investment Management Agreement is terminable by the ACD, with immediate effect, if it is in the interests of the shareholders. The Investment Manager may (among other reasons) terminate the agreement in the event that the ACD ceases to (a) be authorised or (b) oversee the management and administration of the Company. The Investment Management Agreement may also be terminated if the ACD goes into liquidation, a receiver, or administrative receiver is appointed to the ACD, or where certain other analogous circumstances arise in respect of the ACD. The Investment Management Agreement will be terminated, with immediate effect, in the event either party is in material breach of their obligations under it, and that breach continues to not be remedied.
- 18.4 The principal activity of the Investment Manager is acting as an investment manager and adviser. The Investment Manager is authorised to deal on behalf of the Company. The Investment Manager is required to comply with its own execution policy. A copy of the Investment Manager's execution policy is available on request from the ACD, or may be available from the Investment Manager's website, listed in Appendix E.

### **19 Auditors**

The Auditors of the Company are Grant Thornton UK LLP whose address is set out in Appendix E.

## 20 Payments out of Scheme Property

### 20.1 Preliminary charge

The ACD may receive, or waive in part or in whole, a preliminary charge upon the sale or purchase of shares. The current preliminary charge is 7% in respect of all classes of shares. If not waived, the preliminary charge will be charged upon the sale or purchase of shares.

### 20.2 Dilution levy

The actual cost of purchasing or selling investments may be higher or lower than the mid-market value used in calculating the share price. For example, due to dealing charges or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals), this may have an adverse effect on the shareholders' interest in the Company. In order to prevent this effect ("dilution"), the ACD has the power to charge a "dilution levy" on the sale and/or redemption of shares. The ACD currently intends to charge a dilution levy in respect of "large deals" (which, for these purposes are deals in respect of shares exceeding the sum of £100,000 in value) and reserves the right to charge a dilution levy based on prevailing market conditions. If the ACD charges a dilution levy it will be calculated by reference to the costs of dealing in the underlying investments of the Company, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of sale and redemptions. The ACD may charge a discretionary dilution levy on the sale and redemption of shares if, in its opinion, the existing shareholders (for sales) or remaining shareholders (for redemptions) might otherwise be adversely affected. In particular, the dilution levy may be charged where the Scheme Property is in continual decline or in any case where the ACD is of the opinion that the interests of remaining shareholders 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 is likely to occur at any point in time. Based on historical data, the ACD expects that the vast majority of sales and/or redemptions of shares will be large deals and that a dilution levy may be charged on the majority of deals.

The amount of the dilution levy will not exceed 3% of the value of the transaction before the imposition of the levy. This figure is based on the ACD's future projections of the likely impact of deals to which the dilution levy is applied on remaining shareholders.

For illustrative purposes, the table below shows historic information on dilution levies to the share price:

| Fund Name                   | Estimated Dilution Levy (%) Applicable for Purchases as at 31 March 2024 | Estimated Dilution Levy (%) Applicable for Sales as at 31 March 2024 | Number of Days on which a Dilution Levy has been applied over the period 1 April 2023 to 31 March 2024 |
|-----------------------------|--|--|--|
| The Global Multi-Asset Fund | 0.074%   | 0.309%   | 8  |

### 20.3 Periodic charge

The ACD receives a periodic charge for managing the Company at a rate per annum of the value of the property of the Company accruing daily and payable out of the property of the Company. The rate of the periodic charge is up to 1.57% (but currently 1.32%) per annum and is currently the same in respect of all classes of shares. The ACD is responsible for the payment of the fees of the Investment Manager and those of any sub-advisers. Research costs will be paid for by the Investment Manager out of this fee and shall not be borne by the Company.

Any increase of the preliminary or periodic charge may be made by the ACD only after giving 60 days' written notice to the shareholders.

The periodic charge in respect of the Company may, at the discretion of the ACD, be treated as an income charge or a charge against capital (or a combination of both) and will be paid monthly in arrears. **If charged against capital this policy may result in capital erosion or constrain capital growth.**

## 20.4 Redemption charge

The ACD Agreement contains a provision for the ACD to make a redemption charge but at present, there are no plans to impose such a charge. The ACD must not introduce a redemption charge, or change the rate or method of calculation of a current redemption charge, unless at least 60 days before the introduction or change, the ACD:

20.4.1 gave notice in writing of that introduction or change and of the date of its commencement, to the Depositary and to all the persons who ought reasonably to be known to the ACD to have made an arrangement for the purchase of shares at regular intervals; and

20.4.2 has revised the prospectus to reflect the introduction or change and the date of its commencement and has made the revised prospectus available.

## 20.5 Depositary fees

### 20.5.1 Periodic fee

The Depositary is paid a monthly periodic fee (plus VAT) from the Scheme Property of the Company in remuneration for its services. The Depositary's fee is calculated on the value of the Scheme Property of the Company in accordance with the Depositary Agreement and the FCA Rules, and payable out of the Company in accordance with the FCA Rules. For this purpose, the value of the Company is inclusive of the issues and cancellations which take effect as at the relevant Valuation Point. The Depositary's fee shall accrue daily, and shall be calculated by reference to the value of the Company at the first Valuation Point on the first Business Day and shall end immediately before the next Valuation Point in each month. The Depositary's fee is payable on, or as soon as practicable after, the end of the month in which it accrued.

The current fees payable are:

0.0275% per annum on the first £50,000,000 in value of the Scheme Property of the Company

0.025% per annum on the next £50,000,000 in value of the Scheme Property of the Company

0.0200% per annum on the next £100,000,000 in value of the Scheme Property of the Company

0.015% per annum on the value thereafter



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

### **20.5.2 Transaction and custody charges**

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

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

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

Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivatives transactions in relation to the Company and may purchase or sell or deal in the purchase or sale of the Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Handbook.

The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument of Incorporation, the FCA Handbook or by the general law.

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

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

In each such case such payments, expenses and disbursements may be payable to any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Rules by the Depositary.

### **20.6 Registration and Administration fees**

The administration of the Company will be carried out by Northern Trust Global Services SE, UK branch, who also acts as Registrar. Its fees for registration and administration services are charged on a monthly basis and will be paid by the Company and disbursements, as listed in the Other charges and expenses paragraph below, will be paid by the Company. The current registration fee is £10 per annum per registered shareholder, with a minimum of £2,000 per annum. Administration and valuation fees will be paid by the Company, are accrued daily and are charged to the Company on a monthly basis. The administration fees are set percentages applied to the value of the Company's Scheme Property. The current administration fee is:

|                 |   |
|-----------------|---|
| 0.07% per annum | on the value of the Scheme Property up to £50,000,000                                   |
| 0.05% per annum | on the value of the Scheme Property above £50,000,000 up to £100,000,000                |
| 0.03% per annum | on the value of the Scheme Property thereafter, with a minimum fee of £25,000 per annum |

## **20.7 Other charges and expenses**

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

- 20.7.1 broker's commission (excluding costs for research), fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessary to be incurred in effecting transactions for the Company and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 20.7.2 expenses properly incurred by the ACD in the performance of its duties as ACD of the Company, including without limitation, the costs of preparation and distribution of reports, accounts, and any prospectuses, key investor information documents (or equivalent documents) (in the case of the key investor information documents (or equivalent documents) only preparation and not distribution may be charged), the Instrument of Incorporation and any costs incurred as a result of changes to any prospectus or the Instrument of Incorporation, key investor information documents (or equivalent documents) and periodic updates of any other administrative documents, as well as the cost of maintaining other documentation required to be maintained in respect of the Company;
- 20.7.3 any costs incurred by the Company in publishing the price of the shares;
- 20.7.4 any costs incurred in producing and dispatching any payments made by the Company, or the periodic reports of the Company;
- 20.7.5 any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Company, which are currently carried on by the Registrar;
- 20.7.6 any fees or costs associated with any CASS related support activity incurred by the Registrar;
- 20.7.7 any fees, expenses or disbursements of any legal or other professional adviser of the Company or of the ACD in relation to the Company;
- 20.7.8 any costs incurred in taking out and maintaining an insurance policy in relation to the Company;

- 20.7.9 any costs incurred in respect of meetings of shareholders convened for any purpose including those convened on a requisition by shareholders not including the ACD or an associate of the ACD;
- 20.7.10 liabilities on amalgamation or reconstruction including certain liabilities arising after transfer of property to the Company in consideration for the issue of shares as more fully detailed in COLL;
- 20.7.11 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 20.7.12 taxation and duties payable in respect of the property of the Company or the issue or redemption of shares;
- 20.7.13 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 20.7.14 the fees of the FCA as prescribed in the FEES Manual of the FCA Handbook together with any corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which shares in the Company are or may be marketed;
- 20.7.15 total amount of any cost relating to the issue of shares;
- 20.7.16 any payments otherwise due by virtue of COLL; and
- 20.7.17 any value added or similar tax relating to any charge or expense set out herein.

## **20.8 Allocation of charges**

The ACD and the Depositary have agreed that normally the fees payable to the ACD and the Depositary will be treated as a charge against the income of the Company (except those charges and expenses relating directly to the purchase and sale of investments). If there is insufficient income to meet the fees, then all or part of those fees may be treated, at the request of the ACD, as a charge against the capital of the Company.

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

## **21 Valuation and Pricing of Scheme Property**

- 21.1 The Company will be valued on a daily basis on each Business Day at 12 noon (the "Valuation Point") for the purpose of determining the price at which shares in the Company may be purchased or redeemed. There will only be a single price for any share as determined from time to time by reference to a particular Valuation Point. The shares will be priced in pounds sterling.
- 21.2 The Company will be valued on a net asset value basis to determine the price of the shares ("NAV price"). Except in circumstances where the application of a dilution levy applies shares will be redeemed at the NAV price and purchased at a price that includes a preliminary charge at the rate applying to the Company (see "**Payments out of Scheme Property**"). Out of the preliminary charge, the ACD may pay commission to qualifying intermediaries, including the Investment Manager and its associates. Although it is not current policy, if a dilution levy were to apply in the future the NAV price would be adjusted accordingly to determine the price at which shares can be purchased and redeemed.

21.3 The net asset value of the Scheme Property of the Company shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions which are set out in the Instrument of Incorporation.

All the property of the Company (including receivables) is to be included when valuing the Company, subject to the following provisions:

21.3.1 property which is not cash (or other assets dealt with in paragraphs 21.3.1.1 and 21.3.1.2 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

21.3.1.1 units or shares in a collective investment scheme:

- (a) if a single price for buying and selling units or shares is quoted, at that price; or
- (b) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by an initial charge included therein and the selling price has been increased by an exit or redemption charge attributable thereto; or
- (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;

21.3.1.2 exchange-traded derivative contracts:

- (a) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
- (b) if separate buying and selling prices are quoted, at the average of the two prices; or
- (c) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;

21.3.1.3 any other investment:

- (a) if a single price for buying and selling the security is quoted, at that price; or
- (b) if separate buying and selling prices are quoted, at the average of the two prices; or
- (c) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and

21.3.1.4 property other than that described in 21.3.1.1, 21.3.1.2 and 21.3.1.3 above shall be valued at an amount which, in the opinion of the ACD, represents a fair and reasonable mid-market price;

- 21.3.2 cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values;
- 21.3.3 in determining the value of the Scheme Property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out (and any cash paid or received) and all consequential action required by the Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken;
- 21.3.4 subject to paragraphs 21.3.5 and 21.3.6 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount;
- 21.3.5 futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 21.3.4;
- 21.3.6 all agreements are to be included under paragraph 21.3.4 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement;
- 21.3.7 deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Company; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty and stamp duty reserve tax;
- 21.3.8 deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day to day;
- 21.3.9 deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings;
- 21.3.10 add an estimated amount for accrued claims for tax of whatever nature which may be recoverable;
- 21.3.11 add any other credits or amounts due to be paid into the Scheme Property;
- 21.3.12 add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received; and
- 21.3.13 currencies or values in currencies other than base currency (as the case may be) the designated currency of the Company shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

## **22 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 ACD, these may not necessarily be the current prices. The cancellation price last notified to the Depositary is available from the ACD upon request.

## **23 Pricing Basis**

a) The ACD currently elects to deal on a forward basis from the beginning of each Business Day until the Valuation Point. The ACD may, subject to certain conditions and with the agreement of the Depositary, change the basis of dealing. In general the rules are as follows:

23.1 If the ACD's choice is forward, all deals must be at a forward price and the election lasts until the end of the dealing period.

23.2 The ACD may at any time elect for forward only for the rest of the then current period.

23.3 Redemptions must be on the same basis as issues.

## **24 Income Equalisation**

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

### **Grouping**

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 8 above. If there are no interim accounting periods the periods for grouping of shares will be annual accounting periods. Grouping is permitted by the Instrument of Incorporation for the purposes of equalisation.

## **25 Buying and selling shares**

The dealing office of the ACD is open from 9.00am until 5.00pm each Business Day during which the ACD may receive requests for the buying and selling of shares. The ACD's normal basis of dealing is at a forward price plus or minus any applicable dilution levy, which means that transactions will be calculated by reference to the Valuation Point next following the ACD's agreement to sell, or as the case may be, to redeem the shares in question (the "dealing day").

Shares may be purchased by sending a completed application form (or clear written instructions) to Thesis Unit Trust Management Limited at the dealing office of the Administrator, through the means of electronic communications (as set out in paragraph 26), or by obtaining an application form by telephoning the ACD's Customer Enquiry Line on 0333 300 0375.

A contract note giving details of the shares purchased will be issued no later than the next Business Day after the Business Day on which an application to purchase shares is received and instrumented by the ACD. Payment in full should be made not later than the fourth Business Day after the date of purchase, and the ACD reserves the right to require payment in advance.

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

### **Minimum initial subscription and subsequent subscriptions**

The minimum initial subscription shall be not less than £100,000 (one hundred thousand pounds sterling) and any subsequent subscription for shares which the ACD will accept shall be not less than £5,000 (five thousand pounds sterling) in each case. The only restriction on holdings is the value of the holding; there is no minimum number of shares which any shareholder need hold. The ACD reserves the right to reduce or waive minimum investment levels.

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

### **Issue of shares in exchange for in specie assets**

The ACD may arrange for the Company to issue shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Company's acquiring of those assets in exchange for the shares concerned is not likely to result in any material prejudice to the interests of shareholders or potential shareholders.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the shares.

The ACD will not issue shares in the Company in exchange for assets the holding of which would be inconsistent with the investment objective of the Company.

### **Redeeming shares**

At any time during a dealing day when the ACD is willing to issue shares it must also be prepared to redeem shares. The ACD will buy back shares from registered shareholders at not less than the price determined at the next Valuation Point following receipt of redemption instructions less any dilution levy.

The ACD may refuse to redeem a certain number of shares if the redemption will mean the shareholder is left holding shares with a value of less than the minimum initial subscription of £100,000 (one hundred thousand pounds sterling).

Requests to redeem shares in the Company may be made to the ACD by telephone on the number stated above, by electronic communications (as set out in paragraph 26), or by sending clear written instructions.

A contract note giving details of the number and price of the shares sold back to the ACD will be sent to shareholders no later than the next Business Day after the shares were sold. In the event that the ACD requires a signed Form of Renunciation, e.g. in respect of joint shareholders, corporate shareholders or redemptions dealt through an agent, a Form of Renunciation will be attached.

When shares are redeemed, a cheque will be sent out within four Business Days of the Valuation Point of the Company immediately following receipt by the ACD of the request to redeem shares or the time when the ACD has received all duly executed instruments and authorisations as will vest to title in the ACD or enable it to arrange to do so, whichever is the later.

The ACD does not intend to make any charge other than possibly a dilution levy on the redemption of the shares.

The ACD is not required to issue a cheque in respect of the redemption of shares where it has not yet received the money due on the earlier issue of those shares.

### **Suspension of dealing**

The ACD may if the Depositary agrees, or shall if the Depositary so requires, at any time, temporarily suspend the issue and redemption of shares if the ACD or Depositary (in the case of any requirement by the Depositary), where due to exceptional circumstances if it is in the interests of all the shareholders.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as it is justified having regard to the interests of the shareholders.

The ACD or the Depositary (as appropriate) must immediately inform the FCA of the suspension, the reason for it, and as soon as practicable, give written confirmation of the suspension and the reasons for it to the FCA.

The ACD must notify shareholders as soon as is practicable after the commencement of the suspension. The notice must include details of the exceptional circumstance which resulted in the suspension, be clear, fair and not misleading and give shareholders details of how to find further information about the suspension.

Where such suspension takes place the ACD must provide updates in writing to keep shareholders appropriately informed about the suspension, including, if known, its likely duration.

Suspension will cease as soon as practicable after the exceptional circumstances leading to the suspension have ceased but the ACD and the Depositary must formally review the suspension at least every 28 days and will inform the FCA of the review and any change to the information given to shareholders.

The ACD may agree, during the suspension, to deal in shares, in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first Valuation Point after restart of dealings in shares.

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

### **Mandatory transfers, redemptions, and conversion**

If it comes to the notice of the ACD that any shares ("affected shares") are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or by virtue of which the shareholder or shareholders in question is/are not qualified and entitled to hold such shares or if it reasonably believes this to be the case, the ACD may give notice to the holder(s) of the affected shares requiring either transfer of such shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or cancellation of such shares in accordance with COLL. If any person upon whom such a notice is served does not within thirty days after the date of such notice transfer their affected shares to a person qualified to hold them or establish to the satisfaction of the ACD (whose judgement is final and binding) that they or the beneficial owner are qualified and entitled to own the affected shares, they shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption of all the affected shares pursuant to COLL.



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

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

In addition, where the ACD considers it is in the best interests of shareholders, the ACD may convert a shareholder's holding in one class of shares to another class of shares in the Company. The ACD shall give at least 60 days prior written notice to the shareholders concerned of the proposed conversion, including details of the new class of shares and reminding shareholders of their rights to redeem.

### **Large deals**

For the purpose of Chapter 6 of COLL a large deal will be a deal in respect of shares exceeding the sum of £100,000 in value.

### **In specie redemptions**

Where a shareholder requests redemption or cancellation of shares, the ACD may, at its discretion, give written notice to the shareholder before the proceeds would otherwise become payable that, in lieu of paying such proceeds in cash, the ACD will transfer to that shareholder property attributable to the Company having the appropriate value. The selection of the property to be transferred (or sold) will be made by the ACD in consultation with the Depositary, with a view to achieving no more advantage or disadvantage to the shareholder requesting cancellation of their shares than to continuing shareholders. The ACD may retain out of the property to be transferred (or the proceeds of sale) property or cash of a value equivalent to any stamp duty or stamp duty reserve tax to be paid to the redemption or cancellation of the shares.

## **26 Electronic communications**

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

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

## 27 Client Money Rules

- 27.1 The FCA Handbook contains provisions (known as the "Client Money Rules") designed to safeguard client money in the hands of authorised persons. However, the CASS rules also provide that money need not be treated as client money in respect of a delivery versus payment transaction, for the purpose of settling a transaction in relation to shares in a regulated collective investment scheme such as the Company, provided that:
- 27.1.1 The ACD receives the money from a client in relation to the ACD's obligation to issue shares in the fund in accordance with COLL; or
  - 27.1.2 The money is held in the course of redeeming shares, where the proceeds are paid to the client within the timeframe specified in COLL.
- 27.2 Where money is received in either of the circumstances set out in 27.1.1 or 27.1.2 above, the ACD must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Depositary or the client or, if direct issues and cancellations of shares by the Company are permitted, to the Company, as applicable.
- 27.3 In order to facilitate management of the Company, the ACD makes use of the delivery versus payment exemption on the issue of shares in respect of money received other than in the form of cheques. Money received in other payment forms for the issue of shares is, therefore, not protected under the Client Money Rules until the delivery versus payment exemption period has expired. Money received by the ACD in the form of redemptions, cheques or other remittances is paid directly into a client money account maintained by the ACD with an Approved Bank, as defined in the FCA Rules, and protected in line with the Client Money Rules. No interest is payable by the ACD on moneys credited to this account.
- 27.4 Money deposited into an account with a third party may have a security interest, lien or right of set-off in relation to the money, to the extent permitted by the Client Money Rules.
- 27.5 In certain circumstances, if the ACD has lost touch with an investor, the ACD will be permitted to pay the investor's client money balance to a registered charity after six years. The ACD will not do so until reasonable efforts have been made to contact the investor. The investor will still be entitled to recover this money from the ACD at a later date irrespective of whether the ACD has paid the money to charity. This is subject to the rules in COLL, which require the ACD to transfer any distribution payment which remains unclaimed after a period of six years from the date of payment to the Company's capital property.

## 28 Taxation

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

### 28.1 Taxation of the Company

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

The Company will make dividend distributions except where over 60% of the Company'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".

#### 28.1.1 Income

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

Where the Company 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 Company 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 Company 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.

#### 28.1.2 Capital gains

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

#### 28.1.3 Stamp Duty Reserve Tax

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

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

## 28.2 Taxation of shareholders

#### 28.2.1 Income

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

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

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

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

#### 28.2.1.1 Interest distributions

##### UK resident individuals

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

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

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

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

##### UK corporate shareholders

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

The Company 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 shareholders may be paid without deduction of income tax at source.

#### 28.2.1.2 Dividend distributions

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

#### UK resident individuals

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

#### UK corporate shareholders

UK resident corporate shareholders must split their dividend distributions into franked and unfranked income portions according to the percentage split given on the tax 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 shareholders although the franked dividend portion should fall within an exemption from corporation tax.

### 28.2.2 Chargeable gains

#### UK resident individuals

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

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

#### UK corporate shareholders

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

**The ACD reserves the right to redeem the shares of any shareholder who jeopardises the tax status of the Company.**

### **28.3 Income equalisation – tax implications**

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

## **28.4 UK information reporting regime**

ICVCs 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.

## **28.5 Tax Elected Fund ("TEF") regime**

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

## **28.6 International Tax Compliance**

The Company 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 Company must collect information about each shareholder's tax residence and, in certain circumstances, provide information about shareholders' shareholdings to HMRC. HMRC may in turn share this information with overseas tax authorities. Such tasks may be delegated to the Administrator.

### **Shareholders should note that:**

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

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

## **29 Further Information**

### **29.1 Documents of the Company**

Copies of the Instrument of Incorporation, the Prospectus, the ACD Agreement and the most recent annual and half-yearly reports may be inspected at the head office of the ACD. Copies may be obtained free of charge on request from the ACD. The address for the ACD is set out in Appendix E.

Any shareholder may also obtain on request from the ACD supplementary information relating to the quantitative limits applying to the risk management of the Company, the methods used

in relation to such risk management and any recent developments of the risk and yields of the main categories of investment.

## **29.2 Telephone calls**

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 period of seven years, where the ACD can identify the call. If an investor asks the ACD to send a recording of a particular call the ACD may ask for further information to help identify the exact call to which the investor's request relates to.

## **29.3 Service of notices / documents**

The address for service of notices or other documents required or authorised to be served on the Company is at its registered office at Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP.

## **29.4 Complaints**

Shareholders who have complaints about the operation of the Company should in the first instance contact the ACD. If a complaint cannot be resolved satisfactorily with the ACD, it may be referred to the Financial Ombudsman Service, Exchange Tower, London E14 9SR.

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

## **29.5 Summary of the ACD's haircut policy**

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

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

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

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

## **29.6 Remuneration**

The ACD has established and applies a remuneration policy, procedure and practice (together, the "Remuneration Policy") which is consistent with, and promotes, sound and effective risk management, and does not encourage risk-taking that is inconsistent with the risk profile or the Instrument of Incorporation. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the ACD or the Company. The Remuneration Policy does not impair compliance with the ACD's duty to act in the best interests of the Company.

Up-to-date details of the Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on [www.tutman.co.uk](http://www.tutman.co.uk) and a paper copy of such information can be obtained, free of charge, upon request at the offices of the ACD.

## **29.7 Risk management**

The ACD uses a risk management process (including a risk management policy) enabling it to monitor and measure at any time the risk of the Company's positions and their contribution to the overall risk profile of the Company.

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

- a) a true and fair view of the types of derivatives and forward transactions to be used within the Company together with their underlying risks and any relevant quantitative limits; and
- b) methods for estimating risks in derivative and forward transactions.

The ACD must assess, monitor and periodically review:

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

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

## **29.8 Non-accountability for profits**

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

- 29.8.1 dealings in the shares of the Company; or
- 29.8.2 any transaction in the Scheme Property; or
- 29.8.3 the supply of services to the Company.



## APPENDIX A

### Eligible 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 UK or an EEA State which is regulated, operates regularly and is open to the public; or
- c) a market which the ACD, after consultation with, and notification to, the Depositary, determines is appropriate for the purpose of investment of, or dealing in, the property of the Company. In accordance with the relevant criteria in COLL, such a market must be regulated; operate regularly; 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 Company is currently permitted to deal.

### Eligible Securities Markets

|                |  |
|----------------|--|
| Australia      | ASX Group<br>National Stock Exchange<br>Sydney Futures Exchange  |
| Canada         | Toronto Stock Exchange<br>TSX Venture Exchange<br>Montreal Exchange                                      |
| Hong Kong      | Hong Kong Stock Exchange   |
| Japan          | Nagoya Stock Exchange<br>Osaka Securities Exchange<br>Tokyo Stock Exchange<br>JASDAQ Securities Exchange |
| Korea          | Korea Composite Stock Price Index  |
| Mexico         | Bolsa Mexicana de Valores  |
| New Zealand    | New Zealand Stock Exchange   |
| Singapore      | Singapore Exchange   |
| South Africa   | JSE Limited<br>South African Futures Exchange  |
| Switzerland    | SIX Swiss Exchange AG  |
| Thailand       | Stock Exchange of Thailand   |
| United Kingdom | Alternative Investment Market of the London Stock Exchange (AIM)   |

United States of America NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc);

any exchange registered with the Securities and Exchange Commission as a national stock exchange, including the NYSE Euronext, and Chicago Stock Exchange (CHX), NYSE Arca Equities and NASDAQ OMX PHLX;

the market in transferable securities issued by or on behalf of the Government of the United States of America conducted through persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealer;

the Over-the-Counter Market regulated by the "National Association of Securities Dealers Inc".

**Eligible Derivatives Markets**

|                          |   |
|--------------------------|---|
| Italy                    | Italy Equities Derivatives Market (IDEM)  |
| Japan                    | Tokyo Financial Exchange  |
| New Zealand              | New Zealand Futures and Options Exchange  |
| Spain                    | Spanish Exchanges BME   |
| South Africa             | South African Futures Exchange  |
| United Kingdom           | NYSE Euronext<br>London International Financial Futures and Options Exchange (LIFFE)<br>Turquoise London Stock Exchange Group |
| United States of America | Chicago Board Options Exchange, CME Group Inc, NASDAQ OMX Futures   |

**APPENDIX B****LIST OF SUB-CUSTODIANS**

As appropriate in line with the Eligible Markets

| <b>Jurisdiction</b>  | <b>Sub-custodian</b>                                  | <b>Sub-custodian Delegate</b>  |
|--|---|--|
| <b>Argentina</b>   | Citibank N.A., Buenos Aires Branch                    |  |
| <b>Australia</b>   | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Australia Limited  |
| <b>Austria</b>   | UniCredit Bank Austria AG                             |  |
| <b>Bahrain</b>   | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited  |
| <b>Bangladesh</b>  | Standard Chartered Bank                               |  |
| <b>Belgium</b>   | The Northern Trust Company                            |  |
| <b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b> | Raiffeisen Bank International AG                      | Raiffeisen Bank Bosnia DD BiH  |
| <b>Bosnia and Herzegovina (Republic of Srpska)</b>               | Raiffeisen Bank International AG                      | Raiffeisen Bank Bosnia DD BiH  |
| <b>Botswana</b>  | Standard Chartered Bank Botswana Limited              |  |
| <b>Brazil</b>  | Citibank N.A., Brazilian Branch                       | Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM") |
| <b>Bulgaria</b>  | Citibank Europe plc, Bulgaria Branch                  |  |
| <b>Canada</b>  | Royal Bank of Canada                                  |  |

|                       |   |                                   |
|-----------------------|---|-----------------------------------|
| <b>Chile</b>          | Citibank N.A.   | Banco de Chile                    |
| <b>China A Share</b>  | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited |
| <b>China B Share</b>  | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited |
| <b>Clearstream</b>    | Clearstream Banking S.A                               |                                   |
| <b>Colombia</b>       | Cititrust Columbia S.A. Sociedad Fiduciaria           |                                   |
| <b>Costa Rica</b>     | Banco Nacional de Costa Rica                          |                                   |
| <b>Croatia</b>        | UniCredit Bank Austria AG                             | Zagrebacka Banka d.d.             |
| <b>Cyprus</b>         | Citibank Europe PLC                                   |                                   |
| <b>Czech Republic</b> | UniCredit Bank Czech Republic and Slovenia, a.s.      |                                   |
| <b>Denmark</b>        | Skandinaviska Enskilda Banken AB (publ)               |                                   |
| <b>Egypt</b>          | Citibank N.A., Cairo Branch                           |                                   |
| <b>Estonia</b>        | Swedbank AS   |                                   |
| <b>Euroclear</b>      | Euroclear Bank S.A/N.V                                |                                   |
| <b>Finland</b>        | Skandinaviska Enskilda Banken AB (publ)               |                                   |
| <b>France</b>         | The Northern Trust Company                            |                                   |
| <b>Germany</b>        | The Northern Trust Company                            |                                   |

|   |   |                               |
|---|---|-------------------------------|
| <b>Ghana</b>                              | Standard Chartered Bank Ghana Limited                 |                               |
| <b>Greece</b>                             | Citibank Europe PLC                                   |                               |
| <b>Hong Kong</b>                          | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Hong Kong (Stock and Bond Connect)</b> | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Hungary</b>                            | Citibank Europe plc                                   |                               |
| <b>Iceland</b>                            | Landsbankinn hf                                       |                               |
| <b>India</b>                              | Citibank N.A.   |                               |
| <b>Indonesia</b>                          | Standard Chartered Bank                               |                               |
| <b>Ireland</b>                            | The Northern Trust Company, London                    |                               |
| <b>Israel</b>                             | Citibank, N.A., Israel Branch                         |                               |
| <b>Italy</b>                              | Citibank Europe plc                                   |                               |
| <b>Japan</b>                              | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Jordan</b>                             | Bank of Jordan Plc                                    |                               |
| <b>Kazakhstan</b>                         | Citibank Kazakhstan JSC                               |                               |
| <b>Kenya</b>                              | Standard Chartered Bank Kenya Limited                 |                               |
| <b>Kuwait</b>                             | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |

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

|                     |   |                               |
|---------------------|---|-------------------------------|
| <b>Philippines</b>  | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Poland</b>       | Bank Handlowy w Warszawie S.A.                        |                               |
| <b>Portugal</b>     | BNP Paribas SA  |                               |
| <b>Qatar</b>        | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| <b>Romania</b>      | Citibank Europe PLC                                   |                               |
| <b>Russia</b>       | AO Citibank   |                               |
| <b>Saudi Arabia</b> | The Northern Trust Company of Saudi Arabia            |                               |
| <b>Serbia</b>       | UniCredit Bank Austria A.G.                           | UniCredit Bank Serbia JSC     |
| <b>Singapore</b>    | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Slovakia</b>     | Citibank Europe PLC                                   |                               |
| <b>Slovenia</b>     | UniCredit Banka Slovenija d.d.                        |                               |
| <b>South Africa</b> | The Standard Bank of South Africa Limited             |                               |
| <b>South Korea</b>  | The Hongkong and Shanghai Banking Corporation Limited |                               |
| <b>Spain</b>        | Citibank Europe plc                                   |                               |
| <b>Sri Lanka</b>    | Standard Chartered Bank                               |                               |
| <b>Sweden</b>       | Skandinaviska Enskilda Banken AB (publ)               |                               |

|                                      |  |   |
|--------------------------------------|--|---|
| <b>Switzerland</b>                   | UBS AG Switzerland   |   |
| <b>Taiwan</b>                        | The Hongkong and Shanghai Banking Corporation Limited          | HSBC Bank (Taiwan) Limited                  |
| <b>Tanzania</b>                      | Standard Chartered Bank (Mauritius) Limited                    | Standard Chartered Bank Tanzania Limited    |
| <b>Thailand</b>                      | Citibank N.A., Bangkok Branch                                  |   |
| <b>Tunisia</b>                       | Union Internationale de Banques                                |   |
| <b>Turkey</b>                        | Citibank A.S.  |   |
| <b>Uganda</b>                        | Standard Chartered Bank Uganda Limited                         |   |
| <b>Ukraine (Market Suspended)</b>    | JSC "Citibank"   |   |
| <b>United Arab Emirates (ADX)</b>    | The Hongkong and Shanghai Banking Corporation Limited          | HSBC Bank Middle East Limited (DIFC) Branch |
| <b>United Arab Emirates (DFM)</b>    | The Hongkong and Shanghai Banking Corporation Limited          | HSBC Bank Middle East Limited (DIFC) Branch |
| <b>United Arab Emirates (NASDAQ)</b> | The Hongkong and Shanghai Banking Corporation Limited          | HSBC Bank Middle East Limited (DIFC) Branch |
| <b>United Kingdom</b>                | Euroclear UK and Ireland Limited (Northern Trust self-custody) |   |
| <b>United States</b>                 | The Northern Trust Company                                     |   |
| <b>Uruguay</b>                       | Banco Itau Uruguay S.A.  |   |
| <b>Vietnam</b>                       | The Hongkong and Shanghai Banking Corporation Limited          | HSBC Bank (Vietnam) Ltd                     |
| <b>West Africa (UEMOA)</b>           | Standard Chartered Bank (Mauritius) Limited                    | Standard Chartered Bank Cote d'Ivoire SA    |



|                 |   |                               |
|-----------------|---|-------------------------------|
| <b>Zambia</b>   | Standard Chartered Bank Zambia PLC        |                               |
| <b>Zimbabwe</b> | The Standard Bank of South Africa Limited | Stanbic Bank Zimbabwe Limited |

## APPENDIX C

List of other authorised collective investment schemes operated by the ACD

### **Authorised Contractual Schemes**

TM Brunel Pension Partnership ACS

### **Authorised Investment Companies with Variable Capital**

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 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  
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

### **Authorised Unit Trusts**

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

|   |  |
|---|--|
| TM Hearthstone ICVC                                   | TM New Court Return Assets Fund                    |
| TM Investment Exposures Fund                          | TM New Institutional World Fund                    |
| TM Investment Funds                                   | TM Preservation Fund                               |
| TM Lime Fund  | TM Private Portfolio Trust                         |
| TM Natixis Investment Funds U.K. ICVC                 | TM Stonehage Fleming Global Equities Fund          |
| TM Neuberger Berman Investment Funds                  | TM Stonehage Fleming Global Equities Fund II       |
| TM Oak Fund   | TM Stonehage Fleming Global Equities Umbrella 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                           |  |

## APPENDIX D

### Historical Performance

The comparisons have been based on **income shares** for performance information over a five year period. The performance table shows the total annual return up to 31 December in each year listed.

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

| Share Class          | <b>2019</b><br>(%) | <b>2020</b><br>(%) | <b>2021</b><br>(%) | <b>2022</b><br>(%) | <b>2023</b><br>(%) |
|----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Income shares</b> | 21.28              | 12.35              | 15.13              | -20.43             | 8.82               |

Source of performance data – Morningstar

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

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

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

## APPENDIX E

### Directory of Contact Details

|  |  |
|--|--|
| <b>ACD</b>   | <b>Thesis Unit Trust Management Limited</b><br>Exchange Building, St John's Street,<br>Chichester, West Sussex PO19 1UP  |
| <b>Administrator, Registrar<br/>and Fund Accountant</b>  | <b>Northern Trust Global Services SE, UK<br/>branch</b><br>50 Bank Street, Canary Wharf, London E14<br>5NT   |
| <i>Dealing Office</i>  | <b>Thesis Unit Trust Management Limited</b><br>Sunderland SR43 4AZ<br><br>Telephone number: 0333 300 0375  |
| <b>Auditors</b>  | <b>Grant Thornton UK LLP</b><br>30 Finsbury Square, London EC2P 2YU  |
| <b>Custodian</b><br><i>Principal place of business:</i><br><br><i>Who may also act under<br/>this power through its<br/>London branch:</i> | <b>The Northern Trust Company</b><br>50 South LaSalle Street, Chicago, Illinois, USA<br><br>50 Bank Street, Canary Wharf, London E14<br>5NT                              |
| <b>Depository</b>  | <b>NatWest Trustee and Depository Services<br/>Limited</b><br>House A, Floor 0, Gogarburn, 175 Glasgow<br>Road, Edinburgh EH12 1HQ                                       |
| <b>Investment Manager</b>  | <b>Quilter Cheviot Limited</b><br>Senator House, 85 Queen Victoria Street,<br>London, EC4V 4AB<br><br><a href="http://www.quiltercheviot.com">www.quiltercheviot.com</a> |
| <b>Financial Conduct<br/>Authority (FCA)</b>   | 12 Endeavour Square<br>London E20 1JN  |