

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

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

## **PROSPECTUS**

### **TM VERITAS INVESTMENT ICVC**

An investment company with variable capital incorporated with limited liability.

This document constitutes the Prospectus for TM VERITAS INVESTMENT ICVC (the **Company**) and is dated and valid as at 30 November 2022. This document replaces any previous prospectuses issued by the Company.

It has been prepared in accordance with The Collective Investment Schemes Sourcebook (COLL Sourcebook) which forms part of the FCA Handbook of Rules and Guidance and complies with the requirements of 4.2.5R of the COLL Sourcebook.

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

## Table of Contents

1.	Definitions	5
2.	Details of the Company	13
3.	Structure of the Company and its Funds	13
4.	Shares	14
5.	Investment Objectives, Policies and other details of the Funds	15
6.	Buying, redeeming, Switching and conversion of Shares	15
6.1	Introduction	15
6.2	Initial offer period	15
6.3	Buying Shares	16
6.4	Redeeming Shares	17
6.5	Switching	18
6.6	Share Class Conversions	19
6.7	Dealing charges	20
6.8	Dilution adjustment	21
6.9	Market timing	22
6.10	Money laundering	22
6.11	Transfers	23
6.12	Restrictions and compulsory transfer and redemption	23
6.13	Issue of Shares in exchange for In Specie assets	24
6.14	In Specie redemptions	24
6.15	Suspension of dealings in the Company	25
6.16	Governing law	25
6.17	Client Money Rules	25
7.	Valuation of the Company	26
8.	Net Asset Value	27
8.1	Calculation of the Net Asset Value	27
8.2	Price per Share in each Fund and each Class	29
8.3	Pricing Basis	29
8.4	Publication of Prices	29
9.	Risk Factors	29
9.1	General	29
9.2	Investment matters	30
9.3	Unit dealing matters	34
9.4	Charges to Capital	34
9.5	Liabilities of the Company	34
9.6	Legal and Regulatory Risks	35
9.7	Conflicts Policy	35
9.8	Custody Risk	35
9.9	Infectious diseases	36
10.	The ACD	36
10.1	General information	36
10.2	Duties and roles of the ACD	37
10.3	Delegation by the ACD	37
10.4	Best execution	37
10.5	Remuneration policy	37
11.	The Depositary	38
11.1	General information	38
11.2	Duties of the Depositary	38
11.3	Terms of appointment	38
11.4	Conflicts of interest	40
12.	The Investment Manager	40
13.	Auditor	41
14.	Registrar, Administrator and Fund Accountant	41
15.	Register of Shareholders	41

16.	Conflicts of Interest	42
17.	Fees and Expenses	42
17.1	General	42
17.2	Allocation of payments	44
17.3	Allocation of Fees and Expenses between Funds and Classes	44
17.4	Charges Payable to the ACD	44
17.5	Investment Manager Charge	45
17.6	Depository's fees	45
17.7	Transaction and custody charges	46
17.8	Administration, registration and valuation fees	47
18.	Shareholder Meetings and Voting Rights	48
18.1	Annual General Meeting	48
18.2	Class and Fund Meetings	48
18.3	Requisitions of Meetings	48
18.4	Notice and Quorum	48
18.5	Voting Rights	48
18.6	Variation of Class rights	49
19.	Taxation	49
19.1	Taxation of the Funds	49
19.2	Taxation of Shareholders	50
19.3	Withholding Tax Liability	53
20.	International tax compliance	54
21.	Winding up of the Company or termination of a Fund	55
22.	General Information	57
22.1	Accounting Periods	57
22.2	Income Allocations	57
22.3	Income equalisation	58
22.4	Annual Reports	58
22.5	Documents of the Company	58
22.6	Risk Management	59
22.7	Material Contracts	59
22.8	Electronic Verification	60
22.9	Data Protection	60
22.10	Complaints	61
22.11	Non-Accountability for profits	61
22.12	Notices served on Shareholders	61
22.13	Telephone calls	61
<b>Appendix 1</b>	<b>The Funds</b>	<b>63</b>
<b>Appendix 2</b>	<b>Investment and Borrowing Powers of the Company</b>	<b>69</b>
<b>Appendix 3</b>	<b>Securities Financing Transactions and Total Return Swaps</b>	<b>94</b>
<b>Appendix 4</b>	<b>Eligible Markets</b>	<b>95</b>
<b>Appendix 5</b>	<b>Past performance</b>	<b>98</b>
<b>Appendix 6</b>	<b>Other authorised funds managed by the ACD</b>	<b>99</b>
<b>Appendix 7</b>	<b>List of Depository sub-custodians</b>	<b>101</b>
<b>Appendix 8</b>	<b>Directory</b>	<b>105</b>

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

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

The 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.

Thesis Unit Trust Management Limited, as the authorised corporate director of the Company, is the person responsible for the information contained in this Prospectus. The Depositary is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the COLL Sourcebook or otherwise.

Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Shares.

The provisions of the Company's Instrument of Incorporation are binding on each of its Shareholders (who are taken to have notice of them).

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

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

**POTENTIAL INVESTORS' ATTENTION IS DRAWN TO THE GENERAL RISK FACTORS RESPECT OF THE COMPANY AND TO THE SPECIFIC RISKS APPLYING TO SPECIFIC FUNDS ELSEWHERE IN THIS PROSPECTUS. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

## 1. Definitions

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

**Accumulation Shares** means Shares (of whatever Class) as may be in issue from time to time in respect of which income allocated to the Share is credited periodically to capital pursuant to the FCA Rules.

**ACD** means the authorised corporate director holding office as such from time to time pursuant to the FCA Rules, being Thesis Unit Trust Management Limited and its successor or successors as authorised corporate director of the Company.

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

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

**Approved Bank** (in relation to a bank account opened by the Company) means:

- (a) if the account is opened at a branch in the United Kingdom:
  - (i) the Bank of England; or
  - (ii) the central bank of a member state of the OECD; or
  - (iii) a bank; or
  - (iv) a building society; or
  - (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
- (b) if the account is opened elsewhere:
  - (i) a bank in (a); or
  - (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or
- (c) a bank supervised by the South African Reserve Bank, or
- (d) a credit institution established in an EEA State and duly authorised by the relevant home state regulator,

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

**Approved Derivative** means an approved derivative which is traded or dealt on an eligible derivatives market and any transaction in such a derivative must be effected on or under the rules of the market.

**Associate** has the meaning set out in the FCA Glossary.

**Auditor** means Deloitte LLP, or such other entity as is appointed to act as auditor of the Company from time to time.

**Business Day** means 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.

**CASS** means the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook, as amended or replaced from time to time.

**Class** or **Classes** means in relation to Shares, means (according to the context) all of the Shares or a particular class or classes of Share.

**COLL** refers to the appropriate chapter or rule in The Collective Investment Schemes Sourcebook.

**COLL Sourcebook** means The Collective Investment Schemes Sourcebook issued by the FCA as amended or re-enacted from time to time.

**Company** means TM Veritas Investment ICVC.

**Conversion** means the exchange of Shares of one Class for Shares of a different Class within the same Fund.

**Custodian** means The Northern Trust Company as the custodian of the Company.

**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:

- (a) the UK GDPR;
- (b) the Data Protection Act 2018;
- (c) any laws which implement such laws;
- (d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); and
- (e) all guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws (in each case whether or not legally binding).

**Dealing Day** means, in respect of all Funds, a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value (unless stated otherwise in this Prospectus) and any such other day as the ACD may decide from time to time.

**Depositary** means NatWest Trustee and Depositary Services Limited, acting in its capacity as the Depositary of the Company.

**Depositary Agreement** means the agreement between the ACD and the Depositary.

**Directors** means the directors of the Company for the time being (including the ACD) or, as the case may be, directors assembled as a board (including any committee of such board).

**Distributor** means Veritas Investment Partners (UK) Limited.

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

**Efficient Portfolio Management** or **EPM** means techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

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

**Eligible Institution** means one of the eligible institutions as defined in the FCA Glossary.

**EMIR** has the meaning set out in the FCA Glossary.

**ERISA Plan** means:

- (a) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (**ERISA**);
- (b) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or
- (c) 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** has the meaning set out in the FCA Glossary.

**Extraordinary Resolution** has the meaning set out in the FCA Glossary.

**FATCA** means the Foreign Account Tax Compliance Act (US).

**FCA** means the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN or such successor regulatory authority from time to time.

**FCA Glossary** means the glossary to the FCA Handbook.

**FCA Handbook** means the FCA's Handbook of rules and guidance, as amended from time to time.

**FCA Rules** means the rules from time to time contained in the COLL Sourcebook but, for the avoidance of doubt, not including guidance or evidential requirements contained in the COLL Sourcebook.

**Financial Instruments** has the meaning set out in the FCA Glossary.



**Fund** or **Funds** means a sub-fund of the Company (being part of the Scheme Property of the Company which is pooled separately) and to which specific assets and liabilities of the Company may be allocated and which are invested in accordance with the investment objective applicable to such sub-fund and 'Funds' shall be interpreted accordingly.

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

**In Specie** means a purchase or sale of Shares that is satisfied not by cash but by the transfer of securities or assets.

**Income Shares** means Shares (of whatever class) as may be in issue from time to time in respect of which income allocated to the Share is distributed periodically to the Shareholder pursuant to the FCA Rules.

**Initial Offer Period** means a period described under paragraph 6.2.

**Instrument of Incorporation** means the instrument of incorporation of the Company as amended from time to time.

**Investment Manager** means Veritas Investment Partners (UK) Limited.

**Net Asset Value** means the value of the Scheme Property of the Company (or of any Fund as the context requires) less the liabilities of the Company (or of the Fund as the context requires) as calculated in accordance with the Company's Instrument of Incorporation.

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

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

**OEIC Regulations** means The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended or re-enacted from time to time.

**OTC derivative** means over-the-counter derivative.

**Prospectus** means this prospectus of the Company as amended or updated from time to time.

**pounds sterling** and the sign **£** means pounds sterling of the United Kingdom.

**Register** means the register of Shareholders in the Company.

**Registrar** means the person who maintains the Register, being Northern Trust Global Services SE, UK branch and its successor or successors as registrar.

**SDRT** means stamp duty reserve tax

**Scheme Property** means the property of the Company or a Fund (as appropriate) to be held by the Depositary for safe-keeping, as required by the FCA Rules.

**Securities Financing Transactions** or **SFTs** has the meaning set out in the FCA Glossary.

**Share** or **Shares** means a share or shares in the Company (including larger denomination Shares and fractions).

**Shareholder** means a registered holder of Shares.

**Switch** means the exchange of Shares of one Class or Fund for Shares of another Class or Fund.

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

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

**UCITS scheme** means a fund authorised by the FCA which complies with the conditions necessary for it to be classed as a UK UCITS.

**UK AIF** has the meaning set out in the FCA Glossary.

**UK GDPR** means Regulation 2016/679 of the European Parliament and of the Council of 27th April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) including as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the EUWA, and any statutory instruments that the UK government makes to amend deficiencies in retained European Union law by virtue of section 8 of the EUWA (as may be amended from time to time) following the UK's withdrawal from the European Union.

**UK SFTR** has the meaning set out in the FCA Glossary.

**UK UCITS** has the meaning set out in the FCA Glossary.

**United Kingdom** or **UK** means the United Kingdom of Great Britain and Northern Ireland.

**United States** or **US** means The United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

**US Persons** means a person as described in any of the following paragraphs:

- (a) with respect to any person, any individual or entity that would be a US Person under Regulation S of the 1933 Act. The Regulation S definition is set out below. Even if you are not considered a US Person under Regulation S, you can still be considered a "US Person" within the meaning of this Prospectus under paragraphs (b), (c) and (d), below;
- (b) with respect to any person, any individual or entity that would be excluded from the definition of "Non-United States person" in Commodity Futures Trading Commission (**CFTC**) Rule 4.7. The definition of "Non-United States person" is set out below;
- (c) with respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws; or

- (d) with respect to persons other than individuals,
- (i) a corporation or partnership created or organised in the United States or under the law of the United States or any state,
  - (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US persons have the authority to control all substantial decisions of the trust and
  - (iii) an estate which is subject to US tax on its worldwide income from all sources;

**Regulation S** definition of US Person

- (e) pursuant to Regulation S of the 1933 Act, US Person means:
- (i) any natural person resident in the United States;
  - (ii) any partnership or corporation organised or incorporated under the laws of the United States;
  - (iii) any estate of which any executor or administrator is a US Person;
  - (iv) any trust of which any trustee is a US Person;
  - (v) any agency or branch of a foreign entity located in the United States;
  - (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
  - (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
  - (viii) any partnership or corporation if:
    - organised or incorporated under the laws of any non-US jurisdiction; and
    - formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts;
- (f) notwithstanding (e) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person";
- (g) notwithstanding (e) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a "US Person" if:

- (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (ii) the estate is governed by non-US law;
- (h) notwithstanding (e) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a "US Person" if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person;
- (i) notwithstanding (e) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a "US Person";
- (j) notwithstanding (e) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
  - (i) the agency or branch operates for valid business reasons; and
  - (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
- (k) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

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

**Non-United States persons or Non-US persons definition**

- (l) CFTC Rule 4.7 currently provides that the following persons are considered "Non-United States persons":
  - (i) a natural person who is not a resident of the United States or an enclave of the US government, its agencies or instrumentalities;
  - (ii) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;
  - (iii) an estate or trust, the income of which is not subject to US income tax regardless of source;

- (iv) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that shares of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and
- (v) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

**Valuation Point** means the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the purpose of determining the price at which Shares may be issued, cancelled or redeemed. The current Valuation Point is normally at 22:30 (London time) on a Dealing Day for all Funds. Special valuations may take place if at any time the ACD considers it desirable to do so.

**VAT** means value added tax.

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

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

Any words or expressions defined in the OEIC Regulations or FCA Rules shall have the same meanings where used herein.

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

## **2. Details of the Company**

- 2.1 TM Veritas Investment ICVC is an open-ended investment company with variable capital incorporated in England and Wales. The Company is authorised by the FCA.
- 2.2 Authorised with effect from: 22 November 2022
- 2.3 Company registration number: IC117069
- 2.4 Company FCA product reference number: 987448
- 2.5 Company head office address (**Head Office**):  
Exchange Building  
St John's Street  
Chichester  
West Sussex PO19 1UP
- 2.6 The Company has an unlimited duration.
- 2.7 Shareholders are not liable for the debts of the Company.
- 2.8 The Company will be classed as a UK UCITS. It may be marketed to the public in the UK, however, it will not be able to apply to regulatory authorities in EEA States to be marketed under the UCITS Directive in those states.
- 2.9 The Head Office is the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.
- 2.10 The base currency of the Company and each Fund is pounds sterling.
- 2.11 Share Capital:
- Maximum £1,000,000,000,000
  - Minimum £1,000
- 2.12 Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Funds.
- 2.13 The circumstances, and procedure for winding up the Company (or terminating a Fund), is set out under paragraph 'Winding up of the Company or termination of the Fund' below.

## **3. Structure of the Company and its Funds**

- 3.1 The Company is structured as an umbrella company in that it can comprise a number of sub-funds (each a Fund), each of which may issue Shares of a number of different share classes (each a Class). A number of Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Fund, or a new Class in respect of a Fund, a revised prospectus will be prepared setting out the relevant details of each Fund or Class.
- 3.2 The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund.

- 3.3 Details of the Funds, including their investment objectives and policies, the Investment Manager's charges and the ACD Periodic Charge are set out in Appendix 1. Each Fund is structured as a UK UCITS.
- 3.4 Any limitations on the investment policies (under Appendix 1) are set out in the investment borrowing powers under Appendix 2.
- 3.5 It is intended that all Funds will qualify for ISAs and ISA investors will be accepted in the Fund provided the investor has their own ISA manager. For avoidance of doubt, the ACD does not act as ISA manager.
- 3.6 Each Fund has a specific portfolio to which that Fund's assets and liabilities are attributable. So far as the Shareholders are concerned, each Fund is treated as a separate entity and each Fund has a specific segregated portfolio of assets to which any liabilities attributable or allocated to a particular Fund shall be met out of the Scheme Property attributable to that Fund. Further details are set out under the paragraph headed 'Liabilities of the Company' below.
- 3.7 As explained in paragraph 17.317.3, all charges and expenses which are attributable to a particular Fund or Class shall be charged to that Fund or Class. Any charges and expenses not attributable to any one Fund will normally be allocated by the ACD to all Funds pro rata to the Net Asset Value of the Funds, although the ACD has discretion to allocate such charges and expenses in a different manner should it consider this to be fair to Shareholders generally. Similarly, charges and expenses attributable to a Fund (but not a particular Class) will normally be allocated between the Classes of that Fund pro rata to the Net Asset Value of the Fund attributable to each Class, although the ACD also has discretion to allocate such charges and expenses in a different manner should it consider this to be fair to Shareholders in the Fund generally.

#### **4. Shares**

- 4.1 Shares may be issued in a number of different Classes in respect of each Fund. The Classes of Share are distinguished by their particular terms, the criteria potentially differing, for instance, by eligibility for subscription and fee structure. The Company may issue Accumulation Shares and/or Income Shares. Details of the terms of the available Classes, and the investors who are eligible to subscribe for Shares of a particular Class, are set out in Appendix 1.
- 4.2 Holders of Income Shares are entitled to be paid the income attributed to such Shares on the relevant allocation dates set out in Appendix 1 in respect of each Fund. In the case of Accumulation Shares, income is not distributed but retained and accumulated for the benefit of Shareholders and this is reflected in the price of such Shares.
- 4.3 Share Classes may be denominated in different currencies and have different charging structures. Where a Fund has different Classes, each Class may attract different charges and so monies may be deducted from Classes in unequal proportions. In these circumstances the proportionate interests of the Classes within a Fund will be adjusted accordingly.
- 4.4 Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Fund for Shares in another Class within the same Fund or for Shares of the same or another Class within a different Fund of the Company. Details of this Switching facility and the restrictions are set in paragraph 6.5 below.

- 4.5 The Company may introduce a regular savings facility at a later date.
- 4.6 Shares in the Company are not listed or dealt on any investment exchange.
- 4.7 Where any changes are proposed to be made to the Company or a Fund the ACD will assess whether the change is fundamental, significant or notifiable in accordance with COLL 4.3. If the change is regarded as fundamental, Shareholder approval will be required. If the change is regarded as significant, not less than 60 days' prior written notice will be given to Shareholders. If the change is regarded as notifiable, Shareholders will receive suitable notice of the change.

## **5. Investment Objectives, Policies and other details of the Funds**

- 5.1 Investment of the assets of each of the Funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Fund. Details of these investment objectives and policies are set out in Appendix 1.
- 5.2 The eligible markets on which the Funds may invest are set out in Appendix 4. A detailed statement of the general investment and borrowing restrictions and the extent to which the Company may employ EPM techniques is set out in Appendix 2.
- 5.3 Historical performance data for each Fund is set out in Appendix 4.
- 5.4 The Investor Profile of each of the Funds is set out in Appendix 1.
- 5.5 The Investment Manager to each Fund is Veritas Investment Partners (UK) Limited, whose address is set out in Appendix 8.

## **6. Buying, redeeming, Switching and conversion of Shares**

### **6.1 Introduction**

- 6.1.1 The dealing office of the ACD is open from 9.00 am until 5.00 pm on each Dealing Day to receive requests for the purchase, redemption, Switching and conversion of Shares. Investment of the assets of each of the Funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Funds. Details of these investment objectives and policies are set out in Appendix 1.
- 6.1.2 Subject to and in accordance with the COLL Sourcebook the issue or cancellation of Shares may take place through the Company directly.
- 6.1.3 It is the ACD's policy generally not to hold Shares or seek to make a profit from holding Shares.
- 6.1.4 Investors buy and redeem Shares through the ACD who nets them to reduce the number of Shares issued/cancelled by the Fund. When carrying out deals in Shares the ACD acts as principal but does not profit from this activity.

### **6.2 Initial offer period**

- 6.2.1 The ACD may arrange for there to be an Initial Offer Period in respect of a Fund, commencing on the date of launch of the relevant Fund and ending as specified by the ACD. During that period, the price at which Shares in



that Fund can be bought will be as fixed by the ACD and notified to the Depository at or before the start of that period.

6.2.2 During any Initial Offer Period the initial price of Shares will be £1.00.

### 6.3 **Buying Shares**

#### **Procedure**

6.3.1 Shares may be bought directly from the ACD or through your professional adviser or other intermediary.

6.3.2 Shares in all Funds can be bought by sending an application form to the ACD, the Registrar or by obtaining an application form by telephoning the ACD's Customer Enquiry Line on 0333 300 0375. Alternatively, Shares may be purchased through the means of electronic communications (as set out in the paragraph headed 'Electronic Communications' below). Application forms may be obtained from the Distributor, the ACD or the Registrar.

6.3.3 In addition, the ACD may from time to time make arrangements to allow Shares to be bought on-line or through other communication media. The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant.

6.3.4 A subscription request must be received by the ACD before the Valuation Point on a Dealing Day in the relevant Fund or Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day. Subscription requests received after a Valuation Point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds.

6.3.5 Any subscription monies remaining after a whole number of Shares have been issued will not be returned to the applicant. Instead, smaller denomination Shares will be issued. A smaller denomination Share is equivalent to one ten thousandth of a larger denomination Share.

6.3.6 Remittances should be in the same currency as that of the relevant Class.

#### **Electronic Communications**

6.3.7 The ACD will 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 communications 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.

#### **Documents the buyer will receive**

- 6.3.8 A contract note giving details of the number and price of Shares bought will be issued no later than the end of the Business Day following the later of receipt of the application to buy Shares and the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.
- 6.3.9 Settlement is due within four Business Days of the relevant Dealing Day. If settlement is not made within a reasonable period, then the ACD has the right to cancel any Shares issued in respect of the application.
- 6.3.10 Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Statements in respect of periodic distributions on Shares will show the number of Shares held by the recipient. Individual statements of a Shareholder's (or, when Shares are jointly held, the first-named holder's). Shares will also be issued at any time on request by the registered holder.

#### **Minimum Subscriptions and Holdings**

- 6.3.11 The minimum initial subscription for each Class of Shares in a Fund is set out in Appendix 1. The minimum holding amount in respect of each Fund is set out in Appendix 1. The ACD may at its discretion accept subscriptions and holdings lower than the minimum amount.
- 6.3.12 If, following a redemption, a holding in any Class of Share should fall below the minimum holding for that Class, the ACD has a discretion to require redemption of that Shareholder's entire holding in that Class of Share.

### **6.4 Redeeming Shares**

#### **Procedure**

- 6.4.1 Every Shareholder has the right to require that the Company redeem his Shares on any Dealing Day unless the value of Shares which a Shareholder wishes to redeem will mean that the Shareholder will hold Shares with a value less than the required minimum holding in the relevant Class, in which case the Shareholder may be required to redeem his entire holding in that Class of Share in the relevant Fund.
- 6.4.2 Shares in all Funds can be redeemed by making a request to redeem to the Registrar, by telephoning 0333 300 0375 and through financial intermediaries. In addition, the ACD may from time to time make arrangements to allow Shares to be redeemed on-line or through other communication media.

- 6.4.3 A request to redeem must be received by the ACD before the Valuation Point on a Dealing Day in the relevant Fund or Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day. Redemption requests received after a Valuation Point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds.

#### **Documents a redeeming Shareholder will receive**

- 6.4.4 A contract note giving details of the number and price of Shares redeemed will be sent to the redeeming Shareholder (or the first-named Shareholder, in the case of joint Shareholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Shareholder (or, in the case of a joint holding, by all the joint Shareholders) no later than the end of the Business Day following the later of the request to redeem Shares or the Valuation Point by reference to which the price is determined. Payment in satisfaction of the redemption monies will be sent by BACS within four Business Days of the later of (a) receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Shareholders together with any other appropriate evidence of title, and (b) the Valuation Point following receipt by the ACD of the request to redeem.

#### **Minimum Redemption**

- 6.4.5 Part of a Shareholder's holding may be redeemed but the ACD reserves the right to refuse a redemption request if the value of the Shares of any Fund to be redeemed is less than the value outlined in Appendix 1.

#### **Deferred Redemptions**

- 6.4.6 If requested redemptions at a Valuation Point exceed 10% of a Fund's value, in order to protect the interests of continuing Shareholders the redemptions may be deferred to the next Valuation Point in accordance with procedures that ensure the consistent treatment of Shareholders who have sought to redeem at that Valuation Point. The procedures are that to the extent redemption requests are deferred, deferral will be pro-rata based on the value of Shares being redeemed (provided that the ACD may determine in its discretion a value threshold below which all redemptions will be effected, and above which the foregoing pro-rata deferral shall apply) and that all deals relating to an earlier Valuation Point are completed before those relating to a later Valuation Point.

### **6.5 Switching**

- 6.5.1 A Shareholder in a Fund may at any time Switch all or some of his Shares of one Class or Fund (**Original Shares**) for Shares of another Class or Fund (**New Shares**), subject to the restrictions defined in this Prospectus. The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.
- 6.5.2 A request to Switch may be made in writing to the Registrar, by telephoning 0333 300 0375 and through financial intermediaries. The Shareholder will

be required to provide written instructions to the Registrar or their client adviser, as appropriate (which, in the case of joint Shareholders must be signed by all the joint Shareholders) before Switching is effected.

- 6.5.3 If the Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and made a charge on Switching) or refuse to effect any Switch of the Original Shares. No Switch will be allowed during any period when the right of Shareholders to require the redemption of their Shares is suspended. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch. A request to Switch must be received by the ACD before the Valuation Point on a Dealing Day in the relevant Fund or Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day. Switching requests received after a Valuation Point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds.
- 6.5.4 The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on Switching together with any other charges, or dilution adjustments in respect of the application for the New Shares or redemption or cancellation of the Original Shares as may be permitted pursuant to the COLL Sourcebook.
- 6.5.5 **Please note that a Switch of Shares in one Fund for Shares in any other Fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation. However, a Switch between Classes of Shares in any one Fund is generally not treated as a redemption and sale and, as such, should not give rise to a liability to capital gains tax.**
- 6.5.6 **A Shareholder who Switches Shares in one Fund for Shares in any other Fund (or who Switches between Classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.**

## 6.6 Share Class Conversions

- 6.6.1 If applicable, a holder of Shares in a Class (**Old Class Shares**) of a Fund may exchange all or some of his or her Shares for Shares of a different Class within the same Fund (**New Class Shares**). An exchange of Old Class Shares for New Class Shares will be processed as a conversion (**Share Class Conversion**). Unlike a Switch, a conversion of Old Class Shares into New Class Shares will not involve a redemption and issue of shares. For the purposes of income equalisation the New Class Shares will receive the same treatment as the Old Class Shares.
- 6.6.2 The number of New Class Shares issued will be determined by a conversion factor calculated by reference to the respective prices of New Class Shares and Old Class Shares at the Valuation Point applicable at the time the Old Class Shares are converted to New Class Shares.
- 6.6.3 Conversions may be effected by making a request to convert in writing to the Registrar, by telephoning 0333 300 0375 and through financial

intermediaries. The Shareholder will be required to provide written instructions to the Registrar or its client adviser, as appropriate (which, in the case of joint Shareholders must be signed by all the joint Shareholders) before a conversion is effected.

- 6.6.4 A conversion request must be received by the ACD before the Valuation Point on a Dealing Day in the relevant Fund or Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day. Conversion requests received after a Valuation Point will be held over until the next day that is a Dealing Day in the relevant Fund or Funds.
- 6.6.5 A contract note giving details of the conversion will be sent on or before the Business Day next following the relevant Dealing Day.
- 6.6.6 A converting Shareholder must be eligible to hold the Shares into which the conversion is to be made.
- 6.6.7 If the conversion would result in the Shareholder holding a number of Old Class Shares or New Class Shares of a value which is less than the minimum holding in the Share Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Old Class Shares to New Class Shares or refuse to effect any conversion of the Old Class Shares. No conversion will be made during any period when the right of Shareholders to require the conversion of their Shares is suspended.
- 6.6.8 Save as otherwise specifically set out, the general provisions on procedures relating to redemptions will apply equally to a conversion.
- 6.6.9 Please note that, under current tax law, a conversion of Shares between different Share Classes in the same Fund will not be deemed to be a realisation for the purposes of capital gains taxation.
- 6.6.10 A Shareholder who converts their Shares in one Share Class to Shares in a different Share class in the same Fund will not be given a right by law to withdraw from or cancel the transaction.

## 6.7 **Dealing charges**

- 6.7.1 The price per Share at which Shares are bought or redeemed is the Net Asset Value per Share and any dilution adjustment that may be applied. Any preliminary charge or redemption charge is payable in addition to the price.

### **Preliminary Charge**

- 6.7.2 The ACD may impose a charge on the price of Shares in each Class. Details of the preliminary charges levied on any class of Shares is set out in Appendix 1.

### **Redemption Charge**

- 6.7.3 The ACD may make a charge on the redemption of Shares in each Class. At present no redemption charge is levied on any Class of Shares.

- 6.7.4 The ACD may introduce a redemption charge on any Class of Shares or vary the rate or method of calculation of any redemption charge only in accordance with the FCA Rules and after the ACD has made available a revised version of this Prospectus showing the rate of charge and its commencement. Any redemption charge introduced will apply only to Shares sold since its introduction but not to Shares previously in issue.

### **Charges on Switching**

- 6.7.5 On the switching of Shares between Funds or Classes in the Company the Instrument of Incorporation authorises the Company to impose a charge on switching. The charge will not exceed an amount equal to the then prevailing preliminary charge for the New Shares. If a redemption charge is payable in respect of the Original Shares, this may become payable instead of, or as well as, the then prevailing preliminary charge for the New Shares. The ACD does not currently charge a switching fee.

### **New Charges and Increase in Charges**

- 6.7.6 The ACD may, at any time, introduce a new charge or expense or increase the rate of a current charge or expense only in accordance with the COLL Sourcebook and after the ACD has made available a revised Prospectus showing the new charge or expense or the proposed increase and its commencement date.

## **6.8 Dilution adjustment**

- 6.8.1 The actual cost of purchasing or selling a Fund's investments may be higher or lower than the mid-market value used in calculating the unit price — for example, due to dealing charges, or through dealing at prices other than the mid-market price. This may have an adverse effect on Shareholders' interest in the relevant Fund, and this effect is otherwise known as "dilution".

- 6.8.2 Therefore, once the single price of a Share has been determined by the ACD, a dilution adjustment may, at the discretion of the ACD, be applied to the price in accordance with the policy outlined below. This is known as "swinging single pricing" i.e. the price swings in response to relevant circumstances to mitigate the effects of dilution.

- 6.8.3 The dilution adjustment will be applied as follows:

- (a) on a Dealing Day when there are net inflows to a Fund, the dilution adjustment will increase the price (price swings up); and
- (b) on a Dealing Day when there are net outflows from a Fund, the dilution adjustment reduces the price (price swings down).

- 6.8.4 This dilution adjustment is to reflect the true cost of purchasing or selling units in the Fund. These costs are estimated and can vary over time dependent on prevailing dealing spreads and market transaction costs and as a result the dilution adjustment may also vary over time.

- 6.8.5 Any dilution adjustment is imposed for the protection of existing Shareholders in the relevant Fund to prevent inflows and outflows

adversely affecting their interests through the costs referred to above. Neither the ACD nor the Investment Manager in any way benefits from the imposition of a dilution adjustment.

- 6.8.6 The ACD's policy is to make a dilution adjustment when it believes that it is in the interests of Shareholders to do so. Accordingly, the ACD has determined that it will measure the net inflows or outflows (as applicable) in respect of each Fund on each Dealing Day and make a dilution adjustment in accordance with whether there has been a net inflow to, or net outflow from, the relevant Fund. There is no minimum net inflow or outflow which needs to be reached in order for the ACD to make a dilution adjustment in respect of a Fund.
- 6.8.7 Notwithstanding the above, the ACD reserves the right to impose or amend a dilution adjustment where the ACD is of the opinion that it is in the interests of the Shareholders to do so.
- 6.8.8 It is not possible to predict accurately whether dilution is likely to occur. Based on future projections however, the ACD expects that a dilution adjustment will be made on the sales and redemptions of Shares on each Dealing Day given that each Fund will typically have experienced a net inflow or net outflow on that Dealing Day.
- 6.8.9 Based on future projections, the ACD estimates, at the time of this Prospectus, that the rates of the dilution adjustment will be:

<b>Fund</b>	<b>For purchases</b>	<b>For redemptions</b>
TM Veritas Equity Strategy	0.10%	0.05%

## 6.9 **Market timing**

- 6.9.1 The ACD may refuse to accept a new subscription in a Fund or a Switch from another Fund if, in the opinion of the ACD, it has reasonable grounds for refusing to accept a subscription or a Switch from them. In particular, the ACD may exercise this discretion if it believes the Shareholder has been or intends to engage in market timing.
- 6.9.2 For these purposes, market timing activities include investment techniques which involve short term trading in and out of Shares generally to take advantage of variation in the price of Shares between the daily Valuation Point in the Funds. Short term trading of this nature may often be detrimental to long term Shareholders, in particular, the frequency of dealing may lead to additional dealing costs which can affect long term performance.

## 6.10 **Money laundering**

- 6.10.1 As a result of legislation in force in the United Kingdom to prevent money laundering, the ACD is responsible for compliance with money laundering regulations. In order to implement these procedures, in certain

circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of the redemption of Shares, or pay income on Shares to the investor.

6.10.2 Please refer to 'Electronic verification' under 'General Information' for more detail.

6.10.3 In the UK, a 'relevant body' may commit an offence where it fails to prevent a person acting on its behalf from facilitating tax evasion (whether by an individual or legal entity). The 'relevant body' will not be guilty of a criminal offence if it can be demonstrated that reasonable prevention procedures were in place which were designed to prevent such facilitation occurring. The ACD reserves the right to adopt such practices and procedures as it deems at any point necessary to avoid committing an offence under this or any other anti-money laundering law or regulation.

## 6.11 Transfers

6.11.1 Shareholders are entitled to transfer their Shares to another person or body who is eligible to hold Shares. All transfers must be in writing in the form of an instrument of transfer approved by the ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. The ACD may refuse to register a transfer unless an amount equivalent to the applicable SDRT has been paid.

## 6.12 Restrictions and compulsory transfer and redemption

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

6.12.2 If it comes to the notice of the ACD that any Shares (affected Shares):

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case;



- 6.12.3 the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing is given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 days after the date of such notice transfer his affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiry of that thirty day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares.
- 6.12.4 A Shareholder who becomes aware that he is holding or owns affected Shares shall immediately, unless he has already received a notice as set out above, either transfer all his affected Shares to a person qualified to own them or submit a request in writing to the ACD for the redemption of all his affected Shares.
- 6.12.5 Where a request in writing is given or deemed to be given for the redemption of affected Shares, such redemption will be effected in the same manner as provided for under the COLL Sourcebook.
- 6.12.6 Where the ACD considers it is in the best interests of Shareholders, the ACD may convert some or all of the Shares held by any Shareholder from one Class to another Class in the same Fund. The ACD will provide the Shareholder with 60 days' prior written notice of any such proposed conversion. Please note that, under current tax law, a conversion of Shares between different Classes in the same Fund will not be deemed to be a realisation for the purposes of capital gains taxation.

### **6.13 Issue of Shares in exchange for In Specie assets**

- 6.13.1 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, in accordance with the COLL Sourcebook, that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders.
- 6.13.2 The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.
- 6.13.3 The ACD will not issue Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective of that Fund.

### **6.14 In Specie redemptions**

- 6.14.1 If a Shareholder requests the redemption of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned or in some way advantageous or detrimental to the Fund, arrange, having given prior notice in writing to the Shareholder that in place of payment for the Shares in cash, the Company transfers property or, if

required by the Shareholder, the net proceeds of sale of the relevant property, to the Shareholder.

- 6.14.2 The ACD will select the property to be transferred in consultation with the Depositary. The Depositary must take reasonable care to ensure that the property transferred would not be likely to result in any material prejudice to the interests of Shareholders.

## 6.15 **Suspension of dealings in the Company**

- 6.15.1 The ACD may, with the prior agreement of the Depositary, or must if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of Shares (including any purchase and redemption on Switching) in any or all of the Funds where due to exceptional circumstances it is in the interests of Shareholders in the affected Funds (for example, but without limitation, on the closure or suspension of dealing on a relevant stock exchange, or the inability of the ACD to ascertain properly the value of any or all of the assets or realise any or all of the assets of a Fund). The ACD or the Depositary must immediately inform the FCA of the suspension.

- 6.15.2 Notice of the suspension will be provided to Shareholders in the affected Funds as soon as practicable after commencement of the suspension. The notification will draw Shareholders' attention to the exceptional circumstances which resulted in the suspension, and inform Shareholders how to obtain the information described in the following sentence. The ACD will publish (on its website or by other means) sufficient details to keep Shareholders appropriately informed about the suspension including, if known, its likely duration. During the suspension, the ACD shall not be obliged to deal in the Shares, but must comply with as many of its obligations regarding valuation and pricing as are practicable in the light of the suspension. The ACD and Depositary must review any such suspension at least every 28 days and inform the FCA of the results of their review. Any such suspension may only continue so long as it is justified having regard to the interest of Shareholders.

- 6.15.3 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 dealing in Shares.

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

## 6.16 **Governing law**

- 6.16.1 All deals in Shares are governed by English law.

## 6.17 **Client Money Rules**

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

for the purpose of settling a transaction in relation to units in a regulated collective investment scheme such as the Company, provided that:

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

6.17.2 Where money is received in either of the circumstances set out in paragraph 6.17.1(a) or paragraph 6.17.1(b) above, the ACD must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Depositary or the client or, if direct issues and cancellations of Shares by the Company are permitted, to the Company, as applicable.

6.17.3 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, and protected in line with the Client Money Rules. No interest is payable by the ACD on moneys credited to this account.

6.17.4 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.

## **7. Valuation of the Company**

7.1 The price of a Share is calculated by reference to the Net Asset Value of the Fund to which it relates. There shall only be a single price for a Share in any Fund. The Net Asset Value per Share is currently calculated at 22:30 (London time) on each Dealing Day.

7.2 The ACD may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so.

7.3 Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a valuation point for the purposes of dealings. Where permitted and subject to the Regulations, the ACD may in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

7.4 The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares, of each Class of each Fund and the amount of any dilution adjustment applicable in respect of any purchase or redemption of Shares, except where calculated purely for performance purposes.

## **8. Net Asset Value**

### **8.1 Calculation of the Net Asset Value**

The value of the property of the Company or Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

8.1.1 All the property (including receivables) is to be included, subject to the following provisions.

8.1.2 Property which is not cash (or other assets dealt with in paragraph 8.1.3 below) or a contingent liability transaction shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

(a) units or shares in a collective investment scheme:

(i) if a single price for buying and redeeming units or shares is quoted, at that price; or

(ii) if separate buying and redemption prices are quoted, at the average of the two prices provided the buying price has been reduced by any preliminary charge included therein and the redemption price has been increased by any exit or redemption charge attributable thereto; or

(iii) 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, or, if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable;

(b) any other transferable security:

(i) if a single price for buying and redeeming the security is quoted, at that price; or

(ii) if separate buying and redemption prices are quoted, at the average of the two prices; or

(iii) 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, or, if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which in the opinion of the ACD, is fair and reasonable;

8.1.3 Property other than that described in paragraphs 8.1.2(a) and 8.1.2(b) above at a value which, in the opinion of the ACD, is fair and reasonable.

8.1.4 Cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.

- 8.1.5 Property which is a contingent liability transaction shall be treated as follows:
- (a) if it is a written option (and the premium for writing the option has become part of the property), deduct the amount of the net valuation of premium receivable. If the property is an off exchange option the method of valuation shall be agreed between the ACD and the Depositary;
  - (b) if it is an off exchange future, include it at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
  - (c) if it is any other form of contingent liability transaction, include it at the mark to market value (whether as a positive or negative value). If the property is an off exchange derivative, include it at a valuation method agreed between the ACD and the Depositary.
- 8.1.6 In determining the value of the Scheme Property, all instructions given to issue or cancel Shares shall be assumed to have been carried out (and any cash paid or received) whether or not this is the case and all consequential action required by the FCA Rules, the OEIC Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.
- 8.1.7 Subject to paragraphs 8.1.8 and 8.1.9 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 8.1.8 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 8.1.7.
- 8.1.9 All agreements are to be included under paragraph 7 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.
- 8.1.10 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 or Fund (as applicable): on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty, stamp duty reserve tax and any foreign taxes or duties.
- 8.1.11 Deduct an estimated amount for any liabilities payable out of the property and any tax thereon treating periodic items as accruing from day to day.

- 8.1.12 Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.
- 8.1.13 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 8.1.14 Add any other credits or amounts due to be paid into the Scheme Property.
- 8.1.15 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.
- 8.1.16 Currencies or values in currencies other than pounds sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential shareholders.

## 8.2 **Price per Share in each Fund and each Class**

The price per Share at which Shares are bought or redeemed is the Net Asset Value per Share and any dilution adjustment that may be applied. Any preliminary charge or redemption charge is payable in addition to the price.

## 8.3 **Pricing Basis**

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

## 8.4 **Publication of Prices**

- 8.4.1 The most recent prices of each Fund 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.
- 8.4.2 For reasons beyond the control of the ACD, these may not necessarily be the current prices.
- 8.4.3 The cancellation price last notified to the Depositary is available from the ACD upon request.

## 9. **Risk Factors**

**Potential investors should consider the following risk factors before investing in the Company (or, in the case of specific risks applying to specific Funds, in those Funds).**

### 9.1 **General**

- 9.1.1 The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. Consequently, the value of shares in all Funds and the income derived from them can go down as well as up and as a result an investor may not get back the amount originally invested. This can be as a result of market movements and also variations on the exchange rates between currencies.

- 9.1.2 There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in the Company. There is no assurance that the investment objective of any Fund will actually be achieved. Past performance is not necessarily a guide to future performance.
- 9.1.3 Infectious diseases that pose significant threats to human health may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious diseases could significantly impact the value of the scheme property of the Fund and the value of distributions paid to investors.

## 9.2 Investment matters

### 9.2.1 Focused portfolio

If a Fund has a focused portfolio (holds a limited number of investments), this is indicated in Appendix 1 in respect of that Fund. For a Fund with a focused portfolio, if one or more of these investments declines or is otherwise affected, it may have a pronounced effect on the Fund's value.

### 9.2.2 Geographical / Sector

Significant exposure to a particular industrial sector or geographical region puts a Fund at risk of a localised event making a significant impact to the value of the Fund.

### 9.2.3 Emerging markets

- (a) Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.
- (b) The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.
- (c) A Fund may invest in such markets. The following is a brief summary of some of the more common risks associated with emerging markets investment:
- (i) *Fraudulent Securities* – Given the lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.
  - (ii) *Currency Fluctuations* – Significant changes in the currencies of the countries in which investments are made may occur. These changes may impact the total return of a Fund to a significant degree. In respect of currencies of certain

emerging countries, it is not possible to undertake currency hedging techniques.

- (iii) *Settlement and Custody Risks* – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result, there may be risks that settlement may be delayed and that cash or securities could be disadvantaged.
- (iv) *Investment and Remittance Restrictions* – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Fund because the maximum permitted number of or investment by foreign investors has been reached. In addition, the outward remittance by foreign investors of their share of net profits, capital and dividends may be restricted or require governmental approval. A Fund will only invest in markets in which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.
- (v) *Accounting* – Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

#### 9.2.4 **Derivatives**

- (a) Derivative transactions may be used in each Fund solely for the purposes of hedging and Efficient Portfolio Management and are not intended to increase the risk profile of any Fund.
- (b) A Fund may be invested in derivatives or a forward transaction but only for the purposes of hedging with the aim of reducing the risk profile of a Fund, or reducing costs. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions nor prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio position should increase. Additionally, it may not be possible for a Fund to hedge against an exchange rate or interest rate fluctuation that is so generally anticipated if it is not able to enter into a hedging transaction at a price sufficient to protect a Fund from the decline in value of the portfolio position anticipated as a result of such a fluctuation.
- (c) Where derivative instruments are utilised for hedging purposes, the risk of loss to the Fund may be increased where the value of the derivative instrument and the value of the security or position which



it is hedging are insufficiently correlated. Such imperfect correlation may prevent a Fund from achieving the intended hedge or expose a Fund to risk of loss. While a Fund may enter into such transactions to seek to reduce exchange rate and interest rate risks, unanticipated changes in currency, interest rates and equity markets may result in a poorer overall performance of the relevant Fund. Movements in currencies may render hedging ineffective. For a variety of reasons, the ACD may not seek to establish (or may not otherwise obtain) a perfect correlation between such hedging instruments and the portfolio holdings being hedged.

#### **9.2.5 Counterparty risk in over-the-counter markets**

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

#### **9.2.6 Credit and Fixed Interest Securities**

- (a) Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.
- (b) The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the rate of yield, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent. BBB is described as having adequate capacity to meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the bond issuer to meet its financial commitments.

#### **9.2.7 Loss of Liquidity**

The Investment Manager will seek to ensure that there is sufficient liquidity within each Fund's portfolio of investments. However, certain investment positions may be less liquid. Such liquidity problems could prohibit a Fund from promptly liquidating a position and subject the Fund to substantial

losses. In addition, a Fund may have to execute trades at less favourable prices if little trading in the relevant investment position involved is taking place. It is also possible that an exchange may suspend trading in a particular investment position, order immediate liquidation and settlement of a particular investment position, or order that trading in a particular investment position be conducted for liquidation only.

#### 9.2.8 **Leverage and Securities Lending**

- (a) A proportion of the capital may be leveraged. While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well. Any event which adversely affects the underlying vehicles would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investment vehicles could result in a substantial loss to capital that would be greater than if capital were not leveraged.
- (b) Where securities lending is permitted, investors should be aware that: (i) if the borrower of securities lent by a Fund fails to return those securities there is a risk that the collateral received may realise less than the value of the securities lent out, whether due to inaccurate pricing, adverse market movements, a deterioration in the credit rating of issuers of the collateral, or the illiquidity of the market in which the collateral is traded; (ii) in case of reinvestment of cash collateral such reinvestment may (a) create leverage with corresponding risks and risk of losses and volatility, (b) introduce market exposures inconsistent with the objectives of the Fund, or (c) yield a sum less than the amount of collateral to be returned; and (iii) delays in the return of securities on loans may restrict the ability of a Fund to meet delivery obligations under security sales.

#### 9.2.9 **Warrants**

The value of warrants is likely to be subject to higher fluctuations than the prices of the underlying securities because of the greater volatility of warrant prices.

#### 9.2.10 **Currency**

The underlying instruments held by a Fund may be denominated in currencies other than the currency of the relevant Class or Fund and the Investment Manager may decide not to hedge that currency risk. Hedging currency risk remains exclusively an investment management decision and it may have an impact on the performance of a Fund or of a Class. Accordingly, the value of an investment may be affected favourably or unfavourably by fluctuations in exchange rates, notwithstanding any efforts made to hedge such fluctuations. In addition, prospective investors whose assets and liabilities are primarily denominated in currencies other than the currency of investment should take into account the potential risk of loss arising from fluctuations in the rate of exchange between the currency of investment and such other currency.

### 9.3 Unit dealing matters

#### 9.3.1 Suspension of Dealings in Shares

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see paragraph 6.15).

#### 9.3.2 Effect of Preliminary Charge and Redemption Charge

- (a) The ACD's preliminary charge is deducted from an investment at the outset. Where a preliminary charge is applied, an equivalent rise in the value of shares is required before the original investment can be recovered.
- (b) Where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased, the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Shares.
- (c) Consequently an investor who realises his shares after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested. Therefore, the Shares should be viewed as a mid to long term investment.

#### 9.3.3 Dilution adjustment

Investors should note that a dilution adjustment may be applied on their purchase or redemption of Shares (see paragraph 6.8). Where a dilution adjustment is not applied, the Fund in question may incur dilution, which may constrain capital growth.

### 9.4 Charges to Capital

Where the objective of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee (and any other charges) may be charged against capital instead of income. This may erode or constrain capital growth.

### 9.5 Liabilities of the Company

9.5.1 Each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund and the Fund's charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes.

9.5.2 As the Company is an umbrella company, each Fund has a specific segregated portfolio of assets. Any liabilities attributable or allocated to a particular Fund shall be met first out of the property attributable or allocated to that particular Fund. Accordingly, the assets of each Fund belong exclusively to that Fund and shall not be used to discharge directly, or indirectly, the liabilities of, or claims against, any other person or body, including the Company, or any other Fund, and shall not be available for any such purpose.

- 9.5.3 Any liabilities, expenses, costs or charges which are not attributable to one Fund only and allocated in accordance with the FCA Rules, may be reallocated by the Directors, provided that such reallocation shall be done in a manner which is fair to the Shareholders of the Company generally.
- 9.5.4 The ACD would normally expect any such reallocation to be effected on a pro rata basis having regard to the Net Asset Value of each Fund. If there is any such reallocation the ACD will advise Shareholders of it in the next succeeding annual or half-yearly report to Shareholders.
- 9.5.5 While provisions of the OEIC Regulations provide for segregated liability between Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts, or under foreign law contracts, it is not known how those foreign courts will react to Regulation 11A and 11B of the OEIC Regulations.
- 9.5.6 Shareholders are not, however, liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after he has paid the purchase price of the Shares.

## 9.6 **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.

## 9.7 **Conflicts Policy**

Transactions may be effected in which the ACD or the Investment Manager has, either directly or indirectly, an interest that may potentially involve a conflict of their respective obligations to the Company. Where a conflict cannot be avoided, the ACD or the Investment Manager (as applicable) will have regard to its fiduciary responsibility to act in the best interests of the Company and its investors. The ACD or the Investment Manager (as applicable) 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.

## 9.8 **Custody Risk**

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

## 9.9 Infectious diseases

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

## 10. The ACD

### 10.1 General information

10.1.1 The ACD (meaning the authorised fund manager for the purposes of the COLL Sourcebook) 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 authorised and regulated by the FCA (whose address is set out in Appendix 8) and is authorised to carry on certain permitted regulated activities in the United Kingdom in accordance with the Act.

10.1.2 The directors of the ACD are:

- |     |             |                                    |
|-----|-------------|------------------------------------|
| (a) | S R Mugford | Finance Director                   |
| (b) | D W Tyerman | Chief Executive Officer            |
| (c) | S E Noone   | Client Service Director            |
| (d) | D K Mytnik  | Non-Executive Director             |
| (e) | V R Smith   | Non-Executive Director             |
| (f) | G Stewart   | Independent Non-Executive Director |
| (g) | C J Willson | Independent Non-Executive Director |
| (h) | N C Palios  | Non-Executive Chair                |

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

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

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

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

10.1.7 The ACD may also act as an authorised unit trust manager or authorised corporate director to other funds and companies. As at the date of this Prospectus, the ACD acts as manager or authorised corporate director of the authorised funds as set out in Appendix 6.

## 10.2 Duties and roles of the ACD

10.2.1 The ACD is the sole director of the Company and its duties and obligations are governed by the terms of an agreement between the Company and the ACD (the **ACD Agreement**). The ACD Agreement provides that the ACD must manage and administer the Company in accordance with the Act and the OEIC Regulations, the Instrument of Incorporation and the contents of this Prospectus.

10.2.2 The ACD Agreement may be terminated by either party on not less than six 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 in respect of matters arising by reason of its negligence, wilful default, breach of duty or breach of trust in the performance of its duties and obligations. A copy of the ACD Agreement will be made available to Shareholders on request.

## 10.3 Delegation by the ACD

10.3.1 Subject to the FCA Rules, the ACD may delegate certain of its functions. Accordingly:

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

## 10.4 Best execution

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

10.4.2 The ACD has delegated the investment management of the Company to the Investment Manager, who in turn executes decisions to deal on behalf of the Company. The Investment Manager has established and implemented an order execution policy to allow it to obtain the best possible results for the Company. A copy of the Investment Manager's execution policy is available on its website, listed in Appendix 8.

## 10.5 Remuneration policy

10.5.1 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.

- 10.5.2 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.
- 10.5.3 Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available at [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.

## **11. The Depositary**

### **11.1 General information**

- 11.1.1 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.
- 11.1.2 The ultimate holding company of the Depositary is NatWest Group plc, which is incorporated in Scotland.
- 11.1.3 The Depositary's registered office address is 250 Bishopsgate, London EC2M 4AA. The Depositary's head office address is 440 Strand, London WC2N 5LR. The address of its office which handles matters relating to the Company is set out in Appendix 8.
- 11.1.4 The Depositary's principal activity is the provision of trustee and depositary services.
- 11.1.5 The Depositary is established in the UK and is authorised and regulated by the FCA to act as a depositary of a UK UCITS or a UK AIF.

### **11.2 Duties of the Depositary**

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

### **11.3 Terms of appointment**

- 11.3.1 The appointment of the Depositary as depositary has been made pursuant to the Depositary Agreement.
- 11.3.2 The Depositary Agreement provides that the Depositary be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties required in the COLL Sourcebook.
- 11.3.3 Under the Depositary Agreement, the Depositary has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Depositary has delegated custody of the Scheme Property to The Northern Trust Company (the **Custodian**). Contact details for the Custodian are set out in Appendix 8. 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 which is set out in Appendix 7. Shareholders should note that the list of sub-custodians is updated only at each Prospectus review. An updated list of sub-custodians is maintained by the ACD and is available upon request.

- 11.3.4 Under the Depositary Agreement, the Depositary will be liable to the Company and its Shareholders for any loss of financial instruments held in custody by the Depositary or a third party to whom custody has been delegated, or for any losses suffered as a result of the Depositary's material breach of the Depositary Agreement, fraud, negligence, wilful misconduct or negligent or intentional failure (or that of any of its delegates) to properly fulfil its obligations under the Depositary Agreement, or any other applicable law or regulation.
- 11.3.5 However, where the event which led to the loss of a financial instrument is not the result of the Depositary's own act or omission (or that of its sub-custodian), the Depositary is discharged of its liability for the loss of a financial instrument where the Depositary can prove that the Depositary could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice and despite rigorous and comprehensive due diligence. The ACD will inform investors without delay of any changes with respect to the Depositary's liability.
- 11.3.6 The Depositary Agreement provides that the Depositary will be indemnified from the net assets of the Company for any losses incurred by the Depositary in the proper performance of its obligations and duties under the Depositary Agreement or as a result of its reliance on properly given instructions except in respect of:
- (a) its failure to exercise all due care and diligence in the discharge of its functions in respect of the Company;
  - (b) its fraud, negligence or wilful default or its intentional or negligent failure to fulfil its obligations under the Depositary Agreement or applicable law and regulation; or
  - (c) any liability to the extent that it has actually been recovered by the Depositary.
- 11.3.7 The Depositary Agreement may be terminated on six months' notice by the Depositary or the Company or immediately in certain circumstances set out in the Depositary Agreement. 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.
- 11.3.8 Other than to exercise the rights of lien or set off over the Scheme Property in relation to unpaid fees and expenses in relation to the proper performance of services under the Depositary Agreement or sub-custody agreement and unless otherwise agreed by the ACD on behalf of the Company, the Depositary shall not be entitled to, and no sub-custodian of the Depositary shall be authorised by the Depositary to, transfer or re-use for its own purpose and benefit any of the Scheme Property it has been entrusted with.



11.3.9 Details of the fees payable to the Depositary are set out in paragraph 'Fees and Expenses' below.

#### 11.4 **Conflicts of interest**

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

11.4.2 It is possible that the Depositary and/or its delegates and sub-delegates may, in the course of its or their business, be involved in other financial and professional activities which may, on occasion, have potential conflicts of interest with the 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.

11.4.3 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 and has confirmed that it is not aware of any conflict of interest arising from its delegation of custody of the Scheme Property to the Custodian. Should any conflict arise, the Depositary shall notify the ACD and take necessary steps to address the conflict.

11.4.4 Up-to-date information regarding the Depositary, its duties and any conflicts of interest that may arise and the Depositary's delegation arrangements will be made available to Shareholders on request.

### 12. **The Investment Manager**

12.1 The ACD has appointed the Investment Manager to provide discretionary investment management services in respect of all Funds pursuant to an investment management agreement. The Investment Manager is authorised and regulated by the FCA. The principal business activity of the Investment Manager is as an investment manager and adviser.

12.2 The Investment Manager has the authority to make investment decisions on behalf of the ACD and has full discretionary powers over the investment of the Scheme Property subject to the overall responsibility and right of veto of the ACD.

12.3 The investment management agreement may be terminated on three months' written notice by either the ACD or the Investment Manager. Notwithstanding such termination provisions, the ACD may terminate the investment management agreement with immediate effect if it is in the interests of Shareholders.

12.4 Subject to the FCA Rules, the Investment Manager has the power under the investment management agreement to sub-delegate all or any part of its functions as investment manager. Where the ACD has agreed that the Investment Manager may

appoint persons as delegated sub-investment managers, those persons will be specified in the Prospectus as amended from time to time.

- 12.5 The Investment Manager is entitled to be paid the Investment Manager Charge, as well as all reasonable, properly documented, out of pocket expenses, out of the Scheme Property, more details on which are set out in paragraph 17.5.
- 12.6 Copies of the Investment Manager's voting policy is available on the relevant website listed at Appendix 8 and from the ACD on request.
- 12.7 The Investment Manager is not part of the same corporate group as the ACD.

### **13. Auditor**

The Auditor of the Company is Deloitte LLP whose address is set out in Appendix 8.

### **14. Registrar, Administrator and Fund Accountant**

- 14.1 The ACD is responsible for maintaining the register but has delegated its Registrar function, as well as the function of Administrator and Fund Accountant, to Northern Trust Global Services SE, UK Branch whose registered office is set out in Appendix 8.
- 14.2 These delegated duties include:
  - 14.2.1 maintaining the Register;
  - 14.2.2 receiving and processing requests for subscriptions for, or redemptions of, Shares;
  - 14.2.3 administering the payment of distributions to Shareholders;
  - 14.2.4 dealing with certain regulatory reporting requirements on behalf of the Company and the ACD;
  - 14.2.5 maintaining the accounting records of the Company; and
  - 14.2.6 assisting in calculating the Net Asset Value, as well as providing fund accounting services in respect of the Company.
- 14.3 In line with the regulations that govern such operational outsourcing, the ACD retains responsibility for all work performed on its behalf and Shareholders' rights are not affected by this delegation.
- 14.4 There are no conflicts of interest through delegation of these functions by the ACD.
- 14.5 The Company does not currently require the services of a prime broker.

### **15. Register of Shareholders**

The Register is maintained by Northern Trust Global Services SE, UK Branch and may be inspected by any Shareholder (or any Shareholder's duly authorised agent) at 50 Bank Street, London E14 5NT during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

## **16. Conflicts of Interest**

- 16.1 The ACD, the Investment Manager and other companies within the ACD's and/or the Investment Manager's group may, from time to time, act as authorised fund manager of or investment manager or adviser to other funds which follow similar investment objectives to those of one or more of the Funds.
- 16.2 It is therefore possible that the ACD and/or the Investment Manager may, in the course of their business, have potential conflicts of interest with the Company or that a conflict exists between the Company and other funds managed or advised by the ACD or an Investment Manager respectively.
- 16.3 The ACD and the Investment Manager will, however, have regard in such event to its own obligations under the relevant investment management agreement and all applicable law and regulation. In particular, each will have regard to its obligation to operate arrangements to take all reasonable steps avoid such conflicts of interest, and where they cannot be avoided, manage, monitor and (where applicable) disclose those conflicts of interest in accordance with the FCA Rules, in order to prevent conflicts of interest adversely affecting the interests of the Company and the Shareholders.
- 16.4 The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or the Shareholders will be prevented. Should any such situations arise the ACD will, as a last resort, disclose these to Shareholders in the report and accounts or such other appropriate format. Further details of the ACD's conflicts of interest policy are available on request.
- 16.5 In addition to providing investment management services for the Funds, the Investment Manager may also act as discretionary investment manager to clients who invest in one or more Funds such that a significant proportion of the Shares in issue in any one Fund may be owned by discretionary management client(s) of the Investment Manager. This fact is not expected to give rise to a conflict of interest for the Investment Manager.

## **17. Fees and Expenses**

### **17.1 General**

- 17.1.1 The fees, costs and expenses relating to the authorisation and incorporation and establishment of the Company, the offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Company in connection with the offer will be borne by the Company and amortised over the first accounting period.
- 17.1.2 All fees or expenses payable by a Shareholder or out of the Scheme Property are set out in this section. The Company may also pay out of the property of the Company charges and expenses incurred by the Company, which will include the following expenses:
- (a) the fees and expenses payable to the ACD, the Fund Accountant, the Investment Manager, the Registrar and to the Depositary;

- (b) all expenses properly incurred by the ACD in the performance of its duties as authorised corporate director of the Company, including without limitation, the costs of preparation and distribution of reports, accounts, and any prospectus, 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 Instrument of Incorporation, key investor information documents, or periodic updates of any other administrative documents, as well as the cost of maintaining other documentation required to be maintained in respect of the Company and any other administrative expenses;
- (c) expenses incurred in acquiring and disposing of investments (including permitted commissions, fiscal charges (including stamp duty) and other costs or disbursements);
- (d) fees in respect of the publication and circulation of details of the Net Asset Value and the price of Shares;
- (e) the fees and expenses of the auditors and tax, legal and other professional advisers of the Company;
- (f) the costs of convening and holding Shareholder meetings (including meetings convened by Shareholders);
- (g) 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;
- (h) any fees or costs associated with any CASS related support activity incurred by the Registrar;
- (i) any costs incurred in producing and despatching any payments made by the Company;
- (j) any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- (k) 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;
- (l) any costs incurred in establishing or maintaining any services or facilities for electronic dealing in Shares;
- (m) any payments otherwise due by virtue of the COLL Sourcebook;
- (n) taxation and duties payable by the Company (any value added or similar tax relating to any charge or expense set out herein);
- (o) interest on and charges incurred in borrowings;

- (p) any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;
- (q) any fees or costs incurred as a result of dealing charges associated with Clearstream Banking S.A.; and
- (r) fees of the FCA and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may be marketed.

17.1.3 It is not currently proposed to seek a listing for the Shares on any stock exchange, but if a listing is sought in the future the fees connected with the listing will be payable by the Company.

17.1.4 Value Added Tax is payable on these charges where appropriate.

## 17.2 Allocation of payments

17.2.1 The ACD and the Depositary have agreed that the fees, charges and expenses for each Fund will be allocated as set out in Appendix 1.

17.2.2 **Certain fees, charges and expenses will be allocated to capital in line with Appendix 1. It should be noted that this policy may result in capital erosion or constrain capital growth.**

## 17.3 Allocation of Fees and Expenses between Funds and Classes

All the fees, duties and charges (other than those borne by the ACD) will be charged to the Fund in respect of which they were incurred. Where an expense is not considered to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the value of the Net Asset Value of the Funds, although the ACD has discretion to allocate these fees and expenses in a manner that it considers fair to the Company and to the Shareholders generally. Similarly, charges and expenses attributable to a Fund (but not to a particular Class) will normally be allocated between the Classes of that Fund pro rata to the Net Asset Value of the Fund attributable to each Class, although the ACD also has discretion to allocate such charges and expenses in a different manner should it consider this to be fair to Shareholders in the Fund generally.

## 17.4 Charges Payable to the ACD

17.4.1 In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual fee out of each Fund as a percentage of the Net Asset Value of such Fund (the **ACD Periodic Charge**).

17.4.2 The ACD Periodic Charge accrues daily and is payable monthly. The current maximum ACD Periodic Charge, for each Fund, is set out in Appendix 1.

17.4.3 The current ACD Periodic Charge payable to the ACD may only be increased in accordance with the COLL Sourcebook and after the ACD has made available a revised Prospectus showing the new rate of charge and its commencement date.

17.4.4 The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties which may include legal and professional expenses of the ACD in relation to the proper performance of the ACD's duties under the ACD Agreement, or related to documents amending the ACD Agreements, all postage and communication costs incurred in the proper performance of duties under the ACD Agreement and all expenses incurred in notarising documents.

## 17.5 Investment Manager Charge

17.5.1 In payment for carrying out its duties and responsibilities the Investment Manager is entitled to take an annual fee out of each Fund as a percentage of the Net Asset Value of such Fund (the **Investment Manager Charge**).

17.5.2 The Investment Manager Charge accrues daily and is payable monthly. The current Investment Manager Charge, for each Fund, is set out in Appendix 1.

17.5.3 The Investment Manager Charge payable to the Investment Manager for a Class may only be increased in accordance with the COLL Sourcebook and after the ACD has made available a revised Prospectus showing the new rate of charge and its commencement date.

17.5.4 The Investment Manager is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties which may include legal and professional expenses of the Investment Manager in relation to the proper performance of the Investment Manager's duties under the investment management agreement noted in paragraph 12 above, all postage and communication costs incurred in the proper performance of duties under that investment management agreement and all expenses incurred in notarising documents.

## 17.6 Depositary's fees

17.6.1 The Depositary's fee for the Company is currently calculated on a sliding scale as follows:

0.0275% per annum	up to and including £50,000,000 in value of the Scheme Property of the Company;
0.025% per annum	on the value of the Scheme Property of the Company above £50,000,000 up to £100,000,000;
0.02% per annum	on the value of the Scheme Property of the Company above £100,000,00 up to £200,000,000; and
0.015% per annum	on the value of the Scheme Property of the Company thereafter

- 17.6.2 The annual fee is subject to a minimum fee of £9,000 per Fund per annum and VAT at the standard rate is added to these fees.
- 17.6.3 Depository's remuneration shall be paid out of Scheme Property. It shall accrue monthly and the first such interval shall commence on the first Valuation Point and shall terminate at the end of the last day in the same month. Each subsequent accrual interval shall commence immediately after the end of the preceding such interval and shall terminate at the end of the last day of the month following that in which the preceding accrual interval terminated. The value of the Scheme Property shall be determined in the same way as it is for the purposes of calculating the ACD Periodic Charge.

## 17.7 Transaction and custody charges

- 17.7.1 In addition to the above periodic fees, the Depository shall also be entitled to be paid transaction charges and derivative charges (together, **Transaction Charges**) and custody charges (**Custody Charges**) out of Scheme Property in relation to transaction handling and safekeeping of Scheme Property from the property of the Company, as follows:

Item	Range
Transaction charges	Range from £7.50 to £180.00
Derivative charges	£20 per transaction (if applicable)
Custody charges <sup>1</sup>	Up to 0.9% of the value of the holding involved subject to a minimum aggregate custody charge of £7,500 per Fund per annum.

- 17.7.2 Global custody is provided by The Northern Trust Company. The custody fees and transaction charges are currently payable out of the Scheme Property of the Company.
- 17.7.3 Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the ACD and the Depository. Custody charges accrue and are payable as agreed from time to time by the ACD and the Depository.
- 17.7.4 Where relevant, the Depository 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 derivative transactions in relation to the Company and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always

<sup>1</sup> These charges vary from country to country depending on the markets and the type of transaction involved.

that the services concerned and any such dealing are in accordance with the provisions of the FCA Rules.

- 17.7.5 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 Depositary Agreement, the FCA Rules or by the general law.
- 17.7.6 On a winding-up of the Company, 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.
- 17.7.7 Any VAT on any fees, charges or expenses payable to the Depositary will be added to such fees, charges or expenses.
- 17.7.8 In each 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.

#### 17.8 Administration, registration and valuation fees

- 17.8.1 The administration of the Company will be carried out by Northern Trust Global Services SE, UK Branch, who will also act as Registrar and Fund Accountant.
- 17.8.2 The Registrar's fee is taken from the Scheme Property of the relevant Fund. The current registration fee is £18 per Shareholder per annum with a minimum of £2,000 per Fund per annum and £6 per Shareholder transaction effected through straight-through processing and £19 per Shareholder transaction recorded manually. Such fee may be payable to the ACD or to any person who has had the relevant duty delegated to it pursuant to the FCA Rules by the ACD.
- 17.8.3 The Administrator will be paid out of Scheme Property for its administration services. The administration fees are set percentages applied to the value of the Scheme Property. Subject to a minimum fee of £25,000 per annum, the current administration fee is:

0.05% per annum	on the value of the Scheme Property
-----------------	-------------------------------------

- 17.8.4 Registration and administration fees are calculated and accrued daily and charged on a monthly basis.
- 17.8.5 The charges and expenses associated with the setting up of such transactions and any ongoing charges and expenses reasonably and properly incurred in respect of the processing and implementation of electronic transfers will also be payable from the Scheme Property of the relevant Fund.



## **18. Shareholder Meetings and Voting Rights**

### **18.1 Annual General Meeting**

The Company does not hold annual general meetings.

### **18.2 Class and Fund Meetings**

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Funds as they apply to general meetings of the Company, but by reference to Shares of the Class or Fund concerned and the Shareholders and value and prices of such Shares.

### **18.3 Requisitions of Meetings**

18.3.1 The ACD or the Depositary may requisition a general meeting at any time.

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

### **18.4 Notice and Quorum**

18.4.1 Shareholders will receive at least 14 days' notice of a Shareholders' meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two Shareholders, present in person or by proxy. If after a reasonable time from the time set for an adjourned meeting there is not two Shareholders present in person or by proxy, the quorum for the adjourned meeting shall be one Shareholder entitled to be counted in a quorum present at the meeting. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered addresses.

18.4.2 The procedure in which notices or documents may be served on Shareholders is set out under 'General Information'.

### **18.5 Voting Rights**

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

18.5.2 On a poll vote, a Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue that the price of the Share bears to the aggregate price(s) of all the Shares in issue at a date to be determined by the ACD and stated in the notice of the meeting which is a reasonable time before the notice of meeting was sent out.

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

- 18.5.4 Except where the COLL Sourcebook or the Instrument of Incorporation of the Company require an Extraordinary Resolution (which needs 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.
- 18.5.5 Where a resolution (including an Extraordinary Resolution) is required to conduct business at a meeting of Shareholders and every Shareholder is prohibited under COLL 4.4.8R(4) from voting, a resolution may, with the prior written agreement of the Depositary to the process, instead be passed with the written consent of the Shareholder representing 50% or more (or for an Extraordinary Resolution representing 75%) of the Shares in issue.
- 18.5.6 The ACD may not be counted in the quorum for a meeting and neither the ACD nor any Associate of the ACD is entitled to vote at any meeting of the Company except in respect of Shares which the ACD or Associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or Associate has received voting instructions.
- 18.5.7 In the case of joint Shareholders, the vote of the most senior who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Shareholders. For this purpose seniority must be determined by the order in which the names stand in the Register.
- 18.5.8 "Shareholders" in this context means Shareholders entered on the Register at a time to be determined by the ACD and stated in the notice of the meeting which is a reasonable time before the notices of the relevant meeting are sent out.

## 18.6 Variation of Class rights

The rights attached to a Class or Fund may be varied in accordance with COLL.

## 19. Taxation

**The following summary is based on current UK law and HM Revenue & Customs practice. It should not be treated as legal or tax advice. It is intended to offer guidance to persons (other than dealers in securities) on the UK taxation of Investment Companies with Variable Capital (ICVCs). However, it should not be regarded as definitive nor as removing the desirability of taking separate professional advice. If investors are in any doubt as to their taxation position they should consult their professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.**

### 19.1 Taxation of the Funds

- 19.1.1 The Company is an ICVC. Each Fund is treated as a separate fund and an Authorised Investment Fund for tax purposes. Income of each Fund is deemed to be distributed for tax purposes, even where it is accumulated. References to distributions include deemed distributions of accumulated income.
- 19.1.2 Each Fund will make dividend distributions except where over 60% of the Fund's property has been invested throughout the distribution period in

interest paying and related investments, in which case it will make interest distributions. A fund that makes interest distributions is referred to as a Bond Fund and a fund that makes dividend distributions is referred to as an Equity Fund.

### **Income**

- 19.1.3 Each Fund is liable to corporation tax on its income after relief for management expenses (which include fees payable to the ACD and to the Depositary) at the basic rate of income tax, currently 20%.
- 19.1.4 Where the Fund is a Bond Fund, the gross amount of any interest distributions is an allowable expense for corporation tax purposes and no tax will actually be paid on that part of the income funding the interest distributions.
- 19.1.5 Dividend income received by each Fund from investments in UK resident and overseas companies should fall within an exemption from corporation tax. Dividend income received from foreign companies may be subject to withholding tax or other taxation in the foreign jurisdiction. The foreign tax suffered by a Fund may normally be deducted from the UK tax due on that income up to certain limits or treated as an expense.

### **Chargeable gains**

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

### **Stamp Duty Reserve Tax**

- 19.1.7 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.
- 19.1.8 Generally, no SDRT charge arises on the issue of shares of ICVCs. However, sometimes SDRT can arise for example where there is an in specie contribution of chargeable securities or where the investor surrenders the shares in exchange for chargeable securities (although there are exceptions). Investors should consult their independent professional adviser for more information if they are in any doubt as to whether this affects them.

## **19.2 Taxation of Shareholders**

### **19.2.1 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 relevant Fund.

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

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

### 19.2.2 **Interest distributions**

#### (a) UK resident individuals

Interest distributions paid by the Company (save in respect of distributions to certain qualifying Shareholders) 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 of £1,000 and higher rate taxpayers are entitled to a reduced personal savings allowance of £500. Additional rate taxpayers are not entitled to the allowance.

Basic rate, higher rate and additional rate taxpayers will pay income tax (in the case of basic rate and higher rate taxpayers, the amount in excess of the applicable personal savings allowance) at the basic rate of 20%, the higher rate of 40% or the additional rate of 45% (as applicable).

#### (b) UK corporate Shareholders

If a Fund at any point in an accounting period of a UK corporate Shareholder, fails to satisfy the "qualifying investment" test, Shares held by that UK corporate Shareholder will be treated as if they were a holding of rights under a creditor loan relationship of the corporate Shareholder, with the result that all returns on the Shares in respect of such a corporate's accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a corporate 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).

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

themselves satisfy the "qualifying investments" test, or other interest bearing securities.

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

### 19.2.3 Dividend distributions

#### (a) UK resident individuals

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

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

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

#### (b) UK corporate Shareholders

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

### 19.2.4 Chargeable gains

#### (a) 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. A Switch of Funds is treated as a disposal for capital gains tax purposes. Gains will be tax free if after deduction of allowable losses they fall within an individual's annual capital gains exemption. For the tax year 2022/2023, the annual exemption is £12,300.

Gains in excess of the annual exemption amount are broadly taxed at 10% to the extent that together with an individual's taxable income they do not exceed the upper limit of the basic rate income tax band (£37,700 for 2022/2023) and at 20% to the extent that they exceed that limit.

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

### 19.3 Withholding Tax Liability

19.3.1 To the extent the Company (or a Fund) is subject to withholding tax as a result of:

- (a) a shareholder failing (or delaying) to provide relevant information to the ACD;
- (b) a shareholder failing (or delaying) to enter into a direct agreement with the Internal Revenue Service (the **IRS**); or
- (c) the Company (or a Fund) becoming liable under FATCA or any legislation or regulation to account for tax in any jurisdiction in the event that a Shareholder or beneficial owner of a Share receives a distribution, payment or redemption, in respect of their Shares or disposes (or be deemed to have disposed) of part or all of their Shares in any way,

(each a **Chargeable Event**), the ACD may take any action in relation to a Shareholder's holding in a Fund to ensure that such withholding is economically borne by the relevant Shareholder and/or the ACD and/or its delegate or agent shall be entitled to deduct from the payment arising on a Chargeable Event an amount equal to the appropriate tax. The action by the ACD may also include, but is not limited to, removal of a non-compliant Shareholder from the relevant Fund or the ACD or its delegates or agents redeeming or cancelling such number of Shares held by the Shareholder or such beneficial owner as are required to meet the amount of tax. Neither the ACD nor its delegate or agent, including the Administrator, will be obliged to make any additional payments to the Shareholders in respect of such withholding or deduction.

19.3.2 Shareholders, and intermediaries acting for Shareholders, should note that it is the existing policy of the ACD that Shares are not being offered or sold for the account of US Persons and that subsequent transfers of Shares to such US Persons are prohibited. If Shares are beneficially owned by any such US Person, the ACD may in its discretion compulsorily redeem such

Shares. Shareholders should moreover note that under the FATCA legislation, the definition of “Specified US Persons” will include a wider range of investors than the current US Person definition.

19.3.3 The ACD reserves the right to redeem the Shares of any Shareholder who jeopardises the tax status of the Company (or a Fund).

(a) Income equalisation – tax implications

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

(b) UK information reporting regime

See the paragraphs dealing with International tax compliance below.

(c) 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.

## 19.4 Indemnity

Each Shareholder agrees to indemnify the ACD and its delegates/agents including the Administrator for any loss caused by such Shareholder arising to the ACD and/or its delegates/agents by reason of them becoming liable to account for tax in any jurisdiction on the happening of a Chargeable Event (as defined above).

## 20. International tax compliance

20.1 The US Foreign Account Tax Compliance Act (**FATCA**) is designed to help the IRS combat US tax evasion. It requires "foreign financial institutions" (such as the Company) to report on US investors. Failure to comply (or be deemed compliant) with these requirements may mean that foreign financial institutions are subject to US withholding taxes on certain US-sourced income and gains. Under an intergovernmental agreement between the US and the United Kingdom, the Company may be deemed compliant if it identifies and reports US taxpayer information directly to HMRC.

20.2 Similar reporting requirements may also apply to the Company in respect of Shareholders who are not solely UK tax resident following laws enacted for the OECD

Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**).

- 20.3 Accordingly, Shareholders should note that:
- 20.3.1 they may be asked to provide additional information (including information regarding their tax residence) to the ACD to enable the Company to satisfy these obligations;
  - 20.3.2 the ACD may be required to report these details to HMRC; and
  - 20.3.3 HMRC may subsequently exchange this information with other governments or tax authorities in other jurisdictions.
- 20.4 Failure to provide requested information may subject a Shareholder to liability for any resulting withholding taxes, tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its Shares.

## **21. Winding up of the Company or termination of a Fund**

- 21.1 The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. A Fund must not be terminated, except under the COLL Sourcebook, or by being wound up under Part V of the Insolvency Act 1986 (as modified by regulation 33C of the OEIC Regulations) as an unregistered company.
- 21.2 Where the Company is to be wound up, or a Fund is to be terminated under the COLL Sourcebook, such winding up, or termination, may only be commenced when (a) effect has been given under regulation 21 of the OEIC Regulations to proposals to wind up the affairs of the Company, or to make alterations to the Company's instrument of incorporation and prospectus that would be required if a Fund was to be terminated, and (b) a statement has been prepared and delivered to the FCA under COLL 7.3.5R (solvency statement) and received by the FCA prior to satisfaction of the condition (a).
- 21.3 The Company must not be wound up, or a Fund terminated under the COLL Sourcebook, if there is a vacancy in the position of ACD at the relevant time.
- 21.4 The Company or a Fund may be wound up under the COLL Sourcebook:
- 21.4.1 if an Extraordinary Resolution to that effect is passed by Shareholders; or
  - 21.4.2 if the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or an event (if any) occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Fund is to be wound up (for example, if the share capital of the Company is below its prescribed minimum); or
  - 21.4.3 on the date stated in any agreement by the FCA in response to a request from the ACD for the winding up of the Company, or a request to terminate a Fund; or
  - 21.4.4 on the effective date of a duly approved scheme of arrangement which is to result in the Company, or a Fund, ceasing to hold any scheme property; or



- 21.4.5 as the Company is an umbrella company, on the date on which all of the Funds fall within 21.4.4 above or have otherwise ceased to hold any Scheme Property, despite the Company may have assets and liabilities that are not attributable to any particular Fund.
- 21.5 On the occurrence of any of the above:
- 21.5.1 the COLL Sourcebook relating to valuation and pricing and dealing and investment and borrowing powers will cease to apply to the Company or the particular Fund;
- 21.5.2 the Company will cease to issue and cancel Shares in the Company or the relevant Fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Fund;
- 21.5.3 no transfer of a Share shall be registered and no other change to the Register shall be made without the sanction of the ACD;
- 21.5.4 where the Company is being wound-up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- 21.5.5 the corporate status and powers of the Company and, subject to (a) and 21.5.4 above, the powers of the ACD shall continue until the Company is dissolved.
- 21.6 The ACD shall, as soon as practicable after the Company or a Fund falls to be wound up, realise the assets and meet the liabilities of the Company or the Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the Scheme Property of the Company or the Fund. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Fund, give written notice of the commencement to the Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or Fund.
- 21.7 As soon as reasonably practicable after completion of the winding up of the Company or the particular Fund, the Depositary shall notify the FCA that the winding up has been completed. On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) still standing to the account of the Company will be paid into court within one month of the dissolution.
- 21.8 Following the completion of a winding up of either the Company or a Fund, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to

the FCA and to each Shareholder within two months of the completion of the winding up.

- 21.9 As the Company is an umbrella company, any liabilities attributable or allocated to a particular Fund under the COLL Sourcebook shall be met first out of the property attributable or allocated to that particular Fund. Accordingly the assets of each Fund belong exclusively to that Fund and shall not be used to discharge directly, or indirectly, the liabilities of, or claims against, any other person or body, including the Company, or any other Fund, and shall not be available for any such purpose. Any liabilities, expenses, costs or charges which are not attributable to one Fund only and allocated in accordance with the FCA Rules, may be reallocated by the Directors, provided that such reallocation shall be done in a manner which is fair to the Shareholders of the Company generally.

## **22. General Information**

### **22.1 Accounting Periods**

The annual accounting periods and accounting reference date for each of the Funds are outlined in Appendix 1.

### **22.2 Income Allocations**

- 22.2.1 Allocations of income are made in respect of the income available for allocation in each accounting period.
- 22.2.2 Income allocation dates for the each of the Funds are set out in Appendix 1.
- 22.2.3 Each holder of Income Shares is entitled, on each of the income allocation dates, to the income attributable to his holding. Income on Accumulation Shares is not distributed, but is accumulated, being automatically reinvested after the income accounting date, to increase the value of each Share. 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.
- 22.2.4 Distributions of income will be paid by BACS, cheque or any other means agreed between the ACD and the relevant Shareholder from time to time. Distributions of income will be paid within two months of each income allocation date.
- 22.2.5 If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Fund (or, if that no longer exists, to the Company).
- 22.2.6 The amount available for distribution in any accounting period is generally calculated by taking the aggregate of the income received or receivable for the account of the relevant Fund in respect of that period, and deducting the charges and expenses of the relevant Fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Company's auditors as appropriate) in relation to taxation, income

equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and any other adjustments (including for amortisation) which the ACD considers appropriate after consulting the auditors.

### **22.3 Income equalisation**

22.3.1 The price of a Share of a particular Class in a Fund is based on the value of that Class's entitlement including the income of the relevant Fund since the previous distribution or, in the case of Accumulation Shares, deemed distributions. 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 a return of capital and is not taxable as income in the hands of the Shareholder.

22.3.2 Equalisation applies only to Shares purchased during the relevant accounting period. It is calculated as the average amount of income included in the price of all Shares of the Fund concerned issued during the period.

### **22.4 Annual Reports**

22.4.1 Annual reports of the Company will be published within four months of the end of each annual accounting period and half-yearly reports will be published within two months of the end of each interim accounting period and are available free of charge to anyone who requests from the ACD. The half-yearly reports are prepared long reports.

22.4.2 The annual report will also include (where relevant) information regarding the Company's use of SFTs and TRSs, as required by the UK SFTR.

### **22.5 Documents of the Company**

22.5.1 The following documents may be inspected free of charge between 9.30 am and 4.30 pm on every Business Day at the offices of the ACD at the address set out in Appendix 8:

- (a) the most recent annual and half-yearly reports of the Company;
- (b) the Instrument of Incorporation (and any amending instrument of incorporation);
- (c) the most recent version of the Prospectus;
- (d) the most recent version of the Company's key investor information documents;
- (e) the ACD Agreement; and
- (f) the material contracts referred to below.

22.5.2 Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of documents

(apart from in relation to the annual and half-yearly long reports of the Company which are available free of charge).

- 22.5.3 To the extent there is any conflict between this Prospectus and the Instrument of Incorporation, the Instrument of Incorporation will prevail.

## 22.6 Risk Management

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

22.6.2 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 Funds together with their underlying risks and any relevant quantitative limits; and
- (b) the methods for estimating risks in derivative and forward transactions.

22.6.3 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.

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

22.6.5 Upon the request of a Shareholder, the ACD shall provide certain information supplementary to this Prospectus which relates to:

- (a) the quantitative limits which apply in the risk management of the Funds;
- (b) the methods used in relation to (a) above; and
- (c) any recent development of the risk and yields of the main categories of investment which apply to each Fund.

## 22.7 Material Contracts

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

- (a) the ACD Agreement between the Company and the ACD;
- (b) the investment management agreement between the ACD and the Investment Manager; and
- (c) the Depositary Agreement between the Company, the ACD and the Depositary.

22.7.2 Details of the above contracts are given under paragraphs 10, 11.3 and 12 above.

## 22.8 Electronic Verification

22.8.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, the Senior Management Arrangements Systems & Controls Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check the identity of Shareholders and applicants for Shares and the source of the money invested.

22.8.2 The ACD (and/or its delegates) may request verification documents from parties associated with Shareholders or applicants for Shares. In some cases, documentation may be required from officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about a Shareholder or applicant for Shares (or an associated party) on the electoral roll and using credit reference agencies.

22.8.3 A credit reference agency may check the details supplied against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information. 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 acknowledge that the ACD may 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.

## 22.9 Data Protection

22.9.1 The personal details of each applicant for Shares will be held by the ACD and/or the Registrar as its agent in accordance with the Data Protection Laws for the purposes of carrying out the ACD's agreement with each Shareholder. This may include the transfer of such data to other members of the ACD's group and to other businesses providing services to the ACD (including their offices outside the UK), where the transfer is necessary for the provision of services in relation to the ACD's role as operator of the 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 at <https://www.tutman.co.uk/privacy-notice/> or on request from [compliance@thesisam.com](mailto:compliance@thesisam.com).

## 22.10 **Complaints**

- 22.10.1 Complaints concerning the operation or marketing of the Company, or any of the Funds, may be referred to the ACD.
- 22.10.2 If a complaint cannot be resolved satisfactorily with the ACD, it may be referred to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.
- 22.10.3 A copy of the complaints handling procedure is available from the ACD on request.

## 22.11 **Non-Accountability for profits**

- 22.11.1 Neither the ACD, the Depositary, the Investment Manager (or any Associate of the same), the Distributor or the auditor 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:
- (a) dealings in the units of any Fund; or
  - (b) any transaction in the Scheme Property; or
  - (c) the supply of services to the Funds.

## 22.12 **Notices served on Shareholders**

- 22.12.1 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:
- (a) is consistent with the ACD's knowledge of how the recipient of the document wishes or expects to receive the document;
  - (b) is capable of being provided in hard copy by the ACD;
  - (c) enables the recipient to know or record the time of receipt; and
  - (d) is reasonable in the context.
- 22.12.2 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:
- (a) changes the purpose or nature of the Company;
  - (b) may materially prejudice a Shareholder;
  - (c) alters the risk profile of the Company; or
  - (d) introduces a new type of payment out of the Company property.

## 22.13 **Telephone calls**

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

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

## **Appendix 1** The Funds

The Funds, and their investment objectives and policies, are set out below:

<b>Fund Name</b>	<b>TM Veritas Equity Strategy</b>
<b>Product Reference Number</b>	987449
<b>Type of sub-fund</b>	UK UCITS
	The Fund is not a feeder UCITS, a feeder NURS, a fund of alternative investment funds or a property authorised investment fund.
<b>Launch Date</b>	30 November 2022
<b>Initial offer period</b>	None
<b>Investment Manager</b>	Veritas Investment Partners (UK) Limited
<b>Investment Objective</b>	<p>The Fund aims to achieve a total return (through a combination of capital growth and income), net of fees, in excess of the OECD G7 Consumer Price Index plus 5% per annum, over five-year rolling periods.</p> <p>Capital invested in the Fund is at risk and there is no guarantee that the investment objective of the Fund will be achieved over that five-year rolling period, or any time period.</p>
<b>Investment Policy</b>	<p>The Fund will aim to achieve the investment objective by investing directly in a focused portfolio of between 25 and 40 global issuers, representing an allocation to equities of between 80-100% of the Scheme Property in normal market conditions.</p> <p>The Fund may also invest in other transferable securities, alternatives i.e., infrastructure and commodities (which will be held indirectly via permitted investments such as collective investment vehicles), bonds (including corporate bonds and government and public securities), warrants, money market instruments, deposits and cash or near cash investments.</p> <p>The Fund may hold units in other collective investment schemes (including those managed or operated by the ACD and/or advised or managed by the Investment Manager, or an associate of the ACD or Investment Manager), but these will be limited to a maximum of 10% of the total value of the Scheme Property.</p> <p>Fixed income and/or cash may be used tactically at the Investment Manager's discretion. The investment policy of the Fund may mean that at times, where it is considered appropriate, the Scheme Property will not be fully invested and that prudent levels of liquidity will be maintained in order to reduce risk and preserve capital. The Fund will hold cash and cash equivalents to maintain liquidity.</p> <p><b>The Investment Manager may make use of derivatives where</b></p>



**considered prudent for Efficient Portfolio Management (including hedging) although the use of derivatives is expected to be limited.**

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

**Target benchmark**

The OECD G7 Consumer Price Index combines the inflation rates for the inter-governmental forum known as the G7. This group consists of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States. This rate has been chosen as a target for the Fund's return because the Fund aims to grow investments above the rate of inflation as seen in the major countries in which it invests, over the longer term.

**Comparator benchmarks**

The Fund also uses two comparator benchmarks:

- (a) **Market comparator** – The Fund uses the MSCI World Index as a comparator benchmark as against the wider equities markets and an investor may choose to use this benchmark to compare the returns achieved by the Fund against the performance of the assets in which the Fund can invest. This comparator benchmark has been chosen taking account of the investment strategy of the Fund and the assets in which the Fund invests.

The MSCI World Index is a benchmark that captures large and mid-cap companies publicly listed across 23 developed markets. MSCI define developed market countries as: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the UK and the US.

- (b) **Peer group comparator** – The Fund also uses the Investment Association Global peer group as a performance comparator which is a peer group which groups funds with a similar objective of investing at least 80% of their assets globally in equities. An investor may choose to use this peer group to compare the returns achieved by the Fund against other funds with a similar objective.

The ACD reserves the right to change the comparator benchmarks following consultation with the Depositary and in accordance with the rules in the COLL Sourcebook. 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 in accordance with the rules in the COLL Sourcebook and the change noted in subsequent annual and half yearly reports.

## Investor Profile

The Fund is suitable for long term investors with at least a basic knowledge of the relevant financial instruments in which the Fund invests. Such investors must be comfortable that the value of investments in the Fund can go down as well as up, that capital may be at risk and that performance varies over time and returns are not guaranteed. If you are uncertain about whether this product is suitable for you, please contact an independent financial adviser.

Investors should be aware that there is no protection of capital and no guaranteed return and investors can lose the amount invested. Accordingly, Shares are not suitable for:

- any investor who does not have sufficient resources to bear any loss resulting from the investment;
- investors who are not prepared to take any risk with their money or put their capital at risk; and/or
- any investor looking for guaranteed income or a guaranteed total return.

## Share Classes

Class A GBP Accumulation Shares  
Class A GBP Income Shares  
Class B USD Accumulation Shares  
Class B USD Income Shares

<b>Annual accounting date</b>	30 September
<b>Interim accounting date</b>	31 March
<b>Income distribution dates</b>	31 January, 31 May
<b>Invest in Eligible Markets</b>	As listed in Appendix 4.
<b>Income Equalisation</b>	Yes
<b>Past Performance</b>	Past performance is set out in Appendix 5.
<b>Share class information</b>	

	<b>TM Veritas Equity Strategy Class A GBP Accumulation Shares and Class A GBP Income Shares</b>
Initial Charge*	Nil
Redemption Charge*	Nil
Investment Manager Charge	0.60%
ACD Periodic Charge (maximum charge)*	0.06%**
Minimum Investment*	Nil
Minimum Redemption*	Nil
Minimum Holding*	Nil

Minimum further investment*	Nil
Performance fee	No
Currency of denomination	Pounds sterling (GBP)

\*All investment minima and the initial and redemption charges may be waived by the ACD at its discretion.

\*\*The ACD Periodic Charge shall be 0.06% on the first £100million and 0.02% on any amounts in excess of £100million, subject to a minimum of £35,000 per annum.

	<b>TM Veritas Equity Strategy Class B USD Accumulation Shares and Class B USD Income Shares</b>
Initial Charge*	Nil
Redemption Charge*	Nil
Investment Manager Charge	0.60%
ACD Periodic Charge (maximum charge)*	0.06%**
Minimum Investment*	Nil
Minimum Redemption*	Nil
Minimum Holding*	Nil
Minimum further investment*	Nil
Performance fee	No
Currency of denomination	United States Dollar (USD)

\*All investment minima and the initial and redemption charges may be waived by the ACD at its discretion.

\*\*The ACD Periodic Charge shall be 0.06% on the first £100million and 0.02% on any amounts in excess of £100million, subject to a minimum of £35,000 per annum.

Please refer to the paragraph, "Fees and Expenses" above for information on all other fees and expenses applicable to the Fund.

**Allocation of fees,  
charges and expenses**

Charges and expenses are allocated to either the income or capital of the Fund in accordance with the tables below. **Where a charge and expense is allocated to the capital of the Fund, it should be noted that this may result in capital erosion or constrain capital growth.**

<b>Class A GBP Accumulation Shares</b>		
<b>Fee, charge or expense</b>	<b>Allocation</b>	
	<i>Income</i>	<i>Capital</i>
ACD Periodic Charge and all other charges payable to the ACD	X	
Investment Manager Charge and all other charges payable to the Investment Manager	X	
Fees of the Administrator	X	
Fees of the Registrar	X	
The Depository's fees (other than Custody Charges and Transaction Charges)	X	
Custody Charges	X	
Transaction Charges		X
The fees and expenses of the Auditor	X	

<b>Class A GBP Income Shares</b>		
<b>Fee, charge or expense</b>	<b>Allocation</b>	
	<i>Income</i>	<i>Capital</i>
ACD Periodic Charge and all other charges payable to the ACD		X
Investment Manager Charge and all other charges payable to the Investment Manager		X
Fees of the Administrator		X
Fees of the Registrar	X	
The Depository's fees (other than Custody Charges and Transaction Charges)		X
Custody Charges	X	
Transaction Charges		X
The fees and expenses of the Auditor	X	

<b>Class B USD Accumulation Shares</b>		
<b>Fee, charge or expense</b>	<b>Allocation</b>	
	<i>Income</i>	<i>Capital</i>
ACD Periodic Charge and all other charges payable to the ACD	X	
Investment Manager Charge and all other charges payable to the Investment Manager	X	

Fees of the Administrator	X	
Fees of the Registrar	X	
The Depository's fees (other than Custody Charges and Transaction Charges)	X	
Custody Charges	X	
Transaction Charges		X
The fees and expenses of the Auditor	X	

<b>Class B USD Income Shares</b>		
<b>Fee, charge or expense</b>	<b>Allocation</b>	
	<i>Income</i>	<i>Capital</i>
ACD Periodic Charge and all other charges payable to the ACD		X
Investment Manager Charge and all other charges payable to the Investment Manager		X
Fees of the Administrator		X
Fees of the Registrar	X	
The Depository's fees (other than Custody Charges and Transaction Charges)		X
Custody Charges	X	
Transaction Charges		X
The fees and expenses of the Auditor	X	

NB. Please note that further details on the fees payable to each of the ACD, Administrator, Registrar, Depository and the Auditor can be found in paragraph 17 above.

## **Appendix 2**

### Investment and Borrowing Powers of the Company

#### **1. Investment restrictions**

The property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits on investment set out in the COLL Sourcebook. These limits apply to each Fund as summarised below.

#### **2. Prudent spread of risk**

The ACD must ensure that, taking account of the investment objectives and policy of the Funds, the property of the Funds aims to provide a prudent spread of risk.

#### **3. Treatment of obligations**

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

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

3.2.1 it must be assumed that in applying any of those rules, each Fund must also simultaneously satisfy any other obligation relating to cover; and

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

#### **4. UCITS schemes: permitted types of scheme property**

4.1 The scheme property of a Fund must, subject to its investment objective and policy and except where otherwise provided by COLL 5, consist solely of any or all of:

4.1.1 transferable securities;

4.1.2 approved money-market instruments;

4.1.3 units in collective investment schemes;

4.1.4 derivatives and forward transactions;

4.1.5 deposits; and

4.1.6 movable and immovable property that is necessary for the direct pursuit of the Company's business;

in accordance with the rules in COLL 5.2.

4.2 The requirements on spread do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of the Funds (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk is complied with.

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

## **5. Transferable Securities**

5.1 A transferable security is an investment which is a share, a debenture, an alternative debenture, a government and public security, a warrant, or a certificate representing certain securities (as such terms are defined in the FCA Glossary).

5.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.

5.3 In applying paragraph 5.2 to an investment which is issued by a body corporate, and which is a share or a debenture (as such terms are defined in the FCA Glossary), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

5.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

## **6. Investment in transferable securities**

6.1 A Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

6.1.1 the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;

6.1.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying Shareholder (see COLL 6.2.16R(3));

6.1.3 reliable valuation is available for it as follows:

(a) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

(b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

6.1.4 appropriate information is available for it as follows:

(a) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;

(b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information

available to the ACD on the transferable security or, where relevant, on the portfolio of the transferable security;

6.1.5 it is negotiable; and

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

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

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

6.2.2 to be negotiable.

## **7. Closed end funds constituting transferable securities**

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

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

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

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

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

## **8. Transferable securities linked to other assets**

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

8.1.1 fulfils the criteria for transferable securities set out in paragraph 6 (Investment in transferable securities) above; and

8.1.2 is backed by or linked to the performance of other assets, which may differ from those in which a Fund can invest.

8.2 Where an investment in 8.1 contains an embedded derivative component (see COLL 5.2.19R(3A)), the requirements of COLL 5 with respect to derivatives and forwards will apply to that component.



## **9. Approved Money-Market Instruments**

- 9.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.
- 9.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:
- 9.2.1 has a maturity at issuance of up to and including 397 days;
  - 9.2.2 has a residual maturity of up to and including 397 days;
  - 9.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
  - 9.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 9.2.1 or 9.2.2 or is subject to yield adjustments as set out in 9.2.3.
- 9.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem units at the request of any qualifying Shareholder (see COLL 6.2.16R(3)).
- 9.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
- 9.4.1 enabling the ACD to calculate a Net Asset Value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  - 9.4.2 based either on market data or on valuation models including systems based on amortised costs.
- 9.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

## **10. Transferable securities and money-market instruments generally to be admitted or dealt in on an Eligible Market**

- 10.1 Transferable securities and approved money-market instruments held within a Fund must be:
- 10.1.1 admitted to or dealt in on an eligible market described in paragraph 11.1.1; or
  - 10.1.2 dealt in on an eligible market described in paragraph 11.1.2; or
  - 10.1.3 admitted to or dealt in on an eligible market described in 11.2; or
  - 10.1.4 for an approved money-market instrument not admitted to or dealt in on an eligible market, within paragraph 12.1; or

- 10.1.5 recently issued transferable 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.
- 10.2 However, a Fund may invest no more than 10% of the scheme property in transferable securities and approved money-market instruments other than those referred to in paragraph 10.1.
- 11. Eligible markets regime: requirements**
- 11.1 A market is eligible for the purposes of the rules in the COLL Sourcebook if it is:
- 11.1.1 a regulated market (as defined in the FCA Glossary);
  - 11.1.2 a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public; or
  - 11.1.3 any market within paragraph 11.2.
- 11.2 A market not falling within paragraphs 11.1.1 and 11.1.2 is eligible for the purposes of the rules in the COLL Sourcebook if:
- 11.2.1 the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
  - 11.2.2 the market is included in a list in this Prospectus; and
  - 11.2.3 the Depositary has taken reasonable care to determine that:
    - (a) adequate custody arrangements can be provided for the investment dealt in on that market; and
    - (b) all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 11.3 In paragraph 11.2.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulatory organisation by an overseas regulator, is open to the public and is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
- 11.4 The eligible markets in which the Funds may invest are set out in Appendix 4.

**12. Money-market instruments with a regulated issuer**

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

- 12.1.2 the instrument is issued or guaranteed in accordance with paragraph 13 (Issuers and guarantors of money-market instruments).
- 12.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
  - 12.2.1 the instrument is an approved money-market instrument;
  - 12.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 14 (Appropriate information for money-market instruments); and
  - 12.2.3 the instrument is freely transferable.

### **13. Issuers and guarantors of money-market instruments**

- 13.1 A Fund may invest in an approved money-market instrument if it is:
  - 13.1.1 issued or guaranteed by any one of the following:
    - (a) a central authority of the United Kingdom or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
    - (b) a regional or local authority of the United Kingdom or an EEA State;
    - (c) the Bank of England, the European Central Bank or a central bank of an EEA State;
    - (d) the European Union or the European Investment Bank;
    - (e) a non-EEA State or, in the case of a federal state, one of the members making up the federation;
    - (f) a public international body to which the United Kingdom or one or more EEA States belong; or
  - 13.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
  - 13.1.3 issued or guaranteed by an establishment which is:
    - (a) subject to prudential supervision in accordance with criteria defined by UK or EU law; or
    - (b) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.
- 13.2 An establishment shall be considered to satisfy the requirement in paragraph 13.1.3(b) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
  - 13.2.1 it is located in the European Economic Area;

- 13.2.2 it is located in an OECD country belonging to the Group of Ten;
- 13.2.3 it has at least investment grade rating;
- 13.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

#### **14. Appropriate information for money-market instruments**

14.1 In the case of an approved money-market instrument within paragraph 13.1.2 or issued by a body of the type referred to in COLL 5.2.10EG; or which is issued by an authority within paragraph 13.1.1(b) or a public international body within paragraph 13.1.1(f) but is not guaranteed by a central authority within paragraph 13.1.1(a), the following information must be available:

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

14.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 13.1.3, the following information must be available:

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

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

- 14.3.1 within paragraphs 13.1.1(a), 13.1.1(d) or 13.1.1(e); or
- 14.3.2 which is issued by an authority within paragraph 13.1.1(b) or a public international body within paragraph 13.1.1(f) and is guaranteed by a central authority within paragraph 13.1.1(a);

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

#### **15. Spread: general**

15.1 This paragraph 15 on spread does not apply in respect of transferable securities or an approved money-market instrument to which paragraph 17 applies.

15.2 The specific limits are set out as follows:

- 15.2.1 For the purposes of this paragraph 15 companies included in the same group for the purposes of consolidated accounts as defined in accordance with s.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.
- 15.2.2 Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.
- 15.2.3 Not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money-market instruments issued by any single body.
- 15.2.4 The limit of 5% in paragraph 15.2.3 is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not to be taken into account for the purpose of applying the limit of 40%.
- 15.2.5 The limit of 5% in paragraph 15.2.3 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when a Fund invests more than 5% in covered bonds issued by a single body the total value of covered bonds held must not exceed 80% in value of the Scheme Property.
- 15.2.6 In applying paragraphs 15.2.3 and 15.2.4 certificates representing certain securities are to be treated as equivalent to the underlying security.
- 15.2.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.
- 15.2.8 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 (as referred to in paragraph 15.2.1).
- 15.2.9 Not more than 20% in value of a Fund is to consist of the units of any one collective investment scheme.
- 15.2.10 In applying the limits in paragraphs 15.2.2, 15.2.3, 15.2.4, 15.2.6 and 15.2.7 and subject to paragraph 15.2.5, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
- (a) transferable securities (including covered bonds) or approved money-market instruments issued by a single body; or
  - (b) deposits made with a single body; or
  - (c) exposures from OTC derivatives transactions made with a single body.

## **16. Counterparty Risk and Issuer Concentration**

- 16.1 The ACD must ensure that counterparty risk arising from an OTC derivative transaction is subject to the limits set out in paragraphs 15.2.7 and 15.2.10 above.

- 16.2 When calculating the exposure of the Company to a counterparty in accordance with the limits set out in paragraph 15.2.7, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 16.3 The ACD may net the OTC derivative positions of the Company with the same counterparty provided:
- 16.3.1 it is able legally to enforce netting arrangements with the counterparty on behalf of the Company; and
  - 16.3.2 the netting arrangements in paragraph 16.3.1 above do not apply to any other exposures the Company may have with that same counterparty.
- 16.4 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.
- 16.5 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits set out in paragraph 15.2.7 when it passes collateral to the counterparty to an OTC derivative transaction on behalf of the Company.
- 16.6 Collateral passed in accordance with paragraph 16.5 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.
- 16.7 The ACD must calculate the issuer concentration limits referred to in paragraph 15 above on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.
- 16.8 In relation to exposures arising from OTC derivative transactions, as referred to in paragraph 15.2.10, the ACD must include in the calculation any counterparty risk relating to the OTC derivative transactions.

## **17. Spread: Government and public securities**

- 17.1 The following applies in respect of transferable securities and approved money-market instruments (**such securities**) that are issued by:
- 17.1.1 the United Kingdom or an EEA State;
  - 17.1.2 a local authority of the United Kingdom or an EEA State;
  - 17.1.3 a non-EEA State; or
  - 17.1.4 a public international body to which the UK or one or more EEA States belong.
- 17.2 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 17.3 A Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

- 17.3.1 the ACD has before any such investment is made consulted with the Depository and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the Fund;
  - 17.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;
  - 17.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues; and
  - 17.3.4 the disclosures required by the COLL Sourcebook have been made.
- 17.4 In relation to such securities:
- 17.4.1 issue, issued and issuer include guarantee, guaranteed and guarantor; and
  - 17.4.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.
- 17.5 Notwithstanding paragraph 15.1 above, and subject to paragraphs 17.2 and 17.3, in applying the 20% limit in 15.2.10 with respect to a single body, such securities issued by that body shall be taken into account.
- 17.6 **Pursuant to the above, the Company may invest more than 35% of the Scheme Property in government and public securities issued by or on behalf of or guaranteed by a single named issuer which may be one of the following:** the governments of the United Kingdom (including the Scottish Administration, the Executive Committee of the Northern Ireland Assembly, the National Assembly of Wales) Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, LCR Finance plc, Japan, Liechtenstein, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and United States (including Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Government National Mortgage Association (GNMA), Private Export Funding Corporation (PEFCO)) or by one of the following international organisations: African Development Bank, Asian Development Bank (ADB), Council of Europe Development Bank, Deutsche Ausgleichsbank (DTA), Eurofima, European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IADB), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Kreditanstalt für Wiederaufbau (KfW) and the Nordic Investment Bank (NIB).
- 17.7 The ACD has consulted with the Depository and considers that the issuers named above are ones which are appropriate in accordance with the investment objectives of the Funds.
- 18. Investment in collective investment schemes**
- 18.1 A Fund may not invest in units in a collective investment scheme (**second scheme**) unless the second scheme complies with the requirements set out in paragraphs 18.2 to 18.6 below, and provided that no more than 30% of the value of the Fund is invested in second schemes within paragraphs 18.2.2 to 18.2.5.
- 18.2 The second scheme must:

- 18.2.1 be a UK UCITS or a scheme which satisfies the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
  - 18.2.2 be 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 18.3, are met); or
  - 18.2.3 be authorised as a Non-UCITS Retail Scheme (provided the requirements of COLL 5.2.13AR(1), (3) and (4), as set out in paragraphs 18.3.1, 18.3.3 and 18.3.4, are met); or
  - 18.2.4 be authorised in an EEA State (provided the requirements of COLL 5.2.13AR, as set out in paragraph 18.3, are met); or
  - 18.2.5 be authorised by the competent authority of an OECD member country (other than an EEA State) which has:
    - (a) signed the IOSCO Multilateral Memorandum of Understanding; and
    - (b) approved the scheme's management company, rules and depositary/custody arrangements;
 (provided the requirements of COLL 5.2.13AR, as set out in paragraph 18.3, are met).
- 18.3 The requirements referred to in 18.2 are that:
- 18.3.1 the second scheme is an undertaking:
    - (a) with the sole object 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
    - (b) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption);
  - 18.3.2 the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the United Kingdom, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured;
  - 18.3.3 the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UCITS scheme, 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



- 18.3.4 the business of the second scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.
- 18.4 The second scheme must comply, where relevant, with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes).
- 18.5 The second scheme must have terms which prohibit more than 10% in value of its scheme property consisting of units in collective investment schemes.
- 18.6 Where the second scheme is an umbrella, the provisions in paragraphs 18.4 and 18.5 above and COLL 5.2.11R (Spread: general) apply to each sub-fund as if it were a separate scheme.
- 18.7 Up to 10% of the Scheme Property of TM Veritas Equity Strategy may consist of units in collective investment schemes.
- 18.8 Where a substantial proportion of a Fund's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged to the Fund, and to the other collective investment schemes in which it invests, should not exceed 2.5% per annum (plus VAT, if applicable). However, it is expected that any actual annual management fee will not exceed 2%.
- 18.9 Investment may be made: (i) in another collective investment scheme managed by the ACD or an Associate of the ACD; and/or (ii) in another Fund of the Company; subject to the rules contained in the FCA Handbook.
- 18.10 Where a Fund makes an investment in, or disposal of, units or shares of a second scheme detailed in paragraph 18.9, and there is a charge in respect of such investment or disposal, the ACD must pay the Fund the amount referred to in either paragraph 18.11 or paragraph 18.12 within four Business Days following the date of the agreement to invest or dispose.
- 18.11 When an investment is made, the amount referred to in paragraph 18.10 is either:
- 18.11.1 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; or
- 18.11.2 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.
- 18.12 When a disposal is made, the amount referred to in paragraph 18.10 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.
- 18.13 In paragraphs 18.10 to 18.12 above:
- 18.13.1 any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy or dilution

adjustment, is to be treated as part of the price of the units and not as part of any charge; and

- 18.13.2 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.

## **19. Investment in nil and partly paid securities**

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

## **20. Derivatives**

- 20.1 **Under the COLL Sourcebook derivatives are permitted for UCITS schemes for investment purposes and derivative transactions may be used for the purposes of hedging or meeting the investment objective or both.**

- 20.2 **The Funds do not currently intend to use Scheme Property to invest in derivatives and forward transactions under the COLL Sourcebook, other than for the purposes of Efficient Portfolio Management techniques which is not expected to have a detrimental effect on the risk profile of the Funds.**

- 20.3 Any use of derivative instruments would be in accordance with COLL 5.3.11G.

- 20.4 A transaction in derivatives or a forward transaction cannot be effected for the Funds unless:

20.4.1 it is a permitted derivatives or forward transaction (as set out in paragraph 21); and

20.4.2 it is covered as required by the FCA Regulations at COLL 5.3.3AR.

- 20.5 Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits in paragraph 15 and paragraphs 17.1 to 17.5 except as provided in paragraph 20.9.

- 20.6 Where a transferable security or approved money-market instrument embeds a derivative this must be taken into account for the purposes of complying with COLL 5.2.

- 20.7 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:

20.7.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a standalone derivative;

- 20.7.2 the economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 20.7.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 20.8 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 20.9 If a Fund 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 paragraph 15 and paragraphs 17.1 to 17.5 above, provided the ACD takes account of the requirements in COLL 5.2.3R for a prudent spread of risk.
- 21. Permitted transactions (derivatives and forwards)**
- 21.1 A transaction in a derivative must:
- 21.1.1 be in an Approved Derivative; or
  - 21.1.2 be one which complies with paragraph 22.
- 21.2 In addition, the underlying of a transaction in a derivative must consist of any or all of the following to which the scheme is dedicated:
- 21.2.1 transferable securities permitted under paragraphs 10.1.1 to 10.1.3 or 10.1.5;
  - 21.2.2 approved money-market instruments permitted under paragraphs 10.1.1 - 10.1.4;
  - 21.2.3 deposits permitted under paragraph 25;
  - 21.2.4 derivatives permitted under this paragraph 21;
  - 21.2.5 collective investment scheme units permitted under paragraph 18;
  - 21.2.6 financial indices which satisfy the criteria set out in paragraph 23;
  - 21.2.7 interest rates;
  - 21.2.8 foreign exchange rates and
  - 21.2.9 currencies.
- 21.3 A transaction in an Approved Derivative must be effected on or under the rules of an eligible derivatives market.
- 21.4 A derivatives transaction must not cause the Funds to diverge from its investment objectives as stated in the Instrument and the most recently published Prospectus and 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, collective investment scheme units or derivatives, provided that a sale

is not to be considered as uncovered if the conditions in COLL 5.2.22R(1), as read in accordance with the guidance at COLL 5.2.22AG, are satisfied.

- 21.5 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 21.6 A derivative includes an instrument which fulfils the following criteria:
- 21.6.1 it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
  - 21.6.2 it does not result in the delivery or the transfer of assets other than those referred to in paragraph 4 above including cash;
  - 21.6.3 in the case of an OTC derivative, it complies with the requirements in paragraph 22;
  - 21.6.4 its risks are adequately captured by the risk management process of the ACD, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 21.7 A Fund may not undertake transactions in derivatives of commodities.

## **22. OTC transactions in derivatives**

- 22.1 OTC transactions in derivatives in under paragraph 21.1.2 must be:
- 22.1.1 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:
    - (a) an Eligible Institution or an Approved Bank; or
    - (b) a person whose permission (including any requirements or limitations), as published in the Financial Services Register permits it to enter into the transaction as principal off-exchange;
    - (c) a CCP that is authorised in that capacity for the purposes of EMIR;
    - (d) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
    - (e) to the extent not already covered above, a CCP supervised in a jurisdiction that:
      - (i) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom; and
      - (ii) is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019.
  - 22.1.2 on approved terms, the terms of the transaction in derivatives are approved only if the ACD:

- (a) carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
  - (b) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time at its fair value;
- 22.1.3 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:
  - (a) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
  - (b) if the value referred to in sub-paragraph (a) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- 22.1.4 subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - (a) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
  - (b) 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.
- 22.2 The jurisdictions that fall within paragraph 22.1.1(e) above are Australia, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Singapore, Spain, Switzerland, and the United States of America.
- 22.3 For the purposes paragraph 22.1.2 **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.
- 22.4 The Depositary must take reasonable care to ensure that the ACD has systems and controls that are adequate to ensure compliance with paragraph 22.1.
- 22.5 For the purposes of paragraph 22.1.2 the ACD must:
  - 22.5.1 establish, implement, and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Funds to OTC derivatives; and
  - 22.5.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- 22.6 Where the arrangements and procedures referred to in paragraph 22.5.1 involve the performance of certain activities by third parties, the ACD must comply with the requirements of SYSC 8.1.13R (Additional requirements for a management

company) and COLL 6.6A.4R(5) and (6) (Due diligence requirements of AFMs of UCITS schemes).

- 22.7 The arrangements and procedures referred to in paragraph 22.5.1 must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

### **23. Financial indices underlying derivatives**

- 23.1 The financial indices referred to in paragraph 21.2.6 are those where the index is sufficiently diversified, the index represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner.

- 23.2 A financial index is sufficiently diversified if:

23.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

23.2.2 where it is composed of assets in which the Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in COLL 5.2; and

23.2.3 where it is composed of assets in which the Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in COLL 5.2.

- 23.3 A financial index represents an adequate benchmark for the market to which it refers if:

23.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;

23.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

23.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

- 23.4 A financial index is published in an appropriate manner if:

23.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

23.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

- 23.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 21.2 be regarded as a combination of those underlyings.

## **23.6 Transactions for the purchase of property**

A derivatives or forward transaction which would or could lead to delivery of property for the account of a Fund may be entered into only if such property can be held for the account of the relevant Fund, and the ACD having taken reasonable care determines that delivery of the property pursuant to the transaction will not lead to a breach of the COLL Sourcebook.

## **24. Requirement to cover sales**

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

24.1.1 the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment of rights; and

24.1.2 the property and rights at paragraph 24.1.1 are owned by the Fund at the time of the agreement.

## **25. Investment in deposits**

The Fund may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

## **26. Significant influence**

*(Please note that this section applies at the level of the Company.)*

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

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

26.1.2 the acquisition gives the Company that power.

26.2 For the purposes of paragraph 26.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## **27. Concentration limits**

*(Please note that this section applies at the level of the Company.)*

27.1 The Company:

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

- (a) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
  - (b) represent more than 10% of those securities issued by that body corporate;
- 27.1.2 must not acquire more than 10% of the debt securities issued by any single body;
- 27.1.3 must not acquire more than 25% of the units in a collective investment scheme; and
- 27.1.4 must not acquire more than 10% of the approved money-market instruments issued by any single body.
- 27.2 However, the Company need not comply with the limits in paragraphs 27.1.2, 27.1.3 and 27.1.4 above if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

## **28. UCITS schemes that are umbrellas**

- 28.1 In relation to the Company, which is an umbrella, the provisions in COLL 5.2 to COLL 5.5 apply to each Fund as they would for an authorised fund, except the following rules which apply at the level of the Company only:
  - 28.1.1 COLL 5.2.27R (Significant influence for ICVCs)
  - 28.1.2 COLL 5.2.29R (Concentration).
- 28.2 A Fund may invest in or dispose of units in a second Fund only if the following conditions are satisfied:
  - 28.2.1 the second Fund does not hold units in any other Fund;
  - 28.2.2 the conditions in COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes) are complied with (for the purposes of this rule, COLL 5.2.15R and COLL 5.2.16R are to be read as modified by COLL 5.2.15R (2)); and
  - 28.2.3 the investing or disposing Fund must not be a feeder UCITS to the second Fund.

## **29. Schemes replicating an index**

*(Please note that this investment power is not relevant for the existing Fund although it may be applicable to any new Funds of the Company.)*

- 29.1 Notwithstanding paragraph 15 (spread: general) a Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index which satisfies the criteria specified in paragraphs 29.5 to 29.8 below.
- 29.2 Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of Efficient Portfolio Management.



- 29.3 The 20% limit in paragraph 29.1 can be raised for a particular Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.
- 29.4 In the case of a Fund replicating an index under paragraphs 29.1 to 29.3 above, the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where the Fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.
- 29.5 The indices referred to above are those which satisfy the following criteria:
- 29.5.1 the composition is sufficiently diversified;
  - 29.5.2 the index represents an adequate benchmark for the market to which it refers; and
  - 29.5.3 the index is published in an appropriate manner.
- 29.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.
- 29.7 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- 29.8 An index is published in an appropriate manner if:
- 29.8.1 it is accessible to the public;
  - 29.8.2 the index provider is independent from the index-replicating Fund; this does not preclude index providers and the Fund from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

### **30. Derivatives exposure**

- 30.1 A Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 30.2 Cover ensures that a Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, a Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Paragraph 31 (Cover for transactions in derivatives and forward transactions) sets out detailed requirements for cover of a Fund.
- 30.3 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

### **31. Cover for transactions in derivatives and forward transactions**

- 31.1 The ACD must ensure that a Fund's global exposure relating to derivatives and forwards transactions held for that Fund may not exceed the net value of the Scheme Property.
- 31.2 The ACD must calculate the Fund's global exposure on at least a daily basis, in accordance with the methods described in COLL 5.3.7R to COLL 5.3.10R. 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.

### **32. Cover and borrowing**

- 32.1 Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under the previous paragraph 31 (Cover for transactions in derivatives and forward transactions) except where, for the purposes of this paragraph, the Company:

32.1.1 borrows an amount of currency from an Eligible Institution or an Approved Bank; and

32.1.2 keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or his agent or nominee),

then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

### **33. Cash and near cash**

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

33.1.1 the pursuit of the Fund's investment objectives; or

33.1.2 redemption of Shares; or

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

33.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.

- 33.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

### **34. General power to borrow**

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

- 34.2 The Fund may borrow under paragraph 34.1 only from an Eligible Institution or an Approved Bank.

- 34.3 The ACD must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the ACD must have regard in particular to:
- 34.3.1 the duration of any period of borrowing; and
  - 34.3.2 the number of occasions on which it has resorted to borrowing in any period.
- 34.4 The ACD must ensure that no period of borrowing exceeds three months, without the consent of the Depositary.
- 34.5 These borrowing restrictions do not apply to "back to back" borrowing as outlined in paragraph 32.
- 34.6 The Fund must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraph 34.1 to 34.5.

### **35. Borrowing limits**

- 35.1 The ACD must ensure that the Fund's borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property of the Fund.
- 35.2 These borrowing limits do not apply to "back to back" borrowing as outlined in paragraph 32.
- 35.3 In this paragraph 35, "borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.

### **36. Restrictions on lending of money**

- 36.1 None of the money in the Scheme Property of a Fund may be lent and, for the purposes of this prohibition, money is lent by the Fund if it is paid to a person (the **payee**) on the basis that it should be repaid, whether or not by the payee.
- 36.2 Acquiring a debenture is not lending for the purposes of paragraph 36.1; nor is the placing of money on deposit or in a current account.
- 36.3 Paragraph 36.1 does not prevent the Fund from providing an officer of the Fund with funds to meet expenditure to be incurred by him for the purposes of the Fund (or for the purposes of enabling him properly to perform his duties as an officer of the Fund) or from doing anything to enable an officer to avoid incurring such expenditure.

### **37. Restrictions on lending of property other than money**

- 37.1 The Scheme Property of the Fund other than money must not be lent by way of deposit or otherwise.
- 37.2 Transactions permitted by paragraph 40 (Stock lending) are not lending for the purposes of paragraph 37.1.
- 37.3 The Scheme Property of the Fund must not be mortgaged.

- 37.4 Where transactions in derivatives or forward transactions are used for the account of a Fund, this paragraph does not prevent the Company (or the Depositary at the request of the Company) from
- 37.4.1 lending, depositing, pledging or charging Scheme Property for margin requirements; or
  - 37.4.2 transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Shareholders.

### **38. General power to accept or underwrite placings**

- 38.1 Any power in Chapter 5 of the COLL Sourcebook to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation.
- 38.2 This section applies, subject to paragraph 38.3, to any agreement or understanding which:
- 38.2.1 is an underwriting or sub-underwriting agreement; or
  - 38.2.2 contemplates that securities will or may be issued or subscribed for or acquired for the account of the Fund.
- 38.3 Paragraph 38.2 does not apply to:
- 38.3.1 an option; or
  - 38.3.2 a purchase of a transferable security which confers a right to:
    - (a) to subscribe for or acquire a transferable security; or
    - (b) to convert one transferable security into another.
  - 38.3.3 The exposure of the Fund to agreements and understandings within paragraph 38.2 must, on any Business Day:
    - (a) be covered in accordance with the requirements of rule 5.3.3R of the COLL Sourcebook; and
    - (b) be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in Chapter 5 of the COLL Sourcebook.

### **39. Guarantees and indemnities**

- 39.1 The Company, or the Depositary for the account of the Company, must not provide any guarantee or indemnity in respect of the obligation of any person.
- 39.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 39.3 However, paragraphs 39.1 and 39.2 do not apply in respect of any Fund to:

- 39.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA Rules;
- 39.3.2 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
- 39.3.3 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
- 39.3.4 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Fund and the holders of units in that scheme become the first Shareholders in the Fund.

#### **40. Stock lending**

- 40.1 The Company may only enter into a stock lending arrangement or repo contract in accordance with the rules in COLL 5.4 if the arrangement or contract is:
  - 40.1.1 for the account of and for the benefit of the relevant Fund; and
  - 40.1.2 in the interests of its Shareholders.
- 40.2 Such an arrangement or contract is not in the interests of unitholders unless it reasonably appears to the ACD to be appropriate with a view to generating additional income for the Fund with an acceptable degree of risk.
- 40.3 The Company, or the Depositary at the request of the ACD, may enter into a repo contract or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:
  - 40.3.1 all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Company are in a form which is acceptable to the Depositary and are in accordance with good market practice;
  - 40.3.2 the counterparty is:
    - (a) an authorised person; or
    - (b) a person authorised by a Home State regulator; or
    - (c) a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
    - (d) a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of

Governors of the Federal Reserve System; and the Office of Thrift Supervision; and

- 40.3.3 high quality and liquid collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 40.3.1 and the collateral is:
- (a) acceptable to the Depositary;
  - (b) adequate (within the meaning of COLL 5.4.6R; and
  - (c) sufficiently immediate.
- 40.4 The counterparty for the purpose of paragraph 40.3 is the person who is obliged under the agreement referred to in paragraph 40.3.1 to transfer to the Depositary the securities transferred by the Depositary under the stock lending arrangement or securities of the same kind.
- 40.5 Paragraph 40.3.3 does not apply to a stock lending transaction made through Euroclear Bank S.A./N.V.'s Securities Lending and Borrowing Programme.
- 40.6 As at the date of this Prospectus, whilst the Company may use repurchase / reverse repurchase agreements and stock lending agreements, it currently does not do so. However, the ACD reserves the right to permit the use of such SFTs in the future. If this were to change in the future this Prospectus will be reviewed and updated.**

**Appendix 3**  
Securities Financing Transactions and Total Return Swaps

1. The Company is required by the UK SFTR to make certain disclosures in respect of the SFTs and Total Return Swaps that it is authorised to use.
2. As at the date of this Prospectus, whilst the Funds may use SFTs and TRSs, they currently do not do so. However, the ACD reserves the right to permit the use of such instruments in the future.
3. Where the ACD intends to allow one or more of the Funds to enter into SFTs or TRSs, not less than 60 days' written notice will be given to the relevant Shareholders. In addition, this Prospectus will be updated in accordance with the UK SFTR to include the following:
  - 3.1 a general description of the SFTs and TRSs used and the rationale for their use;
  - 3.2 overall data for each type of SFT and TRS, including:
    - 3.2.1 the types of assets that can be subject to them;
    - 3.2.2 the maximum and expected proportion of assets under management that will be subject to each of them;
  - 3.3 the criteria used to select counterparties;
  - 3.4 a description of acceptable collateral;
  - 3.5 a description of the risks linked to the SFTs and TRSs as well as risks linked to collateral management and, where applicable, the risks arising from its reuse;
  - 3.6 a specification of how assets subject to SFTs and TRSs and collateral is received and safe-kept; and
  - 3.7 a description of the policy on sharing of return generated the SFTs and TRSs.

## **Appendix 4** 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 United Kingdom or an EEA State which is regulated, operates regularly and is open to the public; or
- c) a market which the Investment Manager, after consultation with, and notification to, the Depositary, determines is appropriate for the purpose of investment of, or dealing in, the property of a Fund. In accordance with the relevant criteria in COLL, such a market must be regulated; operate regularly; be recognised as a market or exchange or as a self-regulating organisation by an overseas regulator; be open to the public; be adequately liquid; and have adequate arrangements for unimpeded transmission of income and capital to, or to the order of, investors.

### **1. Eligible Securities Markets**

1.1 Detailed below are the additional eligible markets on which the Funds are currently permitted to deal.

- 1.1.1 Australia - Australian Securities Exchange;
- 1.1.2 Canada - TSX Venture Exchange;
- 1.1.3 Canada – Toronto SE;
- 1.1.4 Channel Islands – International SE;
- 1.1.5 Hong Kong - Hong Kong Exchanges;
- 1.1.6 Japan - Stock exchanges of Nagoya, Osaka and Tokyo (JASDAQ Securities Exchange);
- 1.1.7 Korea - Korea Stock Exchange Incorporated;
- 1.1.8 Mexico - Mexican Stock Exchange;
- 1.1.9 New Zealand - New Zealand Stock Exchange;
- 1.1.10 Singapore - Singapore Exchange;
- 1.1.11 South Africa - JSE Securities Exchange;
- 1.1.12 Switzerland - SIX Swiss Exchange AG;
- 1.1.13 Taiwan – Taiwan SE;
- 1.1.14 Thailand - The Stock Exchange of Thailand;
- 1.1.15 United Kingdom - Alternative Investment Market;



- 1.1.16 United States of America;
- (a) NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc);
  - (b) any exchange registered with the Securities and Exchange Commission as a national stock exchange, including the New York Stock Exchange, the American Stock Exchange, and the stock exchanges of Chicago, NYSE Arca and Philadelphia;
  - (c) 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;
  - (d) the Over-the-Counter Market regulated by the National Association of Securities Dealers Inc.

## **2. Eligible Derivatives Markets**

2.1 The ACD, after consultation with the Depositary, has decided that the exchanges in the list below are eligible derivatives markets in the context of the investment policy of the each Fund.

- 2.1.1 Australia – ASX;
- 2.1.2 Austria – Wiener Borse AG;
- 2.1.3 Belgium- Euronext Brussels;
- 2.1.4 Bulgaria –Bulgarian Stock Exchange;
- 2.1.5 Canada – Montreal Stock Exchange;
- 2.1.6 Czech Republic – Prague Stock Exchange;
- 2.1.7 Denmark – NASDAQ Copenhagen A/S;
- 2.1.8 Finland – NASDAQ Helsinki Ltd;
- 2.1.9 France – Euronext Paris;
- 2.1.10 Germany – Frankfurt Stock Exchange, Eurex Deutschland;
- 2.1.11 Greece – Athens Stock Exchange;
- 2.1.12 Hong Kong – Hong Kong Exchanges and Clearing Ltd;
- 2.1.13 Hungary – Budapest Stock Exchange;
- 2.1.14 Italy - Equities Derivatives Market (IDEM) and Futures Market for Government Securities (MIF);
- 2.1.15 Japan - Tokyo Financial Exchange Inc;
- 2.1.16 Luxembourg – Luxembourg Stock Exchange;

- 2.1.17 Mexico – Mexican Stock Exchange;
- 2.1.18 Netherlands – Euronext Amsterdam;
- 2.1.19 New Zealand - New Zealand Futures and Options Exchange;
- 2.1.20 Norway – Oslo Bors, Merjur Market;
- 2.1.21 Poland – Warsaw Stock Exchange
- 2.1.22 Portugal – Euronext Lisbon
- 2.1.23 Spain - BME, Spanish Exchanges;
- 2.1.24 South Africa - South African Futures Exchange;
- 2.1.25 Sweden – NASDAQ Stockholm
- 2.1.26 United Kingdom - Euronext.LIFFE, OMLX, ICE Futures Exchange, LSE and LME; and
- 2.1.27 USA - Chicago Board Options, CME Group Inc, New York Futures, New York Mercantile, Philadelphia BOT and Kansas BOT, Chicago Board of Trade, NASDAQ Futures, NYSE Arca Options, NASDAQ PHLX.

**Appendix 5**  
Past performance

As the Company is newly launched there is not yet any historical performance data for any of the Funds.

Past performance is not necessarily a guide to future performance. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

## Appendix 6

Other authorised funds managed by the ACD

Authorised Investment Companies with Variable Capital	Authorised Unit Trusts
Abaco Fund ICVC	BPM Trust
Arch House Fund	Eden Investment Fund
Ariel Fund	Elfynn International Trust
Bryth ICVC	Glenhuntley Portfolio Trust
CP Investment Funds	Hawthorn Portfolio Trust
Destiny Fund ICVC	KES Diversified Trust
Harroway Capital ICVC	KES Equity Fund
Hawarwatza Fund	KES Growth Fund
Libero Portfolio Fund	KES Income and Growth Fund
Lime Grove Fund	KES Strategic Investment Fund
Meadowgate Funds	Latour Growth Fund
Scarp Fund	Lavaud Fund
Skiwi Fund	Mossylea Fund
The Ambrose Fund	Pippin Return Fund
The Astral Fund	The Darin Fund
The Capital Link Growth Fund	The Delta Growth Fund
The Contact Fund	The Eldon Fund
The Diversification Fund ICVC	The Hall Fund
The Dunnottar Fund	The HoundStar Fund
The Global Balanced Strategy Fund	The Iceberg Trust
The Global Multi Asset Fund	The Maiden Fund
The Gulland Fund	The Norfolk Trust
The Hector Fund	The Notts Trust
The Juniper Fund	The Palfrey Fund
The Lockerley Fund	The TM Stockwell Fund
The Mazener Fund	The White Hill Fund
The Motim Fund	Thesis Headway Fund
The Northern Funds	Thesis Lion Growth Fund
The Oenoke Fund	Thesis PM A Fund
The Ord Fund ICVC	Thesis PM B Fund
The Overstone Fund	Thesis Thameside Managed Fund
The Penare Fund	The TUTMAN B&CE Contracted-out Pension Scheme
The Saint Martins Fund	TM Balanced Fund
The Staderas Fund	TM Chainpoint Fund
The Stratford Fund	TM Growth Fund
The Sun Portfolio Fund	TM Hearthstone UK Residential Feeder Fund
The TBL Fund	TM Managed Fund
The TM Lancewood Fund	TM Masonic Charitable Foundation Investment Fund
The TM Mitcham Fund	TM New Court Fund
The Vinings Fund	TM New Court Equity Growth Fund
The Wharton Fund	TM New Institutional World Fund
Thesis JDS Fund	TM Preservation Fund
TM Acer Fund	TM Private Portfolio Trust
TM Balanced Growth Fund	TM Stonehage Fleming Global Equities Fund
TM Brown Advisory Funds	TM Stonehage Fleming Global Equities Fund II
TM Brunsdon OEIC	TM Stonehage Fleming Global Equities
TM Cerno Investment Funds	Umbrella Fund
TM Cresswell Fund	
TM CRUX Funds ICVC	

Authorised Investment Companies with Variable Capital	Authorised Unit Trusts
TM CRUX OEIC TM First Arrow Investment Funds TM Hearthstone ICVC TM Investment Exposures Fund TM Investment Funds TM Lime Fund TM Neuberger Berman Investment Funds TM Oak Fund TM Optimal Funds TM P1 Investment Funds TM Redwheel Funds TM Ruffer Portfolio TM Stonehage Fleming Global Multi-Asset Umbrella Fund TM Stonehage Fleming Investments Funds TM Tellworth Investments Funds TM Total Return Fund TM UBS (UK) Fund Trowbridge Investment Funds	

**Appendix 7**  
List of Depository sub-custodians

As appropriate to the listed Eligible Markets listed in Appendix 4.

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

<b>Country</b>	<b>Sub-custodian</b>	<b>Sub-delegates</b>
Denmark	Skandinaviska Enskilda Banken AB (publ)	
Egypt	Citibank N.A., Cairo Branch	
Estonia	Swedbank AS	
Eswatini (formerly Swaziland)	Standard Bank Eswatini Limited	
Finland	Skandinaviska Enskilda Banken AB (publ)	
France	The Northern Trust Company	
Germany	The Northern Trust Company	
Ghana	Standard Chartered Bank Ghana Limited	
Greece	Citibank Europe PLC	
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	
Hong Kong (Stock and Bond Connect)	The Hongkong and Shanghai Banking Corporation Limited	
Hungary	UniCredit Bank Hungary Zrt.	
Iceland	Landsbankinn hf	
India	Citibank N.A.	
Indonesia	Standard Chartered Bank	
Ireland	Euroclear Bank S.A./N.V.	
Israel	Bank Leumi Le-Israel B.M.	
Italy	Citibank Europe plc	
Japan	The Hongkong and Shanghai Banking Corporation Limited	
Jordan	Standard Chartered Bank	
Kazakhstan	Citibank Kazakhstan JSC	
Kenya	Standard Chartered Bank Kenya Limited	
Kuwait	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Latvia	Swedbank AS	
Lithuania	AB SEB bankas	
Luxembourg	Euroclear Bank S.A./N.V.	
Malaysia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	

<b>Country</b>	<b>Sub-custodian</b>	<b>Sub-delegates</b>
Mexico	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
Morocco	Société Générale Marocaine de Banques	
Namibia	Standard Bank Namibia Ltd	
Netherlands	The Northern Trust Company	
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	
Nigeria	Stanbic IBTC Bank Plc	
Norway	Skandinaviska Enskilda Banken AB (publ)	
Oman	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
Pakistan	Citibank N.A., Karachi Branch	
Panama	Citibank N.A., Panama Branch	
Peru	Citibank del Peru S.A.	
Philippines	The Hongkong and Shanghai Banking Corporation Limited	
Poland	Bank Polska Kasa Opieki Spółka Akcyjna	
Portugal	BNP Paribas Securities Services	
Qatar	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Romania	Citibank Europe PLC	
Saudi Arabia	The Northern Trust Company of Saudi Arabia	
Senegal	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Côte d'Ivoire SA
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
Singapore	The Hongkong and Shanghai Banking Corporation Limited	
Slovakia	Citibank Europe PLC	
Slovenia	UniCredit Banka Slovenija d.d.	
South Africa	The Standard Bank of South Africa Limited	
South Korea	The Hongkong and Shanghai Banking Corporation Limited	
Spain	Citibank Europe plc	



<b>Country</b>	<b>Sub-custodian</b>	<b>Sub-delegates</b>
Sri Lanka	Standard Chartered Bank	
Sweden	Nordea Bank Abp	
Switzerland	Credit Suisse (Switzerland) Ltd	
Taiwan	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
Thailand	Citibank N.A., Bangkok Branch	
Tunisia	Union Internationale De Banques	
Turkey	Citibank A.S.	
Uganda	Standard Chartered Bank Uganda Limited	
United Arab Emirates (ADX)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (DFM)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (NASDAQ)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Kingdom	Euroclear UK and Ireland Limited	

\*The Royal Bank of Canada serves as Northern Trust's sub-custodian for securities not eligible for settlement in Canada's local central securities depository.

**Appendix 8**  
Directory

<b>The Company and Head Office:</b>	TM Veritas Investment ICVC Exchange Building St John's Street Chichester West Sussex PO19 1UP
<b>Authorised Corporate Director:</b>	Thesis Unit Trust Management Limited Exchange Building St John's Street Chichester West Sussex PO19 1UP
<b>Investment Manager:</b>	Veritas Investment Partners (UK) Limited Riverside House 2A Southwark Bridge Road London SE1 9HA <a href="https://www.veritasinvestment.co.uk/">https://www.veritasinvestment.co.uk/</a>
<b>Distributor:</b>	Veritas Investment Partners (UK) Limited Riverside House 2A Southwark Bridge Road London SE1 9HA <a href="https://www.veritasinvestment.co.uk/">https://www.veritasinvestment.co.uk/</a>
<b>Registrar and Fund Accountant:</b>	Northern Trust Global Services SE, UK Branch 50 Bank Street London E14 5NT
<b>Dealing Office:</b>	Thesis Unit Trust Management Ltd Sunderland SR43 4AZ
<b>Depository:</b>	NatWest Trustee and Depository Services Limited House A, Floor 0, Gogarburn 175 Glasgow Rd Edinburgh EH12 1HQ
<b>Auditor:</b>	Deloitte LLP 1 New Street Square London EC4A 3HQ
<b>The Financial Conduct Authority (FCA):</b>	12 Endeavour Square London E20 1JN