



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

**PROSPECTUS**

**OF**

**TM CRUX FUNDS ICVC**

(an umbrella type investment company with variable capital  
incorporated with limited liability in England and Wales  
under registered number IC000065 and authorised on 13 March 2000)

This document constitutes the Prospectus for TM CRUX FUNDS ICVC and is issued pursuant to and has been prepared in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, as amended from time to time, and is dated and valid as at **26 April 2022**. Copies of this Prospectus have been lodged with the Financial Conduct Authority and the Depositary.

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## **PROSPECTUS OF TM CRUX FUNDS ICVC**

This Prospectus is intended for distribution in the United Kingdom. The distribution of this Prospectus and the offering of shares in TM CRUX FUNDS ICVC may be restricted in other jurisdictions. Potential investors must inform themselves of the legal requirements and restrictions of their own jurisdiction and act accordingly. This Prospectus does not amount to a solicitation or offer by any person in any jurisdiction in which such solicitation or offer would be unauthorised or unlawful.

### **NOTICE FOR US PERSONS ONLY**

**THIS PROSPECTUS MAY ONLY BE DISTRIBUTED TO PERSONS WHO ARE NOT US PERSONS AND WHO ARE OUTSIDE THE UNITED STATES.**

**NOTHING IN THIS PROSPECTUS CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SHARES IN THE UNITED STATES OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SHARES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED DIRECTLY OR INDIRECTLY WITHIN THE UNITED STATES OR TO, OR FOR THE BENEFIT OF US PERSONS.**

In order to be eligible to view or receive the Prospectus or make an investment decision regarding the Shares (as defined in the Prospectus) each prospective investor must be a person other than a US Person (as defined below). By accessing, reading or making use of the attached Prospectus, you shall be deemed to have represented to the Company, the Authorised Corporate Director and the Investment Manager (as defined in the Prospectus) that (1) you have understood and agree to the terms set out herein, (2) you are (or the person you represent is) a person other than a US Person, (3) you acknowledge that you will make your own assessment regarding any legal, taxation and investment considerations with respect to your decision to buy Shares in the Company. You are reminded that the Prospectus has been delivered to you on the basis that you are a person to whom the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of this Prospectus to any other person and in particular to any US Person or to any US address. Failing to comply with this obligation may result in a violation of the applicable laws of other jurisdictions.

Distributors and other intermediaries which offer, recommend or sell shares in the Funds must comply with all laws, regulations and regulatory requirements as may be applicable to them. Also, such Distributors and other intermediaries must consider such information about the Funds and its share classes as is made available by the Authorised Corporate Director for the purposes of the EU's Product Governance regime. Distributors and intermediaries may obtain further information by contacting the ACD.

## **Data Protection**

The personal details of each applicant for shares and each shareholder will be held by the ACD and/or the Administrator as its agent in accordance with 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 in the application form, at [www.tutman.co.uk](http://www.tutman.co.uk) or on request from [compliance@thesisam.com](mailto:compliance@thesisam.com).

## **Electronic Verification**

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

## **DIRECTORY**

### **The Company**

#### **TM CRUX FUNDS ICVC**

*Registered and Head Office of the Company*

c/o Thesis Unit Trust Management Limited

Exchange Building, St John's Street, Chichester,  
PO19 1UP

### **Authorised Corporate Director**

#### **Thesis Unit Trust Management Limited**

Exchange Building, St John's Street, Chichester,  
PO19 1UP

*Authorised and regulated by the FCA*

### **Transfer Agent**

#### **SS&C Financial Services Europe Limited**

SS&C House, St Nicholas Lane

Basildon, Essex SS15 5FS

### **Registrar**

#### **SS&C Financial Services Europe Limited**

SS&C House, St Nicholas Lane

Basildon, Essex SS15 5FS

*Dealing office: postal address*

PO Box 12248, Chelmsford CM99 2EG

### **Administrator (Fund Accountant)**

#### **State Street Bank and Trust Company**

20 Churchill Place, Canary Wharf, London E14  
5HJ

### **Sponsor**

#### **CRUX Asset Management Limited**

48 Pall Mall, St James's, London SW1Y 5JG

### **Investment Manager**

#### **CRUX Asset Management Limited**

48 Pall Mall, St. James's, London SW1Y 5JG

[www.cruxam.com](http://www.cruxam.com)

### **Depository**

#### **State Street Trustees Limited**

*Registered Address:*

20 Churchill Place, Canary Wharf, London E14  
5HJ

*UK Head Office and Correspondence Address:*

#### **State Street Trustees Limited,**

20 Churchill Place, Canary Wharf, London E14  
5HJ

### **Auditor**

#### **Deloitte LLP**

2 New Street Square, London EC4A 3BZ

### **Regulator**

#### **Financial Conduct Authority**

12 Endeavour Square, London E20 1JN

## DEFINITIONS

In this Prospectus the words and expressions set out below shall have the meanings set opposite them unless the context requires otherwise. Words and expressions contained in this Instrument but not defined herein shall have the same meanings as in the Act, the FCA Rules or the Instrument (as the case may be) unless the contrary is stated.

|                                 |  |
|---------------------------------|--|
| <b>“Accumulation Shares”</b>    | shares (of whatever class) in a Fund as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Rules.  |
| <b>“Accounting Regulations”</b> | the Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC or Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as each 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. |
| <b>“ACD Agreement”</b>          | the agreement between the ACD and the Company.   |
| <b>“Act”</b>                    | the Financial Services and Markets Act 2000 (as amended from time to time).  |
| <b>“Approved Derivative”</b>    | a 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.   |
| <b>“Approved Bank”</b>          | (in relation to a bank account opened by the Company):<br><br>(a) if the account is opened at a branch in the UK:<br><br>(i) the Bank of England; or<br><br>(ii) the central bank of a member state of the OECD; or<br><br>(iii) a bank; or<br><br>(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.   |
| <b>“Authorised Corporate Director” or “ACD”</b> | Thesis Unit Trust Management Limited (TM), the authorised corporate director (ACD) of the Company.   |
| <b>“Business Day”</b>                           | a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Fund’s portfolio of securities or a significant portion thereof, the ACD may decide that any business day shall not be construed as such. |
| <b>“CCP”</b>                                    | as defined in the FCA Glossary.  |
| <b>“Company”</b>                                | TM CRUX Funds ICVC <sup>1</sup> , a UK authorised investment company with variable capital.  |
| <b>“Conversion”</b>                             | the exchange where permissible of shares held from one Class in the Fund for shares of another class in the same Fund.   |
| <b>“Cut-off Point”</b>                          | the point in time prior to a Valuation Point to which you can place deals.   |
| <b>“Data Protection Laws”</b>                   | 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;  |

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<sup>1</sup> The Company name of “FP CRUX Funds ICVC” was changed to TM CRUX Funds ICVC on the 28th September 2019.

- (c) any laws which implement any such laws; and
- (d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); 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”** every Business Day between 9.00 a.m. and 5.00 p.m. when the London Stock Exchange is open for business.

**“Depositary”** State Street Trustees Limited, the depositary of the Company.

**“Depositary Agreement”** the agreement between the Depositary and the Company.

**“Directors”** the directors of the ACD as specified at 6.1.1.

**“EEA State”** as defined in the FCA Glossary.

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

- they are economically appropriate in that they are realised in a cost-effective way; and
- they are entered into for one or more of the following specific aims:
  - reduction of risk;
  - reduction of cost; and/or
  - 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 Regulations.

**“EUWA”** as defined in the FCA Glossary.

**“FATCA”** the Foreign Account Tax Compliance Act provisions contained in sections 1471 to 1474 of the United States Internal Revenue Code and US Treasury Regulations promulgated thereunder (as amended from time to time).



|  |  |
|--|--|
| <b>“FCA”</b>   | the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN or such successor regulatory authority as may be appointed from time to time.  |
| <b>“FCA Glossary”</b>                                      | the glossary given the meanings of the defined expressions used in the FCA Handbook as amended from time to time.  |
| <b>“FCA Handbook”</b>                                      | the FCA Handbook of Rules and Guidance, as amended, updated or replaced from time to time  |
| <b>“FCA Rules”</b>   | the FCA handbook of rules made under the Act, including the rules contained in the Collective Investment Schemes Sourcebook (COLL), as they may be amended or updated from time to time.   |
| <b>“Financial Instruments”</b>                             | as defined in the FCA Glossary.  |
| <b>“Fund”</b>  | a sub-fund of the Company as detailed in Annexure 2.   |
| <b>“Fund Administrator”</b>                                | State Street Bank and Trust Company.   |
| <b>“Group Link”</b>  | (for the purposes of paragraph 7 (information on the Depositary) a situation in which two or more undertakings or entities belong to the same group within the meaning of the Accounting Regulations.  |
| <b>“Home State”</b>  | as defined in the FCA Glossary.  |
| <b>“ICVC”</b>  | Investment Company with Variable Capital.  |
| <b>“Income Shares”</b>                                     | shares in a Fund as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules  |
| <b>“Instrument”</b>  | the instrument of incorporation of the Company as amended from time to time.   |
| <b>“The International Tax Compliance Regulations 2015”</b> | The International Tax Compliance Regulations 2015 SI 878/2015 (as amended) implementing obligations arising under the following agreements and arrangements: European Union Council Directive 2011/16/EU ( “DAC”); the Multilateral Competent Authority Agreement on the Automatic exchange of Financial Account Information signed by the government of the UK on 29th October 2014 in relation to agreements with various jurisdictions to improve international tax compliance based on the standard for automatic exchange of financial account information developed by the Organisation for Economic Co-Operation and Development (“CRS”); and the agreement reached between the government of the UK and the government of the USA to improve tax compliance in connection with FATCA (“the FATCA Agreement”) |

|                                  |   |
|----------------------------------|---|
| <b>“Investment Manager”</b>      | CRUX Asset Management Limited.  |
| <b>“Link(s)”</b>                 | (for the purposes of paragraph 7 (information on the Depositary) a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists |
| <b>“Net Asset Value or NAV”</b>  | the value of the Scheme Property of the Company or of any Fund (as the context may require) less the liabilities of the Company (or the Fund concerned) as calculated in accordance with the Instrument.  |
| <b>“Non-UCITS retail scheme”</b> | in accordance with the FCA Rules an authorised fund which is neither a UK UCITS nor a qualified investor scheme.  |
| <b>“OECD”</b>                    | the Organisation for Economic Co-operation and Development.   |
| <b>“OEIC Regulations”</b>        | the Open-Ended Investment Companies Regulations 2001 (as amended from time to time).  |
| <b>“OTC derivative”</b>          | over-the-counter derivative.  |
| <b>“PRN”</b>                     | the FCA Product Reference Number.   |
| <b>“Scheme Property”</b>         | the property of the Company or the Fund required under the FCA Rules held by the Depositary for safe-keeping.   |
| <b>“SDRT”</b>                    | Stamp Duty Reserve Tax;   |
| <b>“Sponsor”</b>                 | CRUX Asset Management Limited, the Sponsor of the Company.  |
| <b>“Switch”</b>                  | the exchange where permissible of Shares of one Class in a Fund for Shares of the same or another Class of a different Fund and “Switching” shall be construed accordingly;   |
| <b>“SYSC”</b>                    | the Senior Management Arrangement Systems and Controls sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time.  |
| <b>“UCITS”</b>                   | an Undertaking for Collective Investment in Transferable Securities. This will include a UCITS scheme or an EEA UCITS scheme, as defined in the FCA Glossary.   |

**“UCITS Directive Regulations”**

the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC) as it forms part of the law of England, 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) (including, without limitation, the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK’s withdrawal from the European Union).

**“United Kingdom” or “UK”**

the United Kingdom of Great Britain and Northern Ireland;

**“UK GDPR”**

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

**“UK UCITS”**

as defined in the FCA Glossary.

**“US Person or United States Person”**

**Regulation S definition of US Person**

1. Pursuant to Regulation S of the 1933 Act, "US Person" means:
  - any natural person resident in the United States;
  - any partnership or corporation organised or incorporated under the laws of the United States;
  - any estate of which any executor or administrator is a US person;
  - any trust of which any trustee is a US person;
  - any agency or branch of a foreign entity located in the United States;

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

5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a "US Person";
6. Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
  - i) the agency or branch operates for valid business reasons; and
  - ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located;
7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

The 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" definition**

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

1. a natural person who is not a resident of the United States or an enclave of the US government, its agencies or instrumentalities;
2. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;

3. an estate or trust, the income of which is not subject to US income tax regardless of source;
4. an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that 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
5. 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”**

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 Company for the purpose of determining the price at which shares of a class may be issued, cancelled or redeemed. The current Valuation Point is normally at 12.00 noon London time on a Dealing Day. Special valuations may take place if at any time the ACD considers it desirable to do so.

**“VAT”**

Value Added Tax.

**“1933 Act”**

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

Words defined in the OEIC Regulations, the FCA Rules and the Instrument shall, where the context permits, bear the same meaning in this Prospectus.

Any reference in this Prospectus to any statute, statutory provision or regulation shall be construed as including a reference to any modification, amendment, extension, replacement or re-enactment thereof for the time being in force.

## 1 SUMMARY

- 1.1 The Company is an open-ended company incorporated as an investment company with variable capital.
- 1.2 The Company is an umbrella company authorised and the following Funds are currently available for investment: **TM CRUX UK Core Fund**. Please refer to Section 2 (Constitution) for further details about the Company and Funds. The scheme type, for each Fund, is set out in Section 11.
- Please note that TM CRUX Global Fund and TM CRUX European Growth Fund are no longer available for investment.**
- 1.3 Thesis Unit Trust Management Limited is the Authorised Corporate Director (ACD) of the Company. This Prospectus can be inspected at its office; refer to Section 3 for further detail.
- 1.4 State Street Trustees Limited is the Depositary of the Company.
- 1.5 Shareholders are not liable for the debts of the Company nor are they liable to make any further payment after they have paid the price of their Shares.
- 1.6 The Company has a minimum share capital of £1 and a maximum of £10,000,000,000. 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.
- 1.7 The head office of the Company is at Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP. This is the address in the UK for service on the Company of notices or other documents required or authorised to be served on it.
- 1.8 The accounts of the Company are prepared in pounds sterling or its successor as the currency of the UK. The base currency of the Company is pounds sterling or its successor as the currency of the UK.
- 1.9 The Company issues B Shares, which are intended for acquisition by institutional investors; and A Shares, which are intended for acquisition by retail investors. In either case shares may be Income Shares distributing income (which can be reinvested) or Accumulation Shares accumulating income.
- 1.10 The minimum initial investment in any Fund for A Shares is £100 and the minimum additional investment is £100. The minimum initial investment in any Fund for B Shares is £100 and the minimum additional investment is £100. The ACD has discretion to waive or vary any of these limits.
- 1.11 The prices of all shares are currently published on [www.trustnet.com](http://www.trustnet.com). Prices of shares may also be obtained by telephoning 0345 113 6965 during the ACD's normal business hours. The shares are not listed on any stock exchange.
- 1.12 Costs and expenses are accrued at Fund level and with allocations for any Company costs made on a pro rata basis in accordance with the value of the Funds at the time of allocation.

- 1.13 There are two denominations of share, larger and smaller in a ratio of 1:1000. Title to shares will be evidenced by entry on the register of shareholders. Share confirmations will be issued only on request. A Statement of Holdings is issued annually to current holders.
- 1.14 The Investment Objectives and Policies, the Accounting Reference dates and the Distribution dates are set out in Annexure 2.

## **2 CONSTITUTIONAL AND GENERAL**

- 2.1 Thesis Unit Trust Management Limited, as the ACD 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 FCA Rules to be included in it. Thesis Unit Trust Management Limited accepts responsibility accordingly.
- 2.2 The Company is an investment company with variable capital and is a UK UCITS. It is incorporated under the OEIC Regulations in England and Wales under number IC000065. The Company was authorised by the Financial Services Authority\* and incorporated on 13 March 2000. The FCA product reference number (PRN) for the Company is 190606. The Instrument is binding on each shareholder of the Company (who are deemed to have notice of it). \*The Financial Services Authority was superseded by the Financial Conduct Authority and the Prudential Regulation Authority in 2013.
- 2.3 The Company is structured as an "umbrella company" for the purposes of the OEIC Regulations, which means that it comprises more than one Fund.
- 2.4 The Funds are segregated portfolios of assets and, accordingly, the assets of a 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.
- 2.5 While the provisions of the OEIC Regulations provide for segregated liability between the 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 yet known how those foreign courts will react to the OEIC Regulations.
- 2.6 Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.
- 2.7 This Prospectus is based on information, law and practice at the date of this Prospectus. The Company is not bound by an out of date Prospectus when it has issued an amended one. This Prospectus does not give investment, legal or tax advice. Investors should consult their own professional advisers in relation to acting in response to the information contained in this document.
- 2.8 Information provided by third parties and not Thesis Unit Trust Management Limited should not be relied upon when making investment decisions into our Funds as they may be incorrect and misleading.



### **3 INSPECTION AND COPIES OF DOCUMENTS**

3.1 The following documents may be inspected free of charge during normal business hours on any Business Day at the head office of the Company:

- 3.1.1 the current Instrument;
- 3.1.2 the current Prospectus;
- 3.1.3 the Key Investor Information Documents;
- 3.1.4 the most recent annual and half-yearly reports of the Company; and
- 3.1.5 other material contracts, including the ACD Agreement.

3.2 Copies of the documents listed at 3.1 may be obtained free of charge upon the request of a shareholder.

### **4 CONFLICTS OF INTEREST**

The ACD and other companies within its corporate group may, from time to time, act as investment managers or advisers to other companies or funds, which follow similar investment objectives to those of the Company's Funds. It is therefore possible that the ACD may in the course of its business have potential conflicts of interest with the Company or a particular Fund. The ACD will, however, have regard in such event to its obligations in relation to the Company under the ACD Agreement and any investment advisory agreement and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investment where potential conflicts of interest may arise.

### **5 MANAGEMENT AND ADMINISTRATION**

5.1 The ACD

5.2 Thesis Unit Trust Management Limited, whose registered and head office is at Exchange Building, St John's Street, Chichester, PO19 1UP is the ACD of the Company. It is the only Director of the Company. It is authorised and regulated by the FCA. The ACD is 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 Directors of the ACD are:

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

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

D K Mytnik, V R Smith and N C Palios also hold non-executive directorships of other companies within the Thesis group. They are not engaged in other business activities that are of significance to the Company. W D Prew is a director of INDOS Financial Limited, the primary business of which is the provision of Alternative Investment Fund Managers Directive independent depositary services to alternative investment funds. INDOS Financial Limited is a wholly owned subsidiary within the JTC plc group, a fund, corporate services and private clients service provider. Neither INDOS Financial Limited nor JTC plc provide services to the investment funds managed by the ACD.

**Registered Office:** Exchange Building, St John’s Street, Chichester, PO19 1UP  
**Head Office:** Exchange Building, St John’s Street, Chichester, PO19 1UP  
**Share Capital:** Issued share capital of 5,673,167 which is fully paid up.

5.2.1 The ACD may provide investment services to other clients and funds and to companies in which the Company may invest. It may also delegate its activities and/or retain the services of another person to assist in its functions subject to certain exclusions set out in the FCA Rules. As at the date of this Prospectus the ACD has delegated some or all of the following functions to the following persons, as described in further detail in Sections 5.3 and 9. Contact details of the below persons can be found in the Directory:

|                                |  |
|--------------------------------|--|
| Transfer agency functions:     | SS&C Financial Services Europe Limited |
| Registrar functions:           | SS&C Financial Services Europe Limited |
| Fund accounting and valuation: | State Street Bank and Trust Company    |
| Investment Management          | CRUX Asset Management Limited          |

5.2.2 The ACD is the manager of other authorised collective investment schemes. Details of these schemes, as at the date of this Prospectus, are set out in Annexure 6.

The ACD Agreement is terminable by notice in writing. Subject to the FCA Rules, the Company agrees to indemnify the ACD against losses, liabilities, costs, claims, actions, damages, expenses or demands incurred by the ACD acting as ACD except where caused by fraud, negligence, or wilful default of the ACD.

5.2.3 **Complaints:** any complaint should be referred to the Chief Executive of the ACD at its registered office. If a complaint is not resolved satisfactorily, a shareholder who is a private individual or any other eligible claimant for regulatory purposes may refer it to the Financial Ombudsman Service of Exchange Tower, Harbour Exchange Square, London E14 9SR.

- 5.2.4 **Remuneration policy:** the ACD has established and applies a remuneration policy, procedure and practice (together, the “Remuneration Policy”) which is consistent with, and promotes, sound and effective risk management, and does not encourage risk-taking that is inconsistent with the risk profile or the Instrument of Incorporation. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the ACD or the Company. The Remuneration Policy does not impair compliance with the ACD’s duty to act in the best interests of the Company.
- 5.2.5 Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on [www.tutman.co.uk](http://www.tutman.co.uk) and a copy of such information can be obtained, free of charge, upon request at the offices of the ACD.
- 5.2.6 Investors buy and redeem shares through the ACD who nets them to reduce the number of shares issued or cancelled by the Company. When carrying out deals in shares, the ACD acts as principal but does not profit from this activity.

### 5.3 The Fund Administrator and the Registrar

- 5.3.1 The ACD has appointed SS&C Financial Services Europe Limited to assist with transfer agency functions. The Administrator's registered address is set out in the Directory.

SS&C Financial Services Europe Limited is also the Registrar. The registered office of the Registrar is SS&C House, St Nicholas Lane, Basildon, Essex, SS15 5FS. The register of shareholders is maintained and kept at the registered office. (Write to the Registrar at the registered office).

- 5.3.2 The ACD has also appointed State Street Bank and Trust Company as the Fund Administrator to assist with fund accounting and valuation. The Fund Administrator is responsible, among other things, for the calculation of the Net Asset Value of the Funds.

## 6 THE DEPOSITARY

- 6.1 The Company’s Depository is State Street Trustees Limited, registered number 2982384.
- 6.2 The Depository is a private company limited by shares incorporated in England and Wales on 24 October 1994. Its registered office is 20 Churchill Place, London E14 5HJ.
- 6.3 The principal business activity of the Depository is the provision of Trustee and Depository Services. The Depository is authorised and regulated by the FCA.
- 6.4 The ultimate holding company of the Depository is State Street Corporation, a company incorporated in the state of Massachusetts, USA.
- 6.5 The registered office of the Depository and its head office is set out in the Directory.
- 6.6 The Depository provides its services under the terms of an agreement between the Company and the Depository (the “Depository Agreement”), which may be terminated by 3 months’ written notice

by either the Company or the Depositary. The Depositary may not retire voluntarily except on the appointment of a new Depositary. The Depositary is entitled to the fees, charges and expenses as set out in more detail in the section headed "Charges and Expenses". Details of the Depositary's remuneration are set out in Section 26.5.

## 6.7 Duties of the Depositary

6.7.1 The Depositary has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Instrument.
- ensuring that the value of the Shares is calculated in accordance with applicable law and the Instrument.
- carrying out the instructions of the ACD or the Company/the Fund unless they conflict with applicable law and the Instrument.
- ensuring that in transactions involving the assets of the Fund any consideration is remitted within the usual time limits.
- ensuring that the income of the Fund is applied in accordance with applicable law and the Instrument.
- monitoring of the Fund's cash and cash flows.
- safe-keeping of Scheme Property to be held in custody and ownership verification and record keeping in relation to other assets.

## 6.7.2 Depositary's Liability

- a) In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Fund and its Shareholders.
- b) In the event of a loss of a Financial Instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the UCITS Regulation, the Depositary shall return Financial Instruments of identical type or the corresponding amount to the Fund or the ACD acting on behalf of the relevant Fund without undue delay.
- c) The Depositary shall not be liable if it can prove that the loss of a Financial Instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.
- d) In case of a loss of Financial Instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Fund or the Company or ACD provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

- e) The Depositary is indemnified by the relevant Fund against all liabilities suffered or incurred by the Depositary by reason of the proper performance of the Depositary's duties under the terms of the Depositary Agreement save where any such liabilities arise as a result of the Depositary's negligence, fraud, bad faith, wilful default or recklessness of the Depositary or the loss of Financial Instruments held in custody.
- f) The Depositary will be liable to the Fund for all other losses suffered by the Fund as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

6.8 The Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

6.9 Conflicts of Interest

The Depositary is part of an international group of companies and businesses ("State Street") that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the Depositary Agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Fund;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and, except as required by law, are not bound to disclose to, the Fund, of any such profits or compensation in any form earned by affiliates of the Depositary or the Depositary when acting in any capacity, including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;
- (iv) may provide the same or similar services to other clients including competitors of the Fund and the fee arrangements it has in place will vary;

- (v) may be granted creditors' and other rights by the Fund e. g. indemnification, which it may exercise in its own interest. In exercising such rights the Depositary or its affiliates may have the advantage of an increased knowledge about the affairs of the Fund relative to third party creditors thus improving its ability to enforce and may exercise such rights in a way that may conflict with the Fund's strategy.

The Fund may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund. The Depositary will not, except as required by law, disclose any profit made by such affiliates.

Where cash belonging to the Fund is deposited with an affiliate being a bank, cash is not segregated from its own assets and a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker.

The ACD may also be a client or counterparty of the Depositary or its affiliates and a conflict may arise where the Depositary refuses to act if the ACD or the Company directs or otherwise instructs the Depositary to take certain actions that might be in direct conflict with the interests of the investors in the Fund.

The types and levels of risk that the Depositary is willing to accept may conflict with the Fund's preferred investment policy and strategy.

Potential conflicts that may arise in the Depositary's use of sub-custodians include five broad categories:

(1) the global custodian and sub-custodians seek to make a profit as part of or in addition to their custody services. Examples include profit through the fees and other charges for the services, profit from deposit taking activities, revenue from sweeps and repo arrangements, foreign exchange transactions, contractual settlement, error correction (where consistent with applicable law) and commissions for sale of fractional shares;

(2) The Depositary will typically only provide depositary services where global custody is delegated to an affiliate of the Depositary. The global custodian in turn appoints a network of affiliated and non-affiliated sub-custodians. Multiple factors influence the determination of the global custodian to engage a particular sub-custodian or allocate assets to them, including their expertise and capabilities, financial condition, service platforms and commitment to the custody business as well as the negotiated fee structure (which may include terms that result in fee reductions or rebates to the global custodian), significant business relationships and competitive considerations;

(3) sub-custodians, both affiliated and non-affiliated, act for other clients and in their own proprietary interest, which might conflict with clients' interests and the fee arrangements they have in place will vary;

(4) sub-custodians, both affiliated and non-affiliated, have only indirect relationships with clients and look to the Depository as its counterparty, which might create incentive for the Depository to act in its self-interest, or other clients' interests to the detriment of clients; and

(5) sub-custodians may have creditors' rights against client assets and other rights that they have an interest in enforcing.

The Depository has functionally and hierarchically separated the performance of its depository tasks from its other potentially conflicting tasks. The system of internal controls, the different reporting lines, the allocation of tasks and the management reporting allow potential conflicts of interest and the Depository issues to be properly identified, managed and monitored. Additionally, in the context of the Depository's use of sub-custodians, the Depository imposes contractual restrictions to address some of the potential conflicts and maintains due diligence and oversight of sub-custodians to ensure a high level of client service by those agents. The Depository makes available frequent reporting on clients' activity and holdings, with the underlying sub-custodians subject to internal and external control audits. Finally, the Depository segregates the Fund's assets from the Depository's proprietary assets and follows a Standard of Conduct that requires employees to act ethically, fairly and transparently with clients.

#### 6.10 Global Conflicts of Interest policy

State Street has implemented a global policy laying down the standards required for identifying, assessing, recording and managing all conflicts of interest which may arise in the course of business. Each State Street business unit, including the Depository, is responsible for establishing and maintaining a Conflicts of Interest Program for the purpose of identifying and managing organizational conflicts of interest that may arise within the business unit in connection with providing services to its Clients or in delivering its functional responsibilities.

#### 6.11 Updated Information

- 6.11.1 Up-to-date information on the Depository, its duties, any conflicts that may arise, the safe-keeping functions delegated by the depository, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

#### 6.12 Delegation of Safekeeping Functions

The Depository has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depository's liability shall not be affected by any delegation of its safe-keeping functions under the Depository Agreement.

The Depository has delegated those safekeeping duties set out in COLL 6.6B.25R to State Street Bank and Trust Company with registered office at State Street Financial Center, One Lincoln Street, Boston, Massachusetts, 02111, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Annexure 5 to the Prospectus.

#### 6.13 Updated Information

Up-to-date information regarding the Depositary, its duties, any conflicts that may arise, the safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to shareholders on request.

##### **Links:**

The ACD may delegate certain administrative functions to an entity within the same corporate group as the Depositary. If the ACD does so, the Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising and shall take all reasonable steps to avoid such conflicts of interests.

At present the ACD delegates certain administrative functions to State Street Bank and Trust Company including fund accounting, valuation, calculation and maintenance of the Register.

The Depositary and the ACD will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its Shareholders.

The Depositary may delegate the safekeeping of the Scheme Property to an entity in the same corporate group as the Depositary and a Group Link exists where the Depositary has delegated, or where any global sub-custodian has sub-delegated, the safekeeping of the Scheme Property to an entity within the same corporate group.

The Depositary may act as the depositary of other investment funds and as trustee or custodian of other collective investment schemes.

## **7 THE AUDITORS**

The auditor of the Company is Deloitte LLP, whose address is set out in the Directory.

## **8 GOVERNING LAW**

English law governs all transactions in shares in the Company.

## **9 INVESTMENT MANAGERS AND ADVISERS**

### 9.1 CRUX Asset Management Limited

- 9.1.1 CRUX Asset Management Limited is the Investment Manager of TM CRUX UK Core Fund. **Please note that TM CRUX European Growth Fund and TM CRUX Global Fund are no longer available for investment.**



- 9.1.2 CRUX Asset Management Limited is authorised and regulated by the FCA and by virtue of such regulation is authorised to carry on investment business in the United Kingdom. The principal activity of CRUX Asset Management Limited is investment management and the giving of investment advice.
- 9.1.3 The main terms of the agreement between CRUX Asset Management Limited and the ACD (other than those relating to remuneration) are that CRUX Asset Management Limited will exercise all of the ACD's powers and discretions under the Instrument in relation to the selection, acquisition, holding and realisation of investments, the application of any monies forming part of the property of the relevant Funds and the negotiation of any borrowing transactions. CRUX Asset Management Limited will act with the full authority of the ACD to make decisions on behalf of the ACD in respect of those matters. CRUX Asset Management Limited is not acting as a broker fund adviser to the Company. CRUX Asset Management Limited is authorised to deal on behalf of the relevant Funds.
- 9.1.4 The agreement between CRUX Asset Management Limited and the ACD is terminable on not less than 3 months' notice following the expiry of the minimum period in writing by either party and in certain circumstances is terminable forthwith by notice in writing.
- 9.1.5 The ACD has, in addition to the investment management function, delegated the drawing up of marketing literature and the distribution of such literature to CRUX Asset Management Limited in respect of the Funds to which it will act as an investment manager.
- 9.1.6 The Investment Manager is required to comply with its own execution policy. A copy of the policy is available on request from the ACD or may be available from the Investment Manager website (listed in the Directory).

## **10 SPONSOR**

The Sponsor of the Company is CRUX Asset Management Limited; contact details for the Sponsor are set out in the Directory (at the front of this Prospectus).

The Sponsor collaborates with the ACD on the manufacture of funds.

## **11 INVESTMENT OBJECTIVES AND POLICIES**

- 11.1 The fundamental investment objective of the Company is the spreading of risk through pooled investment. As indicated above, the Company is structured as an umbrella company and different Funds may be established from time to time by the ACD with the agreement of the Depositary and the approval of the FCA. The investment objective and policies for each Fund will be formulated by the ACD (or board of directors if more than one director has been appointed) at the time of the creation of the relevant Fund.
- 11.2 The investment restrictions applying to the Company and its Funds are set out in Annexure 1. The Funds are operated and invested separately. The assets of each Fund are managed in accordance with the investment objectives and policies applicable to that Fund which are set out in Annexure 2. Any change in the objectives and policies of a Fund during the life of that Fund will only be made in accordance with the requirements of the FCA Rules.

11.3 If each Fund were an investment company with variable capital itself in respect of which an authorisation order were in force, each would be a UK UCITS.

11.4 Each Fund shall be subject to income equalisation, which is described in Section 25.3.

## 12 CHARACTERISTICS OF SHARES IN THE COMPANY

12.1 Shareholders are not liable for the debts of the Company, nor are they liable to make any further payment after they have paid the price of their Shares.

12.2 The Company issues larger and smaller denomination shares in the ratio of 1:1000. All shares are in registered form. Certificates are not issued in respect of the shares. Ownership will be evidenced by an entry on the Company's register of shareholders. At least once a year, the ACD will send to each current shareholder a statement setting out their current holding of shares. A statement of holdings is also available on request.

The Company may issue the following classes of shares in respect of each Fund;

- accumulation shares;
- income shares;

and each of the above may be further classified as classes between “A” and “Z” shares (inclusive), between “1” and “30” inclusive and/or “Retail”, “Institutional” or “Platform” classes hedged in US Dollars, Euros, Sterling, Japanese Yen, Swiss Francs, Swedish Krona or Danish Krone, any combination of the above designations (A1, G1 or RT for example) or such other designation as the ACD may from time to time decide, including hedged or unhedged versions of those classes and which are set out in the Prospectus effective at any relevant date.

12.3 B Shares are intended for acquisition by institutional investors. A Shares are intended for acquisition by retail investors.

12.4 In either case shares may be Income Shares distributing income (the income can be reinvested) or Accumulation Shares accumulating income.

The following table shows which classes of share are currently available in the Fund at the date of this Prospectus:

| Fund                 | B Shares      |                     | A Shares      |                     |
|----------------------|---------------|---------------------|---------------|---------------------|
|                      | Income Shares | Accumulation Shares | Income Shares | Accumulation Shares |
| TM CRUX UK Core Fund | Yes           | Yes                 | Yes           | Yes                 |

**Please note that TM CRUX Global Fund and TM CRUX European Growth Fund are no longer available for investment.**

12.5 The minimum initial investment in any Fund for A Shares is £100 and the minimum additional investment is £100. The minimum initial investment in any Fund for B Shares is £100 and the

minimum additional investment is £100. The ACD has discretion to waive or vary any of these limits.

12.6 Shares currently qualify for inclusion in an Individual Savings Account (**ISA**).

12.7 Mandatory Redemption of Shares

12.7.1 If the ACD reasonably believes that any shares are owned directly or beneficially in circumstances which constitute a 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 may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation 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) then the Company may give notice to the holder of such shares requiring them to transfer such shares to a person who is qualified or entitled to own them, or to request the redemption of such shares by the Company.

12.7.2 If the holder does not either transfer such shares to a qualified person or establish to the ACD's satisfaction that they and any person on whose behalf they hold such shares are qualified and entitled to hold and own them, they will be deemed on the expiry of a 30-day period to have requested redemption of such shares.

12.7.3 **The Shares may not be offered or sold within the United States or to, or for the account or benefit of US Persons (which shall include US Persons as defined both by the United States Internal Revenue Service and any applicable United States tax, securities or financial services legislation). As such the ACD may in its sole discretion reject an application for a purchase of Shares if in the opinion of the ACD, the potential investor is or may be a US Person. The ACD also has the right to compulsorily redeem the Shares of any shareholder it believes to be a US Person.**

### 13 DISTRIBUTIONS

13.1 Income available for distribution or reinvestment will be determined in accordance with the FCA Rules. This will include surplus net income (including deemed income for accounting purposes) represented by the distributions and interest received for each Fund, after charging expenses and various other items attributable to that Fund, as set out under "Charges and Expenses".

13.2 Distributions will be paid on 30 November (**Annual Income Allocation Date**) and 31 May (**Interim Allocation Date**). The details are summarised in Annexure 2.

13.3 Distributions shall be forfeited if not claimed within six years. Any unclaimed distributions will be held in an unclaimed distribution account.

13.4 In the case of Accumulation Shares, the net income is not distributed but is retained in the capital of the Fund and its value is reflected in the price of accumulation shares.

13.5 If all or part of the Fund's expenses, including but not limited to the ACD's annual management charge, are to be treated as a charge to capital, where charges are taken from the capital of a Fund,

shareholders should be aware that there is potential for future capital erosion. In respect of all other Funds expenses are first allocated to income and then capital in accordance with the FCA Rules.

- 13.6 All income or capital generated by efficient portfolio management techniques will be paid to the Fund net of direct and indirect operational costs.

#### **14 FINANCIAL REPORTS TO SHAREHOLDERS**

- 14.1 The Annual Accounting Period of the Company ends on 30 September each year. The Interim Accounting Period of the Company ends on 31 March each year or such other date as the ACD may determine. Further details of each Fund's annual and interim accounting dates are set out in Annexure 2.
- 14.2 The Company prepares a long form report in relation to each Annual and Interim Accounting Period.
- 14.3 The Company's Annual Reports incorporating audited financial statements will be published and distributed within four months after the end of the Annual Accounting Period and the Interim Reports within two months of the end of the Interim Accounting Period.
- 14.4 The ACD will send a copy of the Annual Report and Interim Report to any shareholder on request. These reports may also be inspected at the ACD's office during normal office hours.

#### **15 MEETINGS OF SHAREHOLDERS AND VOTING RIGHTS**

- 15.1 The Company elected to dispense with the holding of an Annual General Meeting in 2006 and in each subsequent year. Other meetings, whether general or otherwise, may be held.
- 15.2 The ACD or the Depositary may requisition a general meeting at any time. Shareholders who together hold not less than one-tenth in value of all of the shares may also requisition a general meeting of the Company. Such requisition must be in writing, state the objects of the meeting, be signed by the shareholders and be deposited at the head office of the Company. The ACD must convene a general meeting within eight weeks of receiving a requisition.
- 15.3 The quorum for a meeting of shareholders is two shareholders present in person or by proxy. The quorum for an adjourned meeting is one shareholder present in person or by proxy.
- 15.4 The rules applicable to the Company as a whole shall also apply to meetings of a Class or Fund as if general meetings of the shareholders, but by reference to the shares of the class concerned and the shareholders and value of such shares.
- 15.5 At any meeting of shareholders or a class of shareholders of the Company or a Fund on a show of hands every shareholder who (being an individual) is present in person or (being a corporation) is represented in person by its properly authorised representative has one vote. A poll may be demanded by the Chairman of the meeting, by the ACD, by the Depositary, or by two or more shareholders present in person or by proxy. On a poll every shareholder who is present in person or by proxy will be entitled to a number of votes calculated in accordance with the value that his shareholding bears in relation to the value of the Fund or Company as relevant. 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.

- 15.6 In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the register of shareholders.
- 15.7 The ACD is entitled to receive notice of and attend any meeting of shareholders but is not entitled to vote or be counted in the quorum. The ACD or any associate of the ACD holding shares shall not be entitled to vote at such a meeting except in respect of shares which he holds on behalf of a person who, if he himself were the registered shareholder, would be entitled to vote and from whom he has received voting instructions.

## 16 RISK FACTORS

### 16.1 General Risk Factors

- 16.1.1 Past performance is not an indication of future results. The price (or value) of securities can go down as well as up (and the investor may not receive back the original sum invested).
- 16.1.2 When investments are made in overseas securities, movements in exchange rates may have an effect that is unfavourable as well as favourable.
- 16.1.3 Rates of tax are those prevailing at the current time. These are subject to change without prior notice. Any tax reliefs referred to are those currently available. The tax treatment of investors and the availability or value of any reliefs depends on the individual circumstances of the investor and may be subject to change in the future. Investors should always seek appropriate tax advice from their financial adviser before investing.
- 16.1.4 ISA investments are currently tax free in the hands of the investor, but tax rates and reliefs, if any, may change at any time and will depend on individual circumstances.
- 16.1.5 An investment in the Company should be regarded as a long-term investment. If a shareholder withdraws early there is a risk that the shareholder may receive back less than the amount the shareholder paid taking into account the initial charge.
- 16.1.6 Persons interested in purchasing shares should inform themselves as to:
- a) the legal requirements within their own countries for the purchase of shares;
  - b) any foreign exchange restrictions which may be applicable; and
  - c) in certain circumstances, the right to redeem shares may be suspended.
- 16.1.7 Investment in emerging markets may involve a higher than average percentage of risk. Investors should consider whether or not investment in such a Fund is either suitable or should constitute a substantial part of their portfolio. An investment should only be made by investors who can sustain a loss in their investment.

- 16.1.8 Where charges are taken from the capital of a Fund, shareholders should be aware that there is potential for future capital erosion. Where applicable, this is described in the Additional Risk Factors section below.
- 16.1.9 Where a Fund has a concentrated portfolio, this means that the Fund is invested in a relatively small number of investments and this can make the Fund more volatile than funds that hold a large number of investments. Where applicable this is described in the Additional Risk Factors section below.
- 16.1.10 Where derivative transactions may be used for the purposes of meeting the investment objective of a Fund the Net Asset Value of a Fund may at times be highly volatile, although derivatives will not be used with the intention of raising the risk profile of a Fund. Where applicable this is described in the Additional Risk Factors section below.
- 16.1.11 Where a Fund invests in collective investment schemes such investments may involve risks not present in direct investments, including, for example, the possibility that an investee collective investment scheme may at any time have economic or business interests or goals which are not fully consistent with those of the Fund. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. You should be aware that liquidity constraints and the extent to which an investee fund's securities are valued by independent sources are factors which could impact on the Fund's valuation.
- 16.1.12 The main risks arising from the Financial Instruments held by each of the Funds are market risk, foreign currency, asset allocation, interest rate, liquidity and credit risks:
- a) Market risk arises mainly from uncertainty about future prices of Financial Instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of adverse price movements.
  - b) Foreign currency risk comprising movement in exchange rates affecting the value of investments, which are held in foreign currencies, short-term timing difference such as exposure to exchange rate movement during the period between when an investment purchase or sale is entered into and the date when settlement of investment occurs, and finally movements in exchange rates affecting income received by the Funds.
- 16.1.13 All income received in foreign currencies is converted into sterling on the day of receipt.
- a) The asset allocation risk is the risk associated with particular countries or industry sectors which the Funds may invest in, the asset allocation of each portfolio is reviewed in order to minimise this risk, whilst continuing to follow the investment objective. An individual fund manager has responsibility for monitoring the existing portfolio selected in accordance with the overall asset allocation parameters and seeks to ensure that individual stocks also meet the risk reward profile that is acceptable. In addition, whilst the actual composition of the Funds are required to comply with broad legal and statutory rules and limits, risk-concentration may occur in regard of certain tighter asset clauses, economic and geographic sectors;

- b) Interest rate risk arises when a Fund invests in both fixed rate and floating rate securities, any change to the interest rates relevant for floating rate securities may result in either income increasing or decreasing.

16.1.14 Changes to prevailing rates or changes in expectations of future rates may also result in an increase or decrease in the value of the securities held.

- a) Liquidity risk arises when a Fund invests in securities or markets which may have restrictions in both geographical markets and institutions. A Fund mitigates this risk by investing in markets and securities which are considered to have sufficient liquidity to effect an orderly realisation of its assets.
- b) Credit risk arises from the quality of investments made in corporate and foreign debt instruments and the resultant interest distributions received from them and the risk of non-repayment of the capital amount. Each Fund aims to invest in high quality instruments thereby mitigating the risk of non-payment of interest distributions.

## 16.2 Segregated Liability

16.2.1 While the 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 yet known how those foreign courts will react to regulations 11A (segregated liability) and 11B (cross-investment) of the OEIC Regulations.

16.2.2 Therefore, it is not possible to be certain that the assets of a Fund will always be completely insulated from the liabilities of another Fund of the Company in every circumstance.

## 16.3 Efficient Portfolio Management (EPM)

16.3.1 Efficient portfolio management (“EPM”) is used by the Funds to reduce risk and/or costs in the Funds and to produce additional capital or income in the Funds. The Funds may use derivatives, borrowing and cash holding and stock lending (see clause 10 of Appendix IV) for efficient portfolio management. It is not intended that using these techniques for efficient portfolio management will increase the volatility of the Funds. In adverse situations, however, a Fund’s use of derivatives may become ineffective in hedging or EPM and a Fund may suffer significant loss as a result. There is no guarantee that the Funds will achieve the objective for which they entered into a transaction in relation to EPM. This may result in losses for investors.

16.3.2 A Fund’s ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations. Any income or capital generated by efficient portfolio management techniques will be paid to the Funds net of direct or indirect operational costs.

16.3.3 EPM techniques may involve a Fund entering into derivatives, borrowing, cash holding and stock lending transactions with a counterparty where there may be a risk that a counterparty will wholly or partially fail to honour its contractual obligations. To mitigate that risk, the counterparties to these transactions may be required to provide collateral to the Funds. The

counterparty will forfeit its collateral if it defaults on the transaction. However, in the event of counterparty default, if the collateral is in the form of securities, there is a risk that when they are sold it will realise insufficient cash to settle the counterparty's liability to the Funds. This may result in losses for investors.

#### 16.4 Infectious Diseases

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

#### 16.5 Custody Risk

The Depository may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint a custody agent. The Depository 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 or relevant Fund. It is expected that such risks will be mitigated by the custodian's trade matching and reconciliation processes, however in the event of an irreconcilable shortfall, the affected clients would bear the risk of any shortfall on a pro-rata basis and the Company or relevant Fund may not recover all of its Financial Instruments.

##### 16.5.1 **TM CRUX UK Core Fund:**

This Fund may invest in part in shares listed on the Alternative Investment Market in the UK, an exchange regulated market operated by the London Stock Exchange (AIM). Due to the limited size of AIM there may be limited liquidity in investment in that market. In addition, the low capitalisation of some companies on AIM offers the potential for high returns. However they are by their nature higher risk investments than companies listed on the Official List of the London Stock Exchange.

**This Fund will have a relatively highly concentrated portfolio and is therefore subject to a risk of greater volatility.**

**Derivative transactions may be used for the purposes of meeting the investment objective of the Fund as well as for hedging purposes.**

##### 16.5.2 Client Money Account

Interest is not paid on any credit balances held in the Client Money Account. See paragraph 18.3 for further information.

##### 16.5.3 **No guarantee of capital**



Investors should note that the **TM CRUX UK Core Fund** does not offer any form of guarantee with respect to investment performance and no form of capital protection will apply. Investors should note that capital is at risk and there is no guarantee that any particular returns will be achieved, whether over a stated time period or any other time period. **It cannot be guaranteed that a specific investment period in which the TM CRUX UK Core Fund aims to achieve returns, or specific positive returns, will be achieved.**

## 16.6 Risk Management

16.6.1 The ACD uses a risk management process (including a risk management policy) in accordance with COLL 6.12, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure at any time the risk of the Company's positions and their contribution to the overall risk profile of the Company.

16.6.2 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 Company together with their underlying risks and any relevant quantitative limits.
- b) the methods for estimating risks in derivative and forward transactions.

16.6.3 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 6.12.5 R;
- b) the level of compliance by the ACD with the risk management policy and with those arrangements, processes and techniques referred to in COLL 6.12.5 R; and
- c) the adequacy and effectiveness of measures taken to address any deficiencies in the performance of the risk management process.

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

## 17 HOW TO BUY SHARES

17.1 Shares can be bought either by sending a completed application form to the ACD at Thesis Unit Trust Management Limited – CRUX Asset Management, PO Box 12248, Chelmsford CM99 2EG or by telephoning the ACD on 0345 113 6965.

17.2 Requests to buy shares received by the ACD up to the Cut-off Point on a Dealing Day will be dealt with at the price calculated at that Valuation Point. Applications received after the Cut-off Point on a Dealing Day will be dealt with, and at the price calculated at the Valuation Point, on the next Dealing Day.

17.3 The ACD may at their discretion change the Cut-off Point and Valuation Point. The Cut-off Point will be no earlier than the close of business on the day before the Valuation Point it relates to.

- 17.4 The number of shares issued will be the greatest number of larger denomination shares with the balance of the subscription money being used to purchase smaller denomination shares. Settlement should normally be made by banker's draft, telegraphic transfer or cheque with the application for shares. The ACD has the right to cancel any purchase contract where the payment is not honoured in full within seven days of the relevant Dealing Day. The applicant remains liable for any loss incurred by the ACD in the case of non-settlement.
- 17.5 Purchase contract notes will be issued normally by the end of the day following the allocation of shares.
- 17.6 Details of the Initial Charge, which is payable on investing in a Fund, are given in Section 26. Details of an investor's cancellation rights are given in Section 19.
- 17.7 The Company has to comply with and operate within proceeds of crime legislation and anti-money laundering regulations applicable from time to time, to prevent money laundering in the UK. The ACD may in its absolute discretion require verification of identity of any investor buying, selling or switching shares or the identity of the person on whose behalf the investment is being made. If satisfactory verification is not forthcoming the ACD reserves the right to refuse to complete the transaction. The ACD is responsible for all matters relating to compliance with the Money Laundering Regulations pertaining to the Company and investments in the Company, Fund or Funds. Please refer to the 'Data Protection' paragraph at the beginning of this Prospectus for details of resources the ACD may access to verify information on you.
- 17.8 Shares may not be issued during any period of suspension, which is more fully described in Section 24.
- 17.9 The prices of shares are currently published on the Trustnet website at [www.trustnet.com](http://www.trustnet.com). Prices of shares may also be obtained by telephoning 01483 783 900 during the ACD's normal business hours. The ACD cannot be held responsible for any errors in the publication of the prices. The shares in the Company will be issued and redeemed on a forward pricing basis. A forward price is the price calculated at the next Valuation Point on the relevant Dealing Date after the sale or redemption request is received, or if the sale or redemption request is received after the Cut-off Point, the Valuation Point on the next Dealing Day. This means that the price will not necessarily be the same as the published price. Pricing information is set out in Section 25.2.
- 17.10 **The Shares may not be offered or sold within the United States or to, or for the account or benefit of US Persons (which shall include US Persons as defined both by the United States Internal Revenue Service and any applicable United States tax, securities or financial services legislation). Accordingly, the ACD may require any investor or potential investor to provide it with any information that it may consider necessary for the purpose of deciding whether or not it is, or will be, a US Person. The ACD also has the right to compulsorily redeem the Shares of any shareholder it believes to be a US Person.**
- 17.11 The UK has implemented the Foreign Account Tax Compliant Act (FATCA) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (CRS) pursuant to the International Tax Compliance Regulations 2015. As a result of UK legislation, the Company may be required to obtain confirmation of certain information from shareholders and (where applicable) their beneficial owners, such as where you are resident for tax purposes, your

tax identification number, and your place and date of birth, and your tax status classification and place of incorporation if you are a corporate body. Under certain circumstances (including where you do not supply us with the information we request), we will be obliged to report your personal details as well as the details of your Investment to HM Revenue & Customs. This information may then be passed to other tax authorities. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

17.12 The extent to which the Company is able to report to HM Revenue & Customs will depend on each affected Shareholder in the Company, providing the Company or its delegate with any information, that the Company determines is necessary to satisfy such obligations.

17.13 By signing the application form to subscribe for Shares in the Company, each affected Shareholder is agreeing to provide such information upon request from the Company or its delegate.

17.14 Shareholders are encouraged to consult with their own professional tax advisors regarding the possible implications of FATCA or CRS (or UK law on information reporting including the International Tax Compliance Regulations 2015) and any other similar legislation and/or regulations on their interest in the Company.

17.15 For minimum subscriptions (initial or subsequent investments) please refer to Sections 1.10 and 12.5

17.16 Electronic communications

17.16.1 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:

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

2 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.

17.17 In specie issue

The ACD may by special arrangement and at its discretion, in consultation with the Depositary, accept assets other than cash as payment for the issue of shares. The acceptance of the assets will be on the basis that the receipt of the property should not adversely affect the interests of the existing shareholders of the relevant Fund and subject to the investment restrictions of that Fund.

## **18 CLIENT MONEY**

- 18.1 The FCA Rules contain 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:
- 18.1.1 the ACD receives the money from a client in relation to the ACD's obligation to issue shares in the Company in accordance with COLL: or
  - 18.1.2 the money is held in the course of redeeming shares, where the proceeds are paid to the client within the timeframe specified in COLL.
- 18.2 Where money is received in either of the circumstances set out in paragraph a. or b. above, the ACD must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Depositary or the client or, if direct issues and cancellations of shares by the Company are permitted, to the Company, as applicable.
- 18.3 In order to facilitate management of the Company, the ACD makes use of the delivery versus payment exemption on the issue of shares in respect of money received other than in the form of cheques. Money received in other payment forms for the issue of shares is, therefore, not protected under the Client Money Rules until the delivery versus payment exemption period has expired. Money received by the ACD in the form of redemptions, cheques or other remittances is paid directly into a client money account maintained by the ACD with an Approved Bank, as defined in the FCA Rules, and protected in line with the Client Money Rules. No interest is payable by the ACD on moneys credited to this account.
- 18.4 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.

## **19 CANCELLATION RIGHTS**

- 19.1 Where a person purchases shares, such an investor may have the right to cancel the relevant purchase within 14 days of receipt of the requisite notice of a right to cancel. The right to cancel will apply if the investor is a retail client as defined in the FCA Rules and if the investor purchases shares either through a financial adviser or directly. Cancellation rights do not exist on the exchange or switching of shares.
- 19.2 Where the investment is a lump sum investment an applicant who is entitled to cancel and who does so will not get a full refund of the money paid by him if the purchase price of the shares has fallen when the cancellation notice is received by the ACD: an amount equal to such a fall (the "shortfall") will be deducted from the refund he would otherwise receive. Where the purchase price has not yet been paid the applicant will be required to pay the amount of any shortfall to the ACD. The deduction does not apply where the service of the notice of the right to cancel precedes the entering into of the agreement to purchase shares.

## 20 HOW TO SELL SHARES

- 20.1 Instruction to sell shares should be addressed to the ACD at Thesis Unit Trust Management Limited – CRUX Asset Management, PO Box 12248, Chelmsford CM99 2EG and may be made by telephoning the ACD on 0345 113 6965 or in writing but the instruction must be confirmed by all shareholders in writing before the proceeds are released. Requests to sell shares received by the ACD up to the Cut-off Point on any Dealing Day will be dealt with at the price calculated at that Valuation Point. Requests to sell shares received after the Cut-off Point on such a Dealing Day will be dealt with at the price calculated at the Valuation Point on the following Dealing Day.
- 20.2 The minimum value of a shareholding remaining following a redemption of A shares is £100. The minimum value of a shareholding remaining following a redemption of B shares is £100. The ACD may reduce this minimum if in its absolute discretion it considers that the circumstances so warrant. Contract notes will normally be issued by the end of the Business Day following the redemption of shares. Settlement will normally be made by cheque. Payment will normally be made in pounds sterling within four Business Days of receipt of properly completed written repurchase instructions or confirmation, signed by all shareholders.
- 20.3 Where a shareholder is selling his shares, the ACD may at its discretion arrange that instead of making a payment in cash for the price of the shares, certain identified scheme property (as detailed in the OEIC Regulations) selected by the ACD is transferred to the shareholder. This is known as an "in specie redemption". The ACD will serve a notice on the shareholder within two days of receipt of the sale instructions that it proposes to make an in-specie redemption. The selection of the scheme property will be made by the ACD in consultation with the Depositary with a view to ensuring that the redeeming shareholder is not advantaged or disadvantaged vis-à-vis the continuing shareholders.
- 20.4 Any stamp duty reserve tax (SDRT) payable on redemption of shares may (if applicable) be deducted from the amount repaid.

## 21 HOW TO SWITCH BETWEEN FUNDS

- 21.1 Shareholders may exchange shares in one class or Fund for shares in another class or Fund and shareholders may switch some or all of their shares in one Fund to shares in another Fund. **There will be no right by law to withdraw from or cancel a switching transaction.** Instructions to switch shares can be given only in writing. Instructions must include full registration details together with the number of shares to be switched between named Funds.
- 21.2 Switching instructions received by the ACD up to the Cut-off Point on any Dealing Day will be dealt with at the price calculated at that Valuation Point. Instructions received after the Cut-off Point on such a Dealing Day will be dealt with at the price calculated at the Valuation Point on the following Dealing Day.
- 21.3 Shareholders must normally switch a minimum of £100 between classes of A Shares and £100 between classes of B Shares provided that where the switch is as an initial investment into a class or Fund, then the minimum initial investment requirement is met. Any remaining holding in a class or Fund following a switch must satisfy the minimum investment requirement applicable to that class or Fund. The ACD may reduce these minimums in its absolute discretion, if it considers the

circumstances so warrant.

- 21.4 If a shareholder ceases to qualify to hold a certain class of shares or the ACD reasonably believes that for the shareholder to continue to hold such shares would constitute a breach of law or regulation, then the ACD may require that the shareholder switches to another class of share for which the shareholder would qualify. After three days' written notice, the ACD will either make the switch compulsorily or redeem the holding in its absolute discretion.
- 21.5 The number of new shares to be issued or sold to a shareholder on a switch will be in accordance with the formula set out from time to time in the Instrument. Details of charges for switching are given in Section 26.2.
- 21.6 **An exchange of shares in one Fund for shares in another Fund is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of the taxation of capital gains.**
- 21.7 **Under no circumstances will a shareholder who exchanges shares in one Fund for shares in any other Fund be legally entitled to withdraw from or cancel the transaction.**

## 22 HOW TO CONVERT SHARES WITHIN FUNDS

Subject to any restrictions on the eligibility of investors for a particular Share Class, a shareholder in a Fund may at any time:

Convert all or some of his Shares held from one Class in the Fund (the "Original Shares") for Shares of another class in the same Fund (the "New Shares"). When Shares are converted, the number of New Shares will be determined by applying a conversion factor to the value of the Original Shares held to determine the number of New Shares to be issued; or

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

The ACD may at its discretion make a charge on the conversion of Shares between Funds or Classes. Any such charge on conversion does not constitute a separate charge payable by a shareholder, but is rather the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers. For details of the charges on conversion currently payable, please see paragraph 26.2 "Switching and Conversion Charge".

If a partial Conversion would result in the shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on conversion) or refuse to effect any Conversion of the Original Shares. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Conversion. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Fund or Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the shareholder giving the relevant instruction may agree. Conversion requests received after a Valuation Point will be held over until the next day which is a Dealing Day in each of the relevant Fund or Funds.

The ACD may adjust the number of New Shares to be issued to reflect the application of any charge on conversion together with any other charges or levies in respect of the application for the New Shares or redemption of the Original Shares as may be permitted pursuant to the COLL Sourcebook.

Conversions will generally not be treated as a disposal for capital gains tax purposes if certain conditions are met.

## **23 DILUTION ADJUSTMENT**

### **What is ‘dilution’?**

Where a Fund buys or sells underlying investments in response to a request for the issue or redemption of shares, it will generally incur a cost which is not reflected in the issue or redemption price paid by or to the shareholder, made up of dealing costs and any spread between the bid and offer prices of the investments concerned. These costs could have an adverse effect on the value of a Fund, known as “dilution”.

### **Dilution Adjustment**

In order to mitigate the effect of dilution, the Regulations allow the ACD to adjust the sale and purchase price of Shares in the Funds to take into account the possible effects of dilution. This practise is known as making a “dilution adjustment” or operating swinging single pricing. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Funds.

The price of each Class of Share in each Fund will be calculated separately but any dilution adjustment will in percentage terms affect the price of Shares of each Class identically.

The ACD reserves the right to make a dilution adjustment every day. The dilution adjustment is calculated using the estimated dealing costs of a Fund’s underlying investments and taking into consideration any dealing spreads, commission and transfer taxes. The need to make a dilution adjustment will depend on the difference between the value of Shares being acquired and the value of Shares being redeemed as a proportion of the total value of that Fund. The measurement period will typically be a single day but, where a trend develops so that for a number of days in a row there is a surplus of acquisitions or redemptions on each and every day, the aggregate effect of such acquisitions or redemptions as a proportion of the total relevant Fund value will be considered.

Where a Fund is experiencing net acquisitions of its Shares the dilution adjustment would increase the price of Shares above their mid-market value. Where a Fund is experiencing net redemptions the dilution adjustment would decrease the price of Shares to below their mid-market value.

It is the ACD’s policy to reserve the right to impose a dilution adjustment on purchases, sales and switches of Shares of whatever size and whenever made. In the event that a dilution adjustment is made it will be applied to all transactions in a Fund during the relevant measurement period and all transactions during the relevant measurement period will be dealt on the same price inclusive of the dilution adjustment.

The ACD’s decision on whether or not to make this adjustment, and at what level this adjustment might be made in a particular case or generally, will not prevent it from making a different decision on future similar transactions.

On the occasions when a dilution adjustment is not applied if a Fund is experiencing net acquisitions of Shares or net redemptions there may be an adverse impact on the assets of that Fund attributable to each underlying Share, although the ACD does not consider this to be likely to be material in relation to the potential future growth in value of a Share. As dilution is directly related to the inflows and outflows of monies from a Fund it is not possible

to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the ACD will need to make a dilution adjustment.

The dilution adjustment will be applied to the mid-price for the Shares resulting in a figure calculated up to six decimal places. The final digit in this figure will then be rounded either up or down in accordance with standard mathematical principles resulting in the final price for the Shares.

The dilution adjustment for any one Fund may vary over time because the dilution adjustment for each Fund will be calculated by reference to the costs of dealing in the underlying investments of that Fund, including any dealing spreads, and these can vary with market conditions. A typical dilution adjustment may (based on historical data) range from 0% to 0.8% when buying or selling Shares.

## **24 SUSPENSION OF DEALING; ACD'S TRADING PROFITS**

- 24.1 The ACD may, with the prior agreement of the Depositary, or shall, if the Depositary requires, temporarily suspend the issue and redemption of shares if the ACD, or the Depositary in the case of any requirement by it, is of the opinion that there is good and sufficient reason to do so having regard to the interests of shareholders or potential shareholders. The ACD will ensure that a notification of such a suspension is made to shareholders as soon as possible after suspension commences. The ACD will also publish on its website sufficient details to keep shareholders appropriately informed about the suspension including its likely duration.
- 24.2 The ACD and the Depositary will ensure that a suspension is only allowed to continue for as long as is justified having regard to the interests of shareholders and must formally review the suspension at least every 28 days.
- 24.3 The Company may not create or cancel shares while the suspension remains in force. Shareholders requesting a sale or redemption of shares will be notified of such suspension and, unless withdrawn, such requests will be considered as at the next Business Day following the end of such suspension.
- 24.4 Recalculation of prices will commence as soon as practicable following the end of the suspension period.

## **25 VALUATION AND PRICING**

- 25.1 Valuation
  - 25.1.1 The scheme property of the Company and any Fund will normally be valued at the Valuation Point on the Dealing Date for the purpose of calculating the price at which shares in the Company may be issued, sold, repurchased or redeemed. The ACD reserves the right to revalue the Company or any Fund at any time if it considers it desirable to do so. Special valuations may take place if at any time the ACD considers it desirable to do so.
  - 25.1.2 Additional valuations may also be carried out in accordance with the OEIC Regulations and FCA Rules in connection with a scheme of amalgamation or reconstruction, or on the day the annual or half-yearly accounting period ends.



25.1.3 The value of the scheme 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:

- a) All the scheme property (including receivables) is to be included, subject to the following provisions.
- b) Property which is not cash (or other assets dealt with in paragraph c) 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:
  - i) units or shares in a collective investment scheme:
    - if a single price for buying and selling units or shares is quoted, at that price; or
    - if separate buying or selling prices are quoted, at the average of the two prices providing the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
    - if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable or at the last price available if fair and reasonable;
  - ii) any other transferable security:
    - if a single price for buying and selling the security is quoted, at that price; or
    - if separate buying and selling prices are quoted, at the average of the two prices; or
    - if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no price exists, at a value which, in the opinion of the ACD, is fair and reasonable or at the last price available if fair and reasonable;
  - iii) property other than that described in paragraphs i) and ii) above at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- c) Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- d) Property which is a contingent liability transaction shall be treated as follows:

- i) if a written option, (and the premium for writing the option has become part of the scheme property), deduct the amount of the net valuation of premium receivable. If the property is an off-exchange derivative the method of valuation shall be agreed between the ACD and Depositary;
  - ii) if an off-exchange future, include at the net value of closing out in accordance with a valuation method agreed between the ACD and the Depositary;
  - iii) if any other form of contingent liability transaction, include at the net value of margin on closing out (whether as a positive or negative value). If the property is an off-exchange derivative, include at a valuation method agreed between the ACD and the Depositary.
- e) 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.
- f) Subject to paragraph g) below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- g) 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 f).
- h) All agreements are to be included under f) which are, or ought reasonably to have been, known to the person valuing the property.
- i) Deduct an estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax and advance corporation tax, value added tax, stamp duty, stamp duty reserve tax (SDRT) and any foreign duties and taxes.
- j) Deduct an estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day.
- k) Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- l) Add an estimated amount for accrued claims for tax of whatever nature, which may be recoverable.
- m) Add any other credits or amounts due to be paid into the scheme property.
- n) Add a sum representing any interest or any income accrued due or deemed to have accrued but not received.

- 25.1.4 For the above purposes, instructions given to issue or cancel shares are assumed to have been carried out (and any cash paid or received); and uncompleted arrangements for the unconditional sale or purchase of property are (with certain exceptions) assumed to have been completed and all consequential action taken.
- 25.1.5 Each Fund will have credited to it the proceeds of all shares issued in respect of it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits, or assets deriving from such investments. All liabilities and expenses attributable to a Fund will be charged to it. The Company will allocate any assets, costs, charges or expenses which are not directly attributable to a particular Fund among the Funds generally in proportion to their size relative to each other.
- 25.1.6 Where the ACD has reasonable grounds to believe that no reliable price exists for an investment at a Valuation Point on a Dealing Date, or that the most recent price available does not reflect the ACD's best estimate of the value of the investment at the Valuation Point on the relevant Dealing Date, then the ACD may value the investment at a price which, in its opinion, reflects a fair and reasonable price for that investment.

## 25.2 Single Pricing

The price per share at which shares can be bought is the Net Asset Value of a share to which may be added an initial charge. The price per share at which shares are redeemed is the Net Asset Value per share from which may be deducted a redemption charge. In addition, there may, for both purchases and sales, be a Dilution Levy, as described in Section 23 (Dilution Adjustment). There is a single price for buying, selling and switching shares in a Fund of the Company, which represents the Net Asset Value of the Fund.

## 25.3 Income Equalisation

- 25.3.1 Included in the price of shares and so reflected as a capital sum in the price will be an income equalisation amount representing the value of income attributable to the shares accrued since the record date for the last income distribution for Income Shares or deemed distribution for Accumulation Shares.
- 25.3.2 Equalisation only applies to shares purchased during the relevant accounting period. It is the average amount of income included in the price of all shares issued during that period.

## 25.4 Rectification of pricing breaches

- 25.4.1 COLL 6.6.3 R(1) places a duty on the ACD to take action to reimburse affected shareholders, former shareholders, and the Company, for instances of incorrect pricing, except if it appears to the Depositary that the breach is of minimal significance.
- 25.4.2 However, in all cases where reimbursement or payment is required, amounts due to be reimbursed to shareholders for individual sums which are reasonably considered by the ACD and Depositary to be immaterial, need not normally be paid. For this purpose, the ACD and the Depositary will ordinarily consider all amounts under the sum of £10.00 to be immaterial.

## 26 CHARGES AND EXPENSES

### 26.1 Initial Charge

26.1.1 An initial charge will be made on the purchase of shares by a shareholder. A purchase of shares does not include an exchange of shares in one Fund for another. The charge will be added to the price of the shares and will be paid by the Company to the ACD.

26.1.2 The current initial percentage charge (of the share price) for each Fund or Class of share in a Fund is as shown in Annexure 2. Any increase to the initial charge may only be made after the ACD has given 60 days prior notice in writing to those persons who ought reasonably to be known to the ACD to have made an arrangement for the purchase of shares at regular intervals. The ACD is also required to revise this Prospectus to reflect the new rate and its date of commencement. The ACD may reduce the initial charge or waive it at its discretion.

### 26.2 Switching and Conversion Charge

On the conversion and switching of Shares between Funds or Classes in the Company, the Instrument authorises the Company to impose a charge. 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 initial charge for the New Shares. The charge on conversion and switching is payable by the shareholder to the ACD.

The ACD's current policy is to only levy a charge on conversion between share classes or switching between Funds that is no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares as specified in Annexure 2. There is currently no charge for converting Shares in one Class of a Fund for Shares in another Class of the same Fund or for switching between Funds of the Company.

Shareholders should note that switches between Funds may also incur a dilution levy subject to Section 23 (Dilution Adjustment).

### 26.3 Redemption Charge

The ACD may levy a redemption charge, which shall not exceed the initial charge for the class of share although it is not the current intention of the ACD to levy such a charge. If charged, the charge will be deducted from the price of the shares being redeemed and will be paid by the Company to the ACD.

### 26.4 Management Charges

26.4.1 The ACD is entitled to receive from the Company in relation to each of the Funds, an Annual Management Charge, (and Value Added Tax (VAT) thereon, if applicable), being a percentage of the value of the net assets of each of the Funds, which is shown in Annexure 2. The Annual Management Charge may be increased only after the ACD has given 60 days prior notice in writing to shareholders.

- 26.4.2 The Annual Management Charge accrues daily and is calculated by daily reference to the Net Asset Value of the Company and is payable monthly within 10 working days of the following month.
- 26.4.3 The Annual Management Charge is normally charged against the income of a Fund. **If there is not enough income to pay the Annual Management Charge, then the Annual Management Charge would be taken from capital and this policy may result in capital erosion or constrain capital growth.**
- 26.4.4 The fees of the Investment Manager will be paid by the ACD from the Annual Management Charge. The fees of any investment adviser appointed by the Investment Manager will be paid by the Investment Manager.

## 26.5 Depositary's Fees

26.5.1 The Depositary is entitled to receive out of the property of each Fund for its own account, by way of remuneration, a periodic fee (and VAT thereon, if applicable) which will accrue daily and will be payable monthly in arrears. The rate of the Depositary's periodic fee will be such amount as the Company and the Depositary may from time to time agree.

26.5.2 The rate of the Depositary's periodic fee in respect of each Fund is calculated and accrued daily based on the Net Asset Value of each Fund on the previous business day, and is as follows:

- on the first GBP 1,000,000,000 – 1.5 basis points (0.015%)
- on GBP 1,000,000,001 and above – 1.25 basis points (0.0125%)

subject to a minimum fee of GBP 12,000 per annum per Fund.

VAT at the prevailing standard rate is added to this fee.

For the launch of new Funds, the minimum fee is waived for a period to 12 months from the sub-fund's launch date.

26.5.3 In addition to the above periodic fee, the Depositary levies transaction charges and custody charges. These fees are levied directly to the Funds and are currently as follows:

### **UK Assets**

- Safekeeping fee of 0.0075% (based on mid-market asset values at the end of a calendar month) on all Funds;
- Transaction charges of £10 per payment; and
- Cash payment charges of £7 to £35 per payment.

## Non-UK Assets

Non-UK assets will be dependent on the individual market and the safekeeping fees applicable for that market and will range between the following:

- Safekeeping fee currently range from 0.0075% per annum to 0.5% per annum. These fees are based on mid-market values at the end of a calendar month;
- Transaction charges currently range from £10 to £100 per transaction; and
- Cash payment charges will range from £7 to £35 per payment.

Custody of assets is subject to a minimum fee of £10,000 per annum (exempt from VAT).

For the launch of new Funds, the minimum fee is waived for a period to 12 months from the sub-fund's launch date.

Charges are accrued within the Funds on a daily basis and paid monthly in arrears.

26.5.4 In addition to the periodic fee and transaction and custody charges referred to above, the Depositary will be entitled to receive out of the property of each Fund reimbursement for expenses properly incurred by it in the discharge of its duties or exercising any of the powers conferred upon it in relation to the Company and each Fund, subject to approval by the ACD. Such expenses include, but are not restricted to:

- a) the charges imposed by, and any expenses of, any agents appointed by the Depositary to assist in the discharge of its duties;
- b) the charges and expenses incurred in connection with the collection and distribution of income;
- c) the costs incurred in the preparation of the Depositary's Annual Report to shareholders;
- d) the charges and expenses incurred in relation to stock lending.

26.5.5 The amount or rate of any expenses shall be determined either by the Depositary or by reference to the scale or tariff or other basis from time to time agreed between the ACD and the Depositary and notified to the ACD by the Depositary provided that in either case such charges shall be at least as favourable as if they had been effected on normal commercial terms negotiated at arm's length between the Depositary and a comparable customer.

26.5.6 Any service charges or additional remuneration payable to the Depositary as above shall accrue and be due when the relevant transaction or other dealing is effected or relevant service is provided or as may otherwise be agreed between the Depositary and the ACD but not later than on the Business Day of each month and shall be paid to the Depositary as soon as practicable after they have accrued.

26.5.7 On a winding-up of the Company, a Fund or the redemption of a class of shares, the Depositary will be entitled to its pro rata fees and expenses to the date of termination and

any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the agreement with the Depositary.

## 26.6 Dealing, Registrar's and Administrator's fees

Administrator's Dealing, Registrar's and Fund Administrator's fees and the cost of Accounting, Book-keeping and calculating the Net Asset Value of shares in each Fund

26.6.1 The Fund Administrator is entitled to receive out of the property of the Company for its own account, by way of remuneration, a periodic fee (and VAT thereon, if applicable) which will accrue daily and be payable monthly in arrears. The rate of the periodic charge will be such amount as the ACD and the Fund Administrator may from time to time agree, subject to the OEIC Regulations and the FCA Rules. The current rate of the periodic charge is as set out in the table below:

on the first £200,000,000 – 4 basis points

on the next £300,000,000 – 3 basis points

on the next £500,000,000 – 2.5 basis points

in excess of £1,000,000,000 – 2.25 basis points

The above fee shall be applied on a global basis and subject to the minimum fees of £25,000 per Fund per annum.

For the launch of new Funds, the minimum fee is waived for a period to 12 months from the sub-fund's launch date.

26.6.2 The Registrar is entitled to receive out of the property of the Company for its own account, by way of remuneration, a periodic registration charge (and VAT thereon, if applicable) which will accrue daily and be payable monthly in arrears. The rate of the periodic charge will be such amount as the ACD and the Registrar may from time to time agree, subject to the OEIC Regulations and the FCA Rules. The Registrar is paid a £90,000 per annum periodic fee (excluding VAT) which is shared proportionately between other funds managed by CRUX Asset Management Limited and for which the Registrar also provides registrar services. As such, the periodic fee paid to the Registrar will not exceed £90,000 per annum.

26.6.3 The Transfer Agent is entitled to receive out of the property of the Company for its own account, by way of remuneration, a periodic fee (and VAT thereon, if applicable) which will accrue daily and be payable monthly in arrears. The rate of the periodic charge will be such amount as the ACD and the Fund Administrator may from time to time agree, subject to the OEIC Regulations and the FCA Rules. The current rate of the periodic charge is 1.9 basis points (0.019%).

## 26.7 General Expenses

26.7.1 In addition to the fees already listed, and subject to the FCA Rules and the OEIC Regulations, the costs, charges and expenses (together with any value added tax payable) which may be

charged to the Company include:

- a) all taxes and other duties which may be due on the assets and the income or otherwise of the Company;
- b) usual banking and brokerage fees (if any) due on transactions involving portfolio securities of the Company;
- c) insurance, postage, telephone, fax and email;
- d) the fees of any directors additional to the ACD;
- e) remuneration (and out of pocket expenses) of the ACD, the Depositary, the Administrator, the Fund Administrator, the Registrar, and any sub-registrar, distributor or paying agent appointed. Certain of these functions may be performed by, and remuneration paid to, associates of the ACD;
- f) formation expenses, if any, including the cost of preparing and filing the Instrument, the Key Investor Information Document, this Prospectus and all other documents concerning the Company including registration statements and offering circulars with all authorities (including local securities dealers' associations) having jurisdiction over the Company or the offering of shares;
- g) any costs incurred in relation to a unitisation, amalgamation or reconstruction of the Company where the property of another body corporate or collective investment scheme is transferred to the Company in consideration for shares, and any liability arising after the transfer, which if it had arisen prior to the transfer would have been properly payable out of such property, provided that the ACD is satisfied that proper provision was made for satisfying such liability as was known or could have reasonably been anticipated at the time of the transfer;
- h) any fees or levies of the FCA relating to the Company;
- i) sales and marketing expenses;
- j) the cost of convening and holding any meeting of shareholders (including meetings of shareholders of a particular Fund or class of shareholder) requisitioned by shareholders other than the ACD or an associate of the ACD;
- k) the cost incurred in amending the Instrument, the Key Investor Information Documents, or this Prospectus including the costs of covering any meeting for shareholders and/or directors;
- l) any sum incurred by the Company or the ACD on behalf of the company in order to comply with any governmental or regulatory requirement;
- m) the cost of qualifying the Company for the sale of shares in any jurisdiction or a listing on any stock exchange;



- n) the cost of preparing, printing and publishing in such languages as are necessary, and distributing annual and semi-annual reports of the Company or any Fund and such other reports or documents as may be desirable or required under any applicable laws or regulations of any relevant jurisdiction;
- o) the cost of preparing, printing, publishing and distributing public notices and other communications to the shareholders including share certificates (if applicable) and proxies;
- p) donations to registered charities, with the prior approval of the shareholders in general meeting, out of their respective Fund or the Company.
- q) the cost of making distributions (income and accumulation) for any Fund or for the Company;
- r) the cost of funding a Research Payment Account in order to facilitate the purchase and use of certain types of investment research on behalf of the Funds;
- s) any legal, auditing and other professional fees incurred by the Company or the ACD in relation to the Company;
- t) interest and other charges relating to permitted borrowing;
- u) the sums incurred by reason of indemnifying the ACD against all losses and liabilities incurred by reason of acting as ACD of the Company except where the ACD has been negligent, fraudulent or acting by wilful default;
- v) the sums incurred by reason of any indemnity given to the Depositary except where the Depositary has been negligent, fraudulent or acting by wilful default; and
- w) Certain direct and indirect operational costs and/or fees may arise from time to time as a result of Efficient Portfolio Management techniques being used for the benefit of the Company and/or the Fund. These costs and/or fees are regarded as “transaction costs”. Further details on the payment of costs and/or fees relating to Efficient Portfolio Management techniques will be set out in the Annual Report;
- x) all other charges and expenses as may be deducted from the scheme property in accordance with the Instrument and/or the FCA Rules.

26.7.2 Administrative and other expenses of a regular or recurring nature may be calculated on an estimated basis for yearly or other periods in advance, and the same may be accrued in equal proportion over any such period as the Directors may consider reasonable.

26.7.3 Expenses can be allocated between income and capital in accordance with the FCA Rules. Expenses are allocated first against income for all Funds.

## **27 RESEARCH CHARGES AND RESEARCH PAYMENT ACCOUNTS**

### 27.1 Introduction

27.1.1 To assist the ACD and the Investment Manager in the pursuit of the investment strategies and objectives of the Funds, the ACD has agreed with the Investment Manager that each of the Funds will pay to the Investment Manager charges (“Research Charges”) for its purchase and use of certain types of investment research (referred to here as “Research”).

27.1.2 The Research Charges will fund a research payment account (referred to here as a "RPA") which is a bank account that has been established by the Investment Manager in its name under FCA Rules. The purpose of the RPA is to pay for Research received in connection with the portfolio management services the Investment Manager provides to the ACD (on behalf of the Company as its agent) for the benefit of the Funds. Such research may, subject to the FCA Rules, include research reports on companies, industries and securities and/or economic and financial information and analysis.

## 27.2 The Investment Manager’s use of Research

27.2.1 In accordance with the FCA Rules applicable to it the Investment Manager regularly assesses the quality of the Research purchased based on robust quality criteria, and its ability to contribute to better investment decisions for the benefit of the Funds. The quality criteria used by the Investment Manager includes analysis around whether the Research materials it receives provides:

- a) new insights that assist the Investment Manager when making decisions about the client portfolio;
- b) specialist sector and market knowledge;
- c) whatever form the output takes, original thought and objectivity in the critical and careful consideration and assessment of new and existing facts;
- d) are based on intellectual rigour, and do not state that is commonplace;
- e) the Investment Manager with meaningful conclusions; including a summary, statement of opinion, or reasoned deduction(s) or inference, based on critical analysis and/or the expert manipulation/interpretation of data.

## 27.3 How Research benefits the Funds

27.3.1 The ACD has determined in conjunction with the Investment Manager that the purchase and use of Research (as described above) benefits the Funds by enhancing the quality of the investment decisions which the Investment Manager is able to take on behalf of the Funds.

## 27.4 Setting the Research Budget and estimated Research Charges

27.4.1 The Investment Manager will for each annual accounting period of the Company (“RPA Period”), set a budget (the “Research Budget”) for the Funds. The Research Budget will have to be agreed and approved by the ACD. The Investment Manager will also set for each RPA Period, the estimated Research Charges for each Fund.

27.4.2 Up-to-date information on the Research Budget and the estimated Research Charges for each Fund in respect of the current RPA Period may be obtained by contacting the ACD on 0345 113 6965.

The Investment Manager proposes to primarily use the “Transaction Method” for the collection of Research Charges. This means that the Investment Manager will instruct brokers to collect amounts in respect of Research Charges alongside its own transaction costs and fees. These amounts are normally calculated as a percentage of the relevant transaction value and will be deducted from the Fund’s assets on or around the time of the relevant transaction. The brokers will then pay such sums into the Investment Manager’s RPA which the Investment Manager will then use to pay research providers. Further information on the rate used to calculate amounts to be deducted from the assets of the Funds may be obtained by contacting the ACD on 0345 113 6965.

27.4.3 When entering into relationships with research providers, the Investment Manager's policy is generally to set measurable ex ante criteria as to how it will value the types, level and quality of service. The Investment Manager intends that this will form a framework with each service provider on the level of payment expected for the anticipated provision of services. At the end of the RPA Period, based on actual services received, the Investment Manager may adjust the payment made to the research provider in a proportionate and predictable manner, based on those criteria.

27.4.4 If at the end of an RPA Period the Research Budget has not been met but amounts standing to the credit of the RPA are insufficient to meet the total Research Charges owed to the Investment Manager (from which it pays research providers), the Investment Manager shall be entitled to either (a) recover any shortfall (keeping within the relevant Research Budget) directly from the assets of the Funds as a balancing payment to the RPA in respect of that RPA Period. In the event that the Investment Manager elects to recover any shortfall from the assets of the Funds it shall do so in a way that is agreed with the ACD and is in the interests of the Funds and its shareholders.

27.4.5 If at the end of an RPA Period there are any surplus amounts standing to the credit of the RPA, the Investment Manager may elect to either (a) pay such surplus amount back to the Funds; or (b) carry over such surplus as a credit against the following year's Research Charges. When making such election the Investment Manager and the ACD shall act in the best interests of the relevant funds and its shareholders.

27.4.6 The total Research Charges for any RPA Period may not exceed the applicable RPA Budget.

27.4.7 Any increase to either the Research Budget or the estimated Research Charges will only be introduced in accordance with applicable FCA Rules.

## 27.5 Allocation of costs amongst Funds

27.5.1 The Investment Manager has informed the ACD that, where it operates RPAs with its clients (which includes the ACD for and on behalf of the Company and the Funds), it will always seek to allocate research costs fairly to its various clients’ portfolios.

- 27.5.2 The Investment Manager is entitled to set a single Research Budget and operate an RPA for more than one client at a time. However, the Investment Manager has informed the ACD that it will not set a Research Budget for a group of client portfolios or accounts that do not share sufficiently similar investment objectives and research needs. For example, if portfolios have material differences in the type of Financial Instruments and/or geographic regions or market sectors they can invest or are invested in, such that their research needs and the potential costs of acquiring those inputs are different, they will not be subject to the same Research Budget or, therefore, RPA. The Investment Manager has informed the ACD that the Funds share sufficiently similar objectives and research needs to benefit from the same Research Budget and RPA.
- 27.5.3 The Investment Manager's general approach to allocating costs will ordinarily be based on the relevancy of the expected service of each research provider to the applicable Fund's investment strategy and where Research is equally relevant to multiple Funds and Clients, the costs will be apportioned based on the total assets under management of each of them.
- 27.5.4 In its capacity as ACD of the Company, Thesis Unit Trust Management Limited conducts appropriate oversight of the Investment Manager's operation of the RPA and its compliance with the Regulations (including COBS 2.3B).

27.6 Further information on Research Charges and the RPA

- 27.6.1 Information on the total costs each Fund has incurred in respect of Research for the most recent accounting period will be set out in the applicable annual long report of the Company. Information in respect of the First RPA Period will be set out in the annual long report.
- 27.6.2 A summary of the following information will also be available from the ACD from January 2019 to investors on request in respect of the most recent annual accounting period:
- the research providers paid by the Investment Manager from the RPA;
  - the total amount each research provider was paid;
  - the benefits and services received by the Investment Manager; and
  - how the total amount spent from the RPA compares to the budget set by Investment Manager, noting any rebate or carry-over if residual monies are held in the account.

## 28 TERMINATION AND AMALGAMATION

- 28.1 The Company shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the FCA Rules. A Fund shall not be wound up except under Part V of the Insolvency Act 1986 (as modified by Regulation 33C of the OEIC Regulations) as an unregistered company and shall not be terminated except as under the FCA Rules.

- 28.2 Where the Company is to be wound up under the FCA Rules, or a Fund terminated, such winding up or termination may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company or the Fund) either that the Company or Fund will be able to meet its liabilities within 12 months of the date of the statement or that the Company or Fund will be unable to do so. The Company may not be wound up under the FCA Rules if there is a vacancy in the position of ACD at the relevant time.
- 28.3 The Company may be wound up or a Fund may be terminated under the FCA Rules if:
- 28.3.1 an extraordinary resolution to that effect is passed by shareholders of the Company or Funds (as appropriate); or
  - 28.3.2 the period (if any) fixed for the duration of the Company or a Fund by the Instrument expires, or an event (if any) occurs on the occurrence of which the Instrument provides that the Company is to be wound up, or a Fund terminated (for example, if the share capital of the Company or Fund is below its prescribed minimum);
  - 28.3.3 on the date of effect stated in any agreement by the FCA to a request by the ACD for the winding up of the Company or the termination of a Fund (and the ACD may make such a request, among other circumstances, if at any time after the first anniversary of the issue of the first shares linked to the Fund the net value of the assets of the Company attributable to the Fund is less than £1,000,000);
  - 28.3.4 on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any scheme property;
  - 28.3.5 in the case of a Fund, on the effective date of a duly approved scheme of arrangement which is to result in the Fund ceasing to hold any scheme property; or
  - 28.3.6 on the date on which all of the Funds fall within 28.3.5 or have otherwise ceased to hold scheme property, notwithstanding that the Company may have assets and liabilities which are not attributable to any particular Fund.
- 28.4 On the occurrence of any of the above:
- 28.4.1 COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing), COLL 6.6.20R to COLL 6.6.24G (Assessment of Value) (with effect from 30th September 2019) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Fund;
  - 28.4.1 the parts of the FCA Rules and the Instrument relating to pricing and dealing and investment and borrowing will cease to apply to the Company or, where a Fund is being terminated, to the shares and scheme property of that Fund;
  - 28.4.2 the Company will cease to issue and cancel shares in the Company or Fund and the ACD shall cease to sell or redeem shares or arrange for the Company or Fund to issue or cancel them (except in respect of final cancellation);

- 28.4.3 no transfer of a share shall be registered and no other change to the register shall be made without the sanction of the ACD;
- 28.4.4 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;
- 28.4.5 the corporate status and powers of the Company and, subject to the provisions of 28.4.1 to 28.4.4 above, the powers of the ACD shall remain until the Company is dissolved.
- 28.5 Where the Company is to be wound up under the FCA Rules, or a Fund terminated, the procedure for the winding up or termination will be as follows:
- 28.5.1 The ACD shall, as soon as practicable after the winding up of the Company or the termination of a Fund has commenced, arrange for all shares in issue to be cancelled, realise the assets and meet the liabilities of the Company or 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 remaining (if any) to shareholders proportionately to their rights to participate in the scheme property. When the ACD has caused all of the scheme property to be realised and all of the liabilities of the Company or the Fund to be discharged, the ACD shall arrange for the Depositary to also make a final distribution to shareholders (if any scheme property remains to be distributed) on or prior to the date on which the final account is sent to shareholders of any balance remaining in proportion to the rights of their respective shares to participate in scheme property at the commencement of the winding up or termination.
- 28.5.2 As soon as reasonably practicable after completion of the winding up of the Company or the termination of a Fund the Depositary shall notify the FCA and, at the same time, the ACD or the Depositary will request the FCA to revoke the relevant authorisation order (on the winding up of the Company) or to update its records (on the termination of a Fund).
- 28.5.3 On completion of a winding up of the Company, or the termination of a Fund, any money (including unclaimed distributions) standing to the account of the Company (or the Fund), will be paid into court within one month of dissolution.
- 28.5.4 Following the completion of the winding up of the Company or the termination of 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 four months of the end of the winding up or termination.

## **29 TAXATION**

- 29.1 General Summary Only

**The statements below are only intended as a general summary of UK tax law and HM Revenue & Customs (HMRC) published practice as at the date of issue of this prospectus (which may change in the future). The summary is only applicable to individual and corporate shareholders who are resident (and in the case of individuals, domiciled) for tax purposes solely in the UK and who are the absolute beneficial owners of a shareholding in the Company held as an investment. The applicability of these statements will depend upon the particular circumstances of each shareholder. In particular, the summary may not apply to certain classes of shareholder (such as dealers in securities and persons who acquired their shares by reason of employment) to whom special rules may apply. The summary is not exhaustive or definitive and should not be treated as legal or tax advice. This summary also does not address the taxation consequences for investors who may be subject to taxation or exchange control in any jurisdiction outside the UK. Levels and bases of, and reliefs from, taxation are subject to change.**

**Any shareholder or prospective shareholder who is in any doubt as to the taxation implications of making an investment in the Company (including as regards the acquisition, holding or disposal of any Shares), or who may be subject to taxation or exchange control provisions in any jurisdiction other than the UK should consult their own independent professional advisers immediately.**

## 29.2 Taxation of the Company

### 29.2.1 Income

Each Fund is subject to corporation tax at the basic rate of income tax, currently 20%, on its taxable income (net of allowable expenses).

Dividends received by the Company from its holdings of most UK equities and non-UK equities are generally exempt from corporation tax. It is not anticipated that the Company will receive any dividends other than exempt dividends in respect of its shareholdings.

Certain Double Tax Agreements between the UK and other territories make provision for withholding taxes, or higher withholding taxes, to apply to dividends paid in circumstances where a resident of the state receiving the dividend is not charged to tax in respect of it. Chapter 4 of Part 9A Corporation Tax Act 2009 therefore provides for the making of an election that a dividend is not exempt, in order to ensure that it is subject to no, or lower rates of, withholding taxes. The Company therefore reserves the right to make such an election if it results in a greater net receipt for the Company. Where an election is made the dividend received will be subject to corporation tax but credit will be given against that tax in respect of withholding taxes suffered, up to the level of the UK tax charged on that income.

### 29.2.2 Capital gains

Capital gains accruing to the Company will generally be exempt from UK corporation tax on chargeable gains. Should the Company be treated as trading, any gains made will be treated as income and will be subject to corporation tax. Offshore income gains arising from the disposal of interests in non-reporting offshore funds may also be subject to corporation tax.

### 29.2.3 Foreign taxes

The Company may be subject to foreign tax on its investments, subject to any reliefs (if available) including under any applicable double taxation agreement or otherwise under UK law.

### 29.2.3 Stamp Taxes

The Company may be required to pay UK stamp duty or SDRT or other similar taxes in other jurisdictions in connection with the acquisition or transfer of underlying investments.

## 29.3 Taxation of the Shareholder

### 29.3.1 Income

Distributions may be either dividend distributions or interest distributions, depending on the nature of the investments of the Fund concerned. Interest distributions can be made only where (very broadly) the market value of the Fund's qualifying investments in debt and debt-like securities exceeds 60% of the market value of all its assets throughout the accounting period to which it relates (these Funds are often referred to as "bond funds"). Where a Fund does not have that level of debt and debt like assets throughout its accounting period then it must pay dividend distributions.

In the case of accumulation shares, accumulated income (that is automatically retained in the Fund) is deemed to have been distributed to the shareholder for tax purposes.

#### a) Dividend distributions

##### i) UK resident individual shareholders

When the Company makes a dividend distribution in respect of Income Shares (or is deemed to make such a distribution in respect of Accumulation Shares), a UK resident individual shareholder may be liable to tax on such distribution.

For UK resident individuals, no income tax is payable in respect of dividend income received from all sources in the tax year to the extent it falls within the annual dividend allowance (although such income will still count towards the basic, higher and additional rate thresholds). For dividends received above the annual allowance in the tax year, the dividend income would be taxable at 7.5%, 32.5% and 38.1% for income falling within the basic rate, higher rate and additional rate bands respectively. The annual dividend allowance is £2000 for the 2021/22 tax year.

Individuals should note that if the receipt of dividend income takes them from one band/tier of UK personal taxation to another, the tax due on the excess dividend income over the annual allowance will be at the rates applicable to the new band/tier.



A UK resident individual shareholder who holds their Shares in an ISA will be exempt from income tax on dividend distributions in respect of such Shares.

ii) Corporate shareholders within the scope of corporation tax

A dividend distribution made by the Company in respect of Income Shares (or deemed to be made in respect of Accumulation Shares) to a corporate shareholder within the charge to corporation tax in respect of its investment in the Company will be split into franked and unfranked parts according to the underlying gross income of the Company. Very broadly, the unfranked part corresponds to such part of the Company's gross income as does not derive from franked investment income. The franked part will be treated in the same way as exempt dividend income received by a UK resident corporate shareholder. The unfranked part will be treated as an annual payment received after deduction of income tax at the basic rate (currently 20%) from a corresponding gross amount and the corporate shareholder will be liable to corporation tax on it accordingly, but (subject to any applicable restrictions) with the benefit of credit for the income tax deducted at source.

iii) Interest Distributions

The following applies where interest distributions are made (or treated as made in the case of accumulation Shares) by a Fund.

UK resident individual shareholders will (subject to any available allowance) be subject to income tax at the relevant rate on any interest distributions (or deemed distribution from accumulation shares) from any Fund of the Company.

A UK resident individual shareholder may be entitled to a personal savings allowance in each tax year (the amount of the allowance, if any, depends on whether the taxpayer is a basic, higher or additional rate taxpayer).

A UK resident individual shareholder who holds their Shares in an ISA will be exempt from income tax on interest distributions in respect of such Shares.

A corporate shareholder within the charge to UK corporation tax in respect of a shareholding will be subject to corporation tax on any interest distributions (or deemed distribution from accumulation shares) from any Fund of the Company.

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.

iv) Equalisation – tax implications

Where income equalisation applies, the first distribution or accumulation of income after shares are issued may include an amount of income equalisation. This is effectively a repayment of an amount reflecting accrued income included in the issue price paid by the investor. Rather it should be deducted from the acquisition cost of the Shares in computing any capital gains realised on a subsequent disposal of the Shares.

### 29.3.2 Shareholding in the Company treated as a loan relationship

Special rules apply to shareholders within the charge to corporation tax which in certain circumstances could result in their shares being treated for the purposes of the UK's loan relationship rules as rights under a creditor loan relationship. A fair value basis of accounting would have to be used, for corporation tax purposes, with regard to the deemed creditor loan relationship.

### 29.3.3 Capital gains

#### a) UK resident individual shareholders

An individual shareholder will be liable to capital gains tax on any chargeable gain accruing on the disposal or deemed disposal (including redemption, switches and certain conversions) of Shares in the Company. Capital gains tax is generally charged at rates of 10% and 20%, dependent on an individual's total amount of taxable income and gains within the tax year. An individual shareholder may also be entitled to set all or part of any gains against their annual capital gains tax exemption.

A UK resident individual shareholder who holds their Shares in an ISA will be exempt from capital gains tax on any gain accruing on the disposal or deemed disposal of Shares.

Individual shareholders will find further information in HMRC Help Sheets for the capital gains tax pages of their tax returns.

#### b) Corporate shareholders within the scope of corporation tax

Subject to the possible application of the rules treating a shareholding in the Company as a creditor loan relationship, a corporate shareholder within the charge to corporation tax in respect of its investment in the Company will be liable to corporation tax on any chargeable gain accruing to it on the disposal or deemed disposal (including redemption, switches and certain conversions) of its Shares in the Company. An indexation allowance may be available to reduce or eliminate such a gain but not to create or increase an allowable loss (although it should be noted that indexation allowance was frozen with the effect from 31 December 2017).

### 29.3.4 Stamp Duty and Stamp Duty Reserve Tax (SDRT)

There is generally no charge to UK stamp duty or SDRT on the surrender (i.e. the redemption or switch) of shares.

Investors will, however, be liable to SDRT at 0.5% on acquiring Shares from a third party (that is other than on an issue of Shares by the Company). SDRT may also apply in cases where an investor redeems Shares in consideration of a transfer of assets of the Company other than cash (i.e. an in specie redemption) where that consideration is non-pro rata (i.e. not in proportion to the total assets of the Company).

#### 29.3.5 Information reporting

Shareholders should be aware that pursuant to various laws and regulations, including to implement agreements for the automatic exchange of information between tax authorities, information about certain shareholders and their investments (including any interest distributions) may be required to be reported to HMRC.

If applicable, such information may be exchanged with tax authorities in another jurisdiction. In order to comply with such laws and regulations, shareholders may be required to provide or certify certain information, including as regards their status and the jurisdiction in which they are resident for tax purposes.

In particular, the Company is required to comply with The International Tax Compliance Regulations 2015. The regulations transpose into UK law rules and obligations derived from European Union law and inter-governmental agreements (including in relation to FATCA and CRS) entered into by the UK which are aimed at increasing transparency and reducing tax evasion. To be compliant with these regulations the Company must collect information about each investor's tax residence and in certain circumstances provide information about investors' Shareholdings to HM Revenue & Customs (HMRC). HMRC may in turn share this information with overseas tax authorities. Failure to comply with these tax regulations may result in penalties being imposed on the Company and, in the case of non-compliance with the rules relating to information sharing with the United States authorities, in the imposition of a 30% withholding tax on income due to the Company from investments and sales proceeds originating from the US. Therefore, where an investor fails to provide the information required by the Company to comply with its obligations to HMRC this may result in the ACD taking appropriate action against the shareholder, including invoking the compulsory transfer and redemption provisions set out in Section 28.3. The ACD intends to procure compliance with the regulations but cannot give an assurance that this will be achieved. The underlying laws and agreements are a complex area of tax law and investors should consult their professional advisers on the implications these rules may have for them.

#### 29.3.6 Withholding tax.

Unless required by law at the time of the payment, dividend distributions and interest distributions (if any) paid to shareholders, and any payments made on redemption of Shares, will be paid with no income tax deducted from the payment.

### 30 NOTICE TO SHAREHOLDERS

30.1 All notices or other documents sent by the ACD to a shareholder will be duly served if it is:

30.1.1 delivered to the shareholder's address (as appearing in the register of shareholders); or

- 30.1.2 delivered by electronic medium (if permitted);
- 30.2 Notices or documents sent by normal post (to the last address notified in writing to the Company by the shareholder) will be deemed to have been served on the second Business Day following the day on which it was posted. Any document left at a registered address, or delivered other than by post is deemed to be served on that day.
- 30.3 Any document or notice to be served, or information given to a shareholder, must be in legible form. For this purpose any form is legible form which:
  - 30.3.1 is consistent with the ACD's knowledge of how the recipient of the document wishes, or expects to receive the document;
  - 30.3.2 is capable of being provided in hard copy by the ACD;
  - 30.3.3 enables the recipient to know, or record, the time of receipt; and
  - 30.3.4 is reasonable in the context.

### **31 TELEPHONE CALLS AND ELECTRONIC COMMUNICATIONS**

Please note that telephone calls and electronic communications will be recorded for training and monitoring purposes and to confirm investors' instructions. The ACD will keep a copy of telephone calls and electronic communications. A copy of the record is available from the ACD on request. The records will be kept for up to five years and where requested by the FCA, for up to seven years.

### **32 RESTRICTIONS AND COMPULSORY TRANSFER AND REDEMPTION**

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.

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;

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 be given for the redemption of such Shares in accordance with the 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 30 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.

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.

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

#### ***Mandatory Conversions***

The ACD may also, in its sole discretion, convert some or all of the Shares held by any Shareholder from one class to another class, provided that the terms of the original Shares are substantially similar to the New Shares and, in any event, the conversion does not materially prejudice any such Shareholder. The ACD will provide the Shareholder with 60 days' prior written notice of any such 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.

## ANNEXURE 1

### INVESTMENT AND BORROWING POWERS

The property of the Company will be invested with the aim of achieving the investment objective but subject to the limits on investment set out in the FCA Rules. These limits are summarised below:

#### 1 PERMITTED CATEGORIES OF INVESTMENT

Generally the Company will invest in the investments to which it is dedicated including approved securities which are transferable securities admitted to or dealt in on an eligible market or in a market in the UK or an EEA State which is regulated, operates regularly and is open to the public, units in collective investment schemes, warrants, approved money market instruments, deposits and derivatives and forward transactions.

#### 2 ELIGIBLE MARKETS

- a) Eligible markets are:
  - i) regulated markets; or
  - ii) markets established in the UK or an EEA State which are regulated, operate regularly and are open to the public; and
  - iii) markets which the ACD, after consultation with the Depositary, has decided are appropriate for the purpose of investment of or dealing in the property of the Company having regard to the relevant criteria in the FCA Rules and guidance from the FCA. Such markets must be included in this Prospectus and the Depositary must have taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market, and that all reasonable steps have been taken by the ACD in deciding whether that market is eligible. Such markets must operate regularly; be regulated; 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 must have adequate arrangements for unimpeded transmission of income and capital to or to the order of the investors.
- b) If the ACD and Depositary believe that such an addition would make a fundamental change to the Fund then new eligible securities markets may be added to the existing list only by the passing of a resolution of shareholders at a shareholders' meeting. If not, then the ACD and the Depositary will need to assess whether such an addition would be a significant event requiring shareholders to be notified of the change 60 days in advance, and for the Prospectus to reflect the intended change and the date of commencement, or if the addition is of minimal significance to the investment policy of the Fund such that shareholders will just be notified of the change.
- c) The eligible securities and derivatives markets for each Fund are set out in Annexure 3.

#### 3 TRANSFERABLE SECURITIES

- a) Types of transferable security
  - i) 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 Handbook).

- ii) 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.
  - iii) In applying paragraph 3a)ii) 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 Handbook), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
  - iv) 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.
- b) Criteria for investment in transferable securities
- i) A fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
    1. the potential loss which a fund may incur with respect to holding the transferable security is limited to the amount paid for it;
    2. its liquidity does not compromise the ACD's ability to comply with its obligations to redeem units at the request of any qualifying unitholder;
    3. reliable valuation is available for it as follows:
      - in the case of a transferable security admitted to or dealt in on an eligible market (see further paragraph 2 above for an explanation of 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;
      - 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;
    4. appropriate information is available for it as follows:
      - 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;





- ii) Where an investment in paragraph 3d)i) contains an embedded derivative component, the requirements of this paragraph with respect to derivatives and forwards will apply to that component. Please see Annexure 1Part 115 for further details.

#### **4 APPROVED MONEY MARKET INSTRUMENTS**

- a) 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.
- b) A money market instrument shall be regarded as normally dealt in on the money market if it:
  - i) has a maturity at issuance of up to and including 397 days;
  - ii) has a residual maturity of up to and including 397 days;
  - iii) undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
  - iv) has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraph 4b)i) or 4b)ii) or is subject to yield adjustments as set out in paragraph 4b)iii).
- c) 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 unitholder.
- d) A money market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuation systems, which fulfil the following criteria, are available:
  - i) 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
  - ii) based either on market data or on valuation models including systems based on amortised costs.
- e) 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.

#### **5 TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS GENERALLY TO BE ADMITTED TO OR DEALT IN ON AN ELIGIBLE MARKET**

- a) Transferable securities and approved money market instruments held within a fund must be:
  - i) admitted to or dealt in on an eligible market (as described in paragraph 2a)i) or paragraph 2a)iii); or

- ii) dealt in on an eligible market (as described in paragraph 2a)ii); or
  - iii) for an approved money market instrument not admitted to or dealt in on an eligible market falling within the definition as set out in paragraph 6; or
  - iv) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and such admission is secured within a year of issue.
- b) A fund may invest up to 10% of the fund's investments in transferable securities and approved money market instruments other than those referred to in paragraph 5a).

## **6 MONEY MARKET INSTRUMENTS WITH A REGULATED ISSUER**

- a) 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:
- i) the issue or the issuer is regulated for the purposes of protecting investors and savings; and
  - ii) the instrument is issued or guaranteed in accordance with paragraph 7.
- b) 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 purposes of protecting investors and savings if:
- i) the instrument is an approved money market instrument;
  - ii) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investments in it) in accordance with paragraph 8 below; and
  - iii) the instrument is freely transferable.

## **7 ISSUERS AND GUARANTORS OF MONEY MARKET INSTRUMENTS**

- a) A fund may invest in an approved money market instrument if it is:
- i) issued or guaranteed by any one of the following:
    1. a central authority of the UK or an EEA state or if the EEA state is a federal state, one of the members making up the federation;
    2. a regional or local authority of the UK or an EEA state;
    3. the Bank of England, the European Central Bank or a central bank of an EEA state;
    4. the EU or the European Investment Bank;
    5. a non-EEA state, or in the case of a federal state one of the members making up the federation; or

- 6. a public international body to which the UK or one or more EEA states belong;
  - ii) issued by a body, any securities of which are dealt in on an eligible market; or
  - iii) issued or guaranteed by an establishment which is:
    - 1. subject to prudential supervision in accordance with criteria defined by UK or European Union law; or
    - 2. an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or European Union law.
- b) An establishment shall be considered to satisfy the requirement in paragraph 7a)iii)2. if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
- i) it is located in the EEA;
  - ii) it is located in an Organisation for Economic Co-Operation and Development (OECD) country belonging to the Group of Ten;
  - iii) it has at least one investment grade rating;
  - iv) 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 European Union law.

## **8 APPROPRIATE INFORMATION FOR MONEY MARKET INSTRUMENTS**

- a) In the case of an approved money market instrument within paragraph 7a)ii) or issued by a body referred to in the FCA Rules at COLL 5.2.10EG; or which is issued by an authority within paragraph 7a)i)2. or a public international body within paragraph 7a)i)6., but is not guaranteed by a central authority within paragraph 7a)i)1., the following information must be available:
- i) 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;
  - ii) updates of that information on a regular basis and whenever a significant event occurs; and
  - iii) available and reliable statistics on the issue or the issuance programme.
- b) In the case of an approved money market instrument issued or guaranteed by an establishment within paragraph 7a)iii) the following information must be available:
- i) 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;
  - ii) updates of that information on a regular basis and whenever a significant event occurs; and

- iii) 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.
- c) In the case of an approved money market instrument within paragraph 7a)i)1., 7a)i)4. or 5 or which is issued by an authority within paragraph 7a)i)2. or a public international body within paragraph 7a)i)6. and is guaranteed by a central authority within paragraph 7a)i)1. information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

## 9 SPREAD : GENERAL

- a) This rule does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 10 (Spread: government and public securities) applies.
- b) The specific limits are set out as follows:
  - i. Not more than 20% in value of a Fund's property can consist of deposits with a single body.
  - ii. Not more than 5% of a Fund's property may be invested in transferable securities (other than Government and public securities) and approved money market instruments issued by any one issuer. However:
    - (a) not more than 10% in value of a Fund may be invested in those securities and instruments (or certificates representing those securities) issued by the same issuer if the value of all such holdings combined does not exceed 40% of the value of the property of a Fund (covered bonds need not be taken into account for the purpose of applying the limit of 40%).
    - (b) the limit of 5% is raised to 25% in value of a Fund 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 a Fund's property.
  - iii. The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Fund's property (10% when the counterparty is an Approved Bank).
  - iv. Not more than 20% in value of the scheme property of a Fund can consist of transferable securities and approved money market instruments issued by the same group. (For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with section 399 of the Companies Act 2006, Directive 2013/34/EU or in the same group in accordance with international accounting standards are regarded as a single body).
- c) Not more than 20% in value of a Fund's property is to consist of the units of any one collective investment scheme.

- d) In applying the limits in paragraphs 9.b)i 9.b)ii and 9.b)ii(b) in relation to a single body and subject to paragraph 9.b)ii(b) not more than 20% in value of the Fund's investments can consist of any combination of two or more of the following:
- i) transferable securities (including covered bonds) or approved money market instruments issued by; or
  - ii) deposits made with; or
  - iii) exposures from OTC derivatives transactions made with;
- a single body.

#### **10. SPREAD : GOVERNMENT AND PUBLIC SECURITIES**

- a) The following section applies in respect of a transferable security or an approved money-market instrument (“such securities”) that is issued or guaranteed by:
- i. the UK or an EEA State;
  - ii. a local authority of the UK or an EEA State;
  - iii. a non-EEA State; or
- b) a public international body to which the UK or one or more EEA States belong.
- c) 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 in any one issue.
- d) In relation to such securities:
- i. issue, issued and issuer include guarantee, guaranteed and guarantor; and
  - ii. 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;
- e) **Up to 100% of the scheme property of the Company or of any Fund, as the case may be, may be invested in government and public securities issued by or on behalf of or guaranteed by a single issuer which may be one of the following:**
- i. **the government of the United Kingdom, Ireland, France, Germany, Luxembourg, Netherlands, Belgium, Denmark, Italy, Spain, Portugal, Greece, Austria, Finland, Iceland, Norway, Sweden, Czech Republic, Slovakia, Hungary, Slovenia, Latvia, Lithuania, Estonia, Poland, Cyprus and Malta, and the governments of Australia, Canada, Japan, New Zealand, Norway, Switzerland or the United States of America; or public securities issued by or on behalf of any international organization of which either the United Kingdom or any other member state of the European Union is a member.**

- f) The ACD has consulted with the Depositary and considers that the issuers named above are ones which are appropriate in accordance with the investment objectives of the Funds set out in Annexure 2. **If more than 35% in value of the scheme property of a Fund is invested in government and public securities issued by any one issuer, no more than 30% in value of the scheme property of that Fund may consist of such securities of any one issue and the scheme property must also include at least six different issues whether of that issuer or another issuer.**
- g) Notwithstanding paragraph 9a), and subject to paragraph 10c) and 10f) in applying the 20% limit in 9d) with respect to a single body, government and public securities issued by that body shall be taken into account.

## 11 INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES

- a) The Funds have a restriction preventing more than 10% in value of the scheme property being invested in units in other collective investment schemes:
- b) Investment may be made in another collective investment scheme managed by the ACD or an associate of the ACD, subject to those of the FCA Rules which prevent double charging. Investment may only be made in other collective investment schemes whose maximum annual management charge does not exceed 5%.
- c) A Fund may invest in units in collective investment schemes provided that the scheme (a "second scheme") satisfies the following conditions and provided that not more than 30% of the value of the Fund is invested in second schemes within paragraphs 10b)ii) to 10b)v) below. The second scheme must:
  - i) be a UCITS or a scheme which complies with the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
  - ii) be recognised under the provision of section 272 of the Act that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man; or
  - iii) be authorised as a Non-UCITS retail scheme; or
  - iv) be authorised in an EEA state; or
  - v) a scheme authorised by the competent authority of an OECD member country (other than an EEA state) which has:
    - vi) signed the IOSCO Multilateral Memorandum of Understanding; and
    - vii) approved the scheme's management company, rules and depositary/custody arrangements.

Provided that for paragraphs 10b)ii) to 10b)v) the requirements of COLL 5.2.13AR are also met.

- d) Investee schemes must also comply with the rules relating to investment in associated collective investment schemes, investment in other group schemes contained in the FCA Rules and themselves be schemes which have terms which prohibit more than 10% of their assets consisting of units in other collective investment schemes. Where the second scheme is an umbrella these provisions apply to each Fund as if it were a separate scheme.
- e) The Funds may invest in units of collective investment schemes and pay any related charges or expenses for investing in such units unless the schemes are managed, operated or administered by the ACD (or one of its associates) in which case, the Fund will pay no additional management or administrative charges to the ACD or its associate (as the case may be).

## **12 WARRANTS AND NIL AND PARTLY PAID SECURITIES**

- a) Up to 100% in value of the Scheme Property of a Fund may consist of warrants (which may at times make the portfolio composition highly volatile), provided that warrants may only be held if it is reasonably foreseeable there will be no change to the Scheme Property between the acquisition of the warrant and its exercise and the rights conferred by the proposed warrant and all other warrants forming part of the Scheme Property at the time of the acquisition of the proposed warrant will be exercised and that the exercise of the rights conferred by the warrants will not contravene the FCA Rules.
- b) Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at any time when the payment is required without contravening the FCA Rules.
- c) A warrant which is an investment falling within article 80 of the Regulated Activities Order (Certificates representing certain securities) and which is akin to an investment falling within article 79 (Instruments giving entitlement to investments) of the Regulated Activities Order may not be included in the Scheme Property unless it is listed on an eligible securities market.
- d) It is possible that more than 5% in value of a Fund may be invested in warrants, in which case the Net Asset Value of that Fund may, at times, be highly volatile.

## **13 MONEY MARKET INSTRUMENTS**

- a) Up to 100% in value of the Scheme Property of a Fund can consist of money market instruments, which are normally dealt in on the money market, are liquid and whose value can be accurately determined at any time provided the money market instrument is admitted to or normally dealt on an eligible market; or is issued or guaranteed by one of the following: the government of the United Kingdom and the United States of America; or issued by a body, any securities of which are dealt in on an eligible market; or issued or guaranteed by an establishment subject to prudential supervision in accordance with criteria defined by European Union law or by an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Union law.
- b) Notwithstanding the above, up to 10% of the Scheme Property of a Fund may be invested in money market instruments which do not meet these criteria.

## 14 DEPOSITS

**Up to 20% in value of the Scheme Property of a Fund can consist of deposits with a single body. The Fund may only invest in deposits 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.**

## 15 DERIVATIVES AND FORWARD TRANSACTIONS

**Derivative transactions may be used for the purposes of hedging and meeting the investment objective of a Fund. The use of derivatives will not contravene the investment objectives of a Fund. The use of derivatives for investment purposes means that the Net Asset Value of that Fund may at times be highly volatile, although derivatives will not be used with the intention of raising the risk profile of a Fund.**

The ACD must use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of the Fund. The risk management process maintained by the ACD should take into account the investment objectives and policies of the Funds. See paragraph 16.6 for further details.

The quantitative limits applied to risk management of the Funds are such that the total derivative exposure will not exceed 50% of the total value of the Scheme Property of a Fund. All exposures are monitored by the ACD and communicated to the relevant authorities. Any recent development of the risk and yields of the main categories of investment will be disclosed in the Report and Accounts.

- a) Except as set out in this Section 15 there is no upper limit on the use of transactions in derivatives or forward transaction for a Fund but they must not be effected for a Fund unless it is a permitted transaction as set out in the FCA Rules and it is covered as required by the FCA Rules.
- b) A transaction in derivatives or a forward transaction cannot be effected for the Funds unless:
  - i) it is a permitted derivatives and forward transaction (broadly a derivative must be effected on or under the rules of any eligible derivatives market and have underlying consisting of any or all of the following; transferable securities, approved money market instruments, deposits, permitted derivatives, permitted collective investment schemes, permitted financial indices, interest rates, foreign exchange rates, currencies); and
  - ii) it is covered as required by the FCA Rules at COLL 5.3.3AR.
- c) The exposure to the underlying assets must not exceed the limits in paragraph 9 except as provided in paragraph 14f).
- d) Where a transferable security or approved money market instrument embeds a derivative this must be taken into account for the purposes of complying with these investment restrictions.
- e) A transferable security or an approved money market instrument will embed a derivative if it contains a component which fulfils the following criteria:



- i) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - ii) the economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - iii) it has a significant impact on the risk profile and pricing of the transferable security or approved money market instrument.
- f) 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.
- g) If a Fund invests in an index-based derivative provided the relevant index falls within the FCA Rules at COLL 5.6.23R the underlying constituents of the index do not have to be taken into account for the purposes of paragraph 9 above, provided the ACD takes account of the requirements for a prudent spread of risk.
- h) A derivative or forward transaction which will or could lead to the delivery of property for the account of the Funds may be entered into only if:
- i) that property can be held for the account of the Funds; and
  - ii) the ACD, having taken reasonable care, determines that delivery of the property under the transaction will not occur or will not lead to a breach of the FCA Rules.
- i) No agreement by or on behalf of a Fund to dispose of property or rights (except for a deposit) may be made unless:
- i) 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
  - ii) the property and rights at paragraph 14(i) are owned by the Fund at the time of the agreement.

## **16 PERMITTED TRANSACTIONS (DERIVATIVES AND FORWARDS)**

- a) A transaction in a derivative must:
  - i) be in an approved derivative; or
  - ii) be an OTC derivative which complies with paragraph 15g) and:
- b) In addition:

- i) the underlying must consist of any or all of the following to which the scheme is dedicated: transferable securities; approved money-market instruments; permitted deposits; permitted derivatives; permitted collective investment scheme units; certain financial indices; interest rates; foreign exchange rates and currencies;
  - ii) the exposure to the underlying must not exceed the limits set out at paragraph 9 above.
- c) A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A derivatives transaction must not cause a Fund 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.
- d) Any forward transaction must be with an eligible institution or an Approved Bank.
- e) A Fund may not undertake transactions in derivatives of commodities.
- f) A derivative includes an instrument which fulfils the following criteria:
- i) it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
  - ii) it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6A R (UCITS schemes: permitted types of scheme property) including cash;
  - iii) in the case of an OTC derivative, it complies with the requirements in COLL 5.2.23 R (OTC transactions in derivatives);
  - iv) 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.
- g) OTC transactions in under this paragraph 15g) must be:
- i) with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:
    - 1. an eligible institution or an Approved Bank; or
    - 2. a person whose permission (including any requirements or limitations), as published in the FCA Register, or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
  - ii) on approved terms; the terms of the transaction in derivatives are approved only if the ACD:

1. carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
  2. can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;
- iii) 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:
1. on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or
  2. if the value referred to in 1. is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
- iv) 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:
1. an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the ACD is able to check it; or
  2. 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.

## 17 FINANCIAL INDICES UNDERLYING DERIVATIVES

- a) The financial indices referred to in paragraph 15b)i) are those where the index is sufficiently diversified, it represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner.
- b) A financial index is sufficiently diversified if:
  - i) 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;
  - ii) where it is composed of assets in which the Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Annexure; and
  - iii) where it is composed of assets in which the Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Annexure.

- c) A financial index represents an adequate benchmark for the market to which it refers if:
  - i) it measures the performance of a representative group of underlyings in a relevant and appropriate way;
  - ii) 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
  - iii) the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- d) A financial index is published in an appropriate manner if:
  - i) 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
  - ii) 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.
- e) 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 15b)i) be regarded as a combination of those underlying's.
- f) If the composition of an index is not sufficiently diversified in order to avoid undue concentration, its underlying assets should be combined with the other assets of the Fund when assessing compliance with the requirements on cover for transactions in derivatives and forward transactions set out in this Annexure.
- g) In order to avoid undue concentration, where derivatives on an index composed of assets in which a UK UCITS scheme cannot invest are used to track or gain high exposure to the index, the index should be at least diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.
- h) If derivatives on that index are used for risk-diversification purposes, provided that the exposure of the Company to that index complies with the 5%, 10% and 40% ratios as set out in paragraph 9c) there is no need to look at the underlying components of that index to ensure that it is sufficiently diversified.

## **18 COVER FOR TRANSACTIONS IN DERIVATIVES AND FORWARD TRANSACTIONS**

- a) The ACD must ensure that each Fund's global exposure relating to derivatives and forwards transactions held for that Fund may not exceed the net value of its Scheme Property.
- b) The ACD must calculate the Funds' global exposure on at least a daily basis. 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.

- c) The ACD uses the “commitment method” (as described in FCA’s COLL Sourcebook – chapter 5.3.9) to calculate global exposure.

## **19 SIGNIFICANT INFLUENCE**

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

- a) 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:
  - i) immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate; or
  - ii) the acquisition gives the Company that power.
- b) For the purpose of 18a) 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).

## **20 CONCENTRATION LIMITS**

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

- a) The Company:
  - i) must not acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and represent more than 10% of those securities issued by that body corporate;
  - ii) must not acquire more than 10% of the debt securities issued by any single body;
  - iii) must not acquire more than 25% of the units in a collective investment scheme;
  - iv) must not acquire more than 10% of the approved money market instruments issued by any single body.
- b) However, the Company need not comply with the limits in paragraphs 19a)ii), 19a)iii) and 19a)iv) above if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

## **21 GENERAL**

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

- b) Cash or near cash must not be retained in the Scheme Property of a Fund except in order to enable the pursuit of the Fund's investment objective; or for redemption of shares in the Fund; or efficient management of the Fund in accordance with its investment objective or for a purpose which may reasonably be regarded as ancillary to the investment objectives of the Fund.
- c) The Company will not hold any interest in immovable property or movable property for the direct pursuit of the Company's business.

## **22 STOCK LENDING**

- a) A Fund, or the Depositary at the Company's request, may enter into stock lending transactions (involving a disposal of securities in the Fund and re-acquisition of equivalent securities) when it reasonably appears to the Fund or to the Company to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk. Such transactions must comply with conditions set out in the FCA Rules, which require (among other things) that:
  - i) the stock lending transaction must be of a kind described in section 263B of the Taxation of Chargeable Gains Act 1992;
  - ii) the terms of the agreement under which the Depositary is to re-acquire the securities for the account of the Fund must be acceptable to the Depositary and in accordance with good market practice;
  - iii) the counterparty must be acceptable in accordance with the FCA Rules.
- b) The collateral obtained must be acceptable to the Depositary and must also be adequately and sufficiently immediate as set down in the FCA Rules.

## **23 BORROWING POWERS**

- a) A Fund may, subject to the FCA Rules, borrow money from an Eligible Institution or an Approved Bank for the use of the Fund on the terms that the borrowing is to be repayable out of the scheme property. This power to borrow is subject to the obligation of the Company, or relevant Fund, to comply with any restriction in the Instrument.
- b) Borrowing must be on a temporary basis and must not be persistent and in any event must not exceed three months without the prior consent of the Depositary, which may be given only on such conditions as appear appropriate to the Depositary to ensure that the borrowing does not cease to be on a temporary basis.
- c) The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property of the Fund.
- d) These borrowing restrictions do not apply to "back-to-back" borrowing to be used as cover for transactions in derivatives and forward transactions.

## **24 RESTRICTIONS ON LENDING OF MONEY**

- a) None of the money which is Scheme Property of a Fund may be lent and, for the purposes of this

paragraph, money is lent by a Fund if it is paid to a person (**Payee**) on the basis that it should be repaid, whether or not by the Payee.

- b) Acquiring a debenture is not lending for the purposes of paragraph 23.a), nor is the placing of money on deposit or in a current account.
- c) Nothing in this paragraph prevents the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

## **25 RESTRICTIONS ON LENDING OF PROPERTY OTHER THAN MONEY**

- a) Scheme property of the Funds other than money must not be lent by way of deposit or otherwise.
- b) Transactions permitted by paragraph 22 (Stock Lending) are not to be regarded as lending for the purposes of paragraph 24a).
- c) The Scheme Property of the Funds must not be mortgaged.
- d) Where transactions in derivatives or forward transactions are used for the account of a Fund in accordance with COLL 5, nothing in this paragraph prevents a Fund or the Depositary at the request of the Fund: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or 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.

## **26 COLLATERAL MANAGEMENT POLICY**

- a) The ACD has a collateral management policy which it keeps under regular review. The policy defines “eligible” types of collateral which the Funds may receive to mitigate counterparty exposure. The policy will also include any additional restrictions deemed appropriate by the ACD. Collateral will generally be of high quality and liquid (i.e. cash and government securities). If this were to change the policy will be revised and updated.
- b) The ACD will determine the collateral acceptable according to its counterparty risk policy and the value of which varies dependent on agreements in place. The ACD requests the collateral value which as a minimum requirement, will fully cover (100%) of the nominal value invested. Collateral may be subject to a haircut depending on the classes of assets received. The haircut policy depends on quality of assets received, their price volatility, together with the outcome of any stress tests performed under normal and exceptional liquidity conditions. When cash collateral is reinvested, it will be diversified in accordance with the requirements of ESMA’s Guidelines on ETFs and other UCITS issues (ESMA/2012/832EN). Where a Fund re-invests cash collateral in one or more permitted types of investment, there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested.

## ANNEXURE 2

### FUND INFORMATION

This Annexure sets out, for each Fund, its Investment Objectives and Policy, Annual Accounting Date and Interim Accounting Dates, and the Initial Charge and Annual Management Charges. The **Initial Charge** is the percentage of the price of a share which is added to the amount payable by an investor when buying a share.

#### **TM CRUX European Growth Fund**

**Please note that this Fund is no longer available for investment.**

**FCA PRN: 633409**

The investment objective of the Fund is to achieve capital growth primarily from a portfolio of European investments, excluding United Kingdom, with no sector bias.

#### **Investment Policy**

In seeking to achieve the Fund's objective, the portfolio will be invested primarily in transferable securities and will be structured by employing a strict cash flow based valuation criteria, focusing on the medium to long term horizon. The portfolio will be concentrated, typically consisting of between 40 to 65 holdings and may at any time include small and mid-cap holdings which fit the above criteria. Due to the concentration the structure of the portfolio of the Fund may differ materially from the benchmark index.

The Fund may also invest in money market instruments, deposits, warrants, units in collective investment schemes and derivatives.

**Derivatives and forward transactions may be used by the Fund for investment purposes.**

*Further information on what is meant by a "strict cash flow based valuation criteria" can be obtained by telephoning the ACD on 0345 113 6965.*

|                                       |       |                                |                         |
|---------------------------------------|-------|--------------------------------|-------------------------|
| Initial Charge for A Shares           | 4.5%  | Annual Accounting Date         | 30 September            |
|                                       |       | Interim Accounting Date        | 31 March                |
| Annual Management Charge For A Shares | 1.5%  | Class of A Shares              | Income and Accumulation |
| Initial Charge for B Shares           | 0 %   | Class of B Shares              | Income and Accumulation |
|                                       |       | Annual Income Allocation Date  | 30 November             |
| Annual Management Charge For B Shares | 0.75% | Annual XD Date                 | 1 October               |
|                                       |       | Interim Income Allocation Date | 31 May                  |
|                                       |       | Interim XD Date                | 1 April                 |

**Benchmark Index:** FTSE World Europe (Excluding UK) Index. This Fund is marketable to institutional and retail investors but is not currently open to further investment.



## **TM CRUX Global Fund**

FCA PRN: 633404

### **Please note that this Fund is no longer available for investment.**

The investment objective of the Fund is to achieve long-term capital growth, which should be seen as five years plus, through both capital appreciation and income generation.

**There is no guarantee that the Fund will achieve a positive return over this, or any other, period and investors may not get back the original amount they invested.**

### **Investment Policy**

In seeking to achieve the Fund's objective, the portfolio will consist predominantly (75% or greater) of listed companies in high-income economies (as defined by the World Bank from time to time). The investments will be ordinary shares and other transferable securities including, but not limited to, preference shares and debt securities convertible into ordinary stocks and shares. The Fund may also invest in cash, money market instruments, deposits, warrants, units in other collective investment schemes and derivatives.

The Fund will typically consist of between 25-50 holdings and may also invest in companies which are not listed in high-income economies if the investment manager believes that they should be beneficial for the Fund.

Investors' attention is drawn to the detailed risk warnings in this Prospectus.

The Fund will be managed in a manner that maintains eligibility for ISAs.

**The use of derivatives is permitted by the Fund for efficient portfolio management purposes (including hedging) and for investment purposes, although it is not anticipated that the Fund will use this power to enter into derivatives at present. In the event that the Fund intends to make use of derivatives for either investment or efficient portfolio management purposes shareholders will be given 60 days' notice.**

**Derivatives and forward transactions may be used by the Fund for investment purposes.**

|                                       |       |                                |                         |
|---------------------------------------|-------|--------------------------------|-------------------------|
| Initial Charge for A Shares           | 4.5%  | Annual Accounting Date         | 30 September            |
|                                       |       | Interim Accounting Date        | 31 March                |
| Annual Management Charge for A Shares | 1.5%  | Class of A Shares              | Income and Accumulation |
|                                       |       | Class of B Shares              | Income                  |
| Initial Charge for B Shares           | 0%    | Annual Income Allocation Date  | 30 November             |
|                                       |       | Annual XD Date                 | 1 October               |
| Annual Management Charge for B Shares | 0.75% | Interim Income Allocation Date | 31 May                  |
|                                       |       | Interim XD Date                | 1 April                 |

This Fund is marketable to institutional and retail investors.

## **TM CRUX UK Core Fund**

**FCA PRN: 633405**

The investment objective of the Fund is to achieve long-term growth, which should be seen as five years plus, through both capital appreciation and income generation.

**There is no guarantee that the Fund will achieve a positive return over this, or any other, period and investors may not get back the original amount they invested.**

### **Investment Policy**

In seeking to achieve the Fund's objective, the portfolio will consist predominantly (75% or greater) of companies listed on a UK equities exchange which are incorporated or domiciled in the UK. The investments will be ordinary shares and other transferable securities including, but not limited to, preference shares and debt securities convertible into ordinary stocks and shares. The Fund may also invest in cash, money market instruments, deposits, warrants, units in other collective investment schemes and derivatives.

The Fund will typically consist of between 20 and 40 holdings and may also invest in companies which are not listed, incorporated or domiciled in the UK if the investment manager believes that they should be beneficial for the Fund.

Investors' attention is drawn to the detailed risk warnings in this Prospectus.

The Fund will be managed in a manner that maintains eligibility for ISAs.

**The use of derivatives is permitted by the Fund for efficient portfolio management purposes (including hedging) and for investment purposes, although it is not anticipated that the Fund will use this power to enter into derivatives at present. In the event that the Fund intends to make use of derivatives for either investment or efficient portfolio management purposes shareholders will be given 60 days' notice.**

**Derivatives and forward transactions may be used by the Fund for investment purposes.**

|                                       |       |                                |                         |
|---------------------------------------|-------|--------------------------------|-------------------------|
| Initial Charge for A Shares           | 0.00% | Annual Accounting Date         | 30 September            |
|                                       |       | Interim Accounting Date        | 31 March                |
| Annual Management Charge for A Shares | 0.60% | Class of A Shares              | Income and Accumulation |
|                                       |       | Class of B Shares              | Income and Accumulation |
| Initial Charge for B Shares           | 0%    | Annual Income Allocation Date  | 30 November             |
|                                       |       | Annual XD Date                 | 1 October               |
| Annual Management Charge for B Shares | 0.50% | Interim Income Allocation Date | 31 May                  |
|                                       |       | Interim XD Date                | 1 April                 |

### **Performance Comparator**

The Fund uses the Investment Association UK All Companies Sector for performance comparison purposes only.

The Performance Comparator was chosen because as an actively managed fund the Investment Association UK All Companies Sector provides a balanced view of the performance of the TM CRUX UK Core Fund in terms of a wider group of available funds with a similar geographical investment universe.

The Performance Comparator is used to compare the Fund's rank or quartile as compared to the performance of other funds in the Investment Association UK All Companies Sector over a variety of time frames.

The ACD reserves the right to change the comparator following consultation with the Depositary and in accordance with the rules of COLL. A change could arise, for example, where the ACD determines that an alternative may be more appropriate. Shareholders will be notified of such a change in accordance with the rules in COLL.

This Fund is marketable to institutional and retail investors.

### **Investor Profile**

In accordance with the UK UCITS regime, this Prospectus sets out below a description of the profile of the typical investor for whom each Fund has been designed. Please note however that this description is not the ACD's assessment of the target market for the Funds for the purposes of the EU's Product Governance regime which may be obtained separately by distributors and other intermediaries from the ACD.

The Funds are marketable to all eligible investors who can satisfy the minimum subscription amounts. A Shares are marketable to retail investors and B Shares to institutional investors. The Funds may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. They may be suitable for investors wishing to achieve defined investment objectives.

Investors and potential investors should note that neither the description of the typical investor profile as set out above nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of any shares in any of the Funds. Neither the Company, the ACD nor the Investment Manager makes any statement or representation in relation to the suitability, appropriateness or otherwise of any transaction in shares in any of the Funds.

## ANNEXURE 3

### ELIGIBLE SECURITIES AND DERIVATIVES MARKETS

#### 1. Eligible Securities Markets

Generally, the Funds will invest in approved securities which are transferable securities admitted to official listing in the UK or an EEA State, or are traded on eligible securities markets, or are recently issued transferable securities which are to be so listed or traded.

**Eligible securities markets are:**

- regulated markets in the United Kingdom, Irish Republic, France, Germany, Luxembourg, Netherlands, Belgium, Denmark, Italy, Spain, Portugal, Greece, Austria, Finland, Iceland, Norway, Sweden, Czech Republic, Slovakia, Hungary, Slovenia, Latvia, Lithuania, Estonia, Poland, Cyprus, Malta, Bulgaria, Liechtenstein and Romania on which transferable securities admitted to official listing are traded; and
- in addition further markets may be invested in if the ACD, after consultation with and notification to the Depositary, decides that they are appropriate for the purpose of investment of or dealing in the property of a Fund having regard to the relevant criteria in the FCA Rules. Such markets must operate regularly, be regulated, be recognised by an overseas regulator, be adequately liquid and be open to the public. As at the date of this Prospectus the markets for each Fund that fall within this category are set out in the table on the next page.

#### 2. Eligible Derivatives Markets

Some Funds may also carry out transactions on eligible derivatives markets. As at the date of this Prospectus the markets for each Fund that fall within this category are set out in the table on the next page.

**ELIGIBLE SECURITIES MARKETS**

**Please note that TM CRUX Global Fund and TM CRUX European Growth Fund are no longer available for investment.**

|             |                                   | <b>TM CRUX UK Core Fund</b> |
|-------------|-----------------------------------|-----------------------------|
| Switzerland | The SIX Swiss Exchange            | YES                         |
| USA         |                                   |                             |
|             | Chicago Board Options Exchange    | YES                         |
|             | Chicago Stock Exchange            | YES                         |
|             | International Securities Exchange | YES                         |
|             | NASDAQ                            | YES                         |
|             | National Stock Exchange           | YES                         |
|             | New York Mercantile Exchange      | YES                         |
|             | New York Stock Exchange           | YES                         |
|             | NYSE Euronext                     | YES                         |
|             | OTC Bulletin Board                | YES                         |
|             | NASDAQ OMX PHLX                   | YES                         |

## ANNEXURE 4

### PAST PERFORMANCE

The below comparisons are the historical performance of the Income Funds covered by the Prospectus. The performance information is over a five year period for total annual return up to 31 December in each year listed.

#### **TM CRUX UK CORE FUND**

| <b>Name of Share Class</b> | <b>2017<br/>(%)</b> | <b>2018<br/>(%)</b> | <b>2019<br/>(%)</b> | <b>2020<br/>(%)</b> | <b>2021<br/>(%)</b> |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Class A Income             | 7.29                | -7.12               | 21.93               | -10.17              | 14.99               |
| Class A Accumulation       | 7.28                | -7.67               | 21.94               | -10.11              | 14.99               |
| Class B Income             | 8.09                | -6.08               | 22.85               | -10.09              | 15.11               |
| Class B Accumulation       | 8.09                | -6.97               | 22.85               | -10.02              | 15.11               |

*Source: Morningstar Direct*

Performance information is net of charges (subscription and redemption fees) but does not include the effect of any preliminary (initial) charge that may be paid on the purchase of an investment.

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

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

**The prices of shares, and the income from them, can go down as well as up as a result of changes in the value of the underlying securities and currency movements. An investor may not get back the amount originally invested.**

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

## ANNEXURE 5

### SUB CUSTODIANS

The Depository has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to:

State Street Bank and Trust Company with registered office at State Street Financial Center, One Lincoln Street Boston, Massachusetts 02111, USA, with an office at 20 Churchill Place, Canary Wharf, London E14 5HJ, UK, whom it has appointed as its global sub-custodian.

As at the date of this prospectus State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below, where applicable as regards the Eligible Markets listed in in Annexure 3.

| <b>MARKET</b>                               | <b>SUBCUSTODIAN</b>   |
|---|---|
| <b>Albania</b>                              | Raiffeisen Bank sh.a.   |
| <b>Argentina</b>                            | Citibank, N.A., Buenos Aires  |
| <b>Australia</b>                            | The Hongkong and Shanghai Banking Corporation Limited   |
| <b>Austria</b>                              | UniCredit Bank Austria AG   |
| <b>Bahrain</b>                              | HSBC Bank Middle East Limited<br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)     |
| <b>Bangladesh</b>                           | Standard Chartered Bank   |
| <b>Belgium</b>                              | BNP Paribas   |
| <b>Benin</b>                                | via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast  |
| <b>Bermuda</b>                              | HSBC Bank Bermuda Limited   |
| <b>Federation of Bosnia and Herzegovina</b> | UniCredit Bank d.d.   |
| <b>Botswana</b>                             | Standard Chartered Bank Botswana Limited  |
| <b>Brazil</b>                               | Citibank, N.A.  |
| <b>Bulgaria</b>                             | Citibank Europe plc, Bulgaria Branch  |
|   | UniCredit Bulbank AD  |
| <b>Burkina Faso</b>                         | via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast  |
| <b>Canada</b>                               | State Street Trust Company Canada   |
| <b>Chile</b>                                | Banco Itaú Chile S.A.   |
| <b>People's Republic of China</b>           | HSBC Bank (China) Company Limited<br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited) |
|   | China Construction Bank Corporation<br>(for A-share market only)  |
|   | Standard Chartered Bank (Hong Kong) Limited<br>(for Shanghai – Hong Kong Stock Connect market)              |
| <b>Colombia</b>                             | Cititrust Colombia S.A. Sociedad Fiduciaria   |
| <b>Costa Rica</b>                           | Banco BCT S.A.  |

| <b>MARKET</b>              | <b>SUBCUSTODIAN</b>   |
|----------------------------|---|
| <b>Croatia</b>             | Privredna Banka Zagreb d.d.   |
|                            | Zagrebacka Banka d.d.   |
| <b>Cyprus</b>              | Via BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch) |
| <b>Czech Republic</b>      | Československá obchodní banka, a.s.   |
|                            | UniCredit Bank Czech Republic and Slovakia, a.s.  |
| <b>Denmark</b>             | Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch) |
| <b>Egypt</b>               | Citibank, N.A. Egypt  |
| <b>Estonia</b>             | AS SEB Pank   |
| <b>Eswatini</b>            | Standard Bank Eswatini Limited  |
| <b>Euroclear</b>           | Euroclear Bank  |
| <b>Clearstream</b>         | Clearstream Banking Luxembourg  |
| <b>Finland</b>             | Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)   |
| <b>France</b>              | BNP Paribas; via Intesa Sanpaolo S.p.A., Milan  |
| <b>Republic of Georgia</b> | JSC Bank of Georgia   |
| <b>Germany</b>             | State Street Bank GmbH  |
|                            | Deutsche Bank AG  |
| <b>Ghana</b>               | Standard Chartered Bank Ghana Limited   |
| <b>Greece</b>              | BNP Paribas Securities Services, S.C.A.   |
| <b>Guinea-Bissau</b>       | via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast                      |
| <b>Hong Kong</b>           | Hong Kong and Shanghai Banking Corporation Limited (HSBC)                                 |
| <b>Hungary</b>             | Citibank Europe plc Magyarországi Fióktelepe  |
|                            | UniCredit Bank Hungary Zrt.   |
| <b>Iceland</b>             | Landsbankinn hf.  |
| <b>India</b>               | Deutsche Bank AG  |
|                            | Citibank, N.A., Mumbai  |
|                            | The Hongkong and Shanghai Banking Corporation Limited                                     |
| <b>Indonesia</b>           | Standard Chartered Bank, Indonesia Branch   |
| <b>Ireland</b>             | Via Euroclear Bank, Brussels  |
| <b>Israel</b>              | Bank Hapoalim B.M.  |
| <b>Italy</b>               | Intesa Sanpaolo S.p.A.  |
| <b>Ivory Coast</b>         | Standard Chartered Bank Côte d'Ivoire S.A.  |
| <b>Japan</b>               | Mizuho Bank, Limited  |
|                            | The Hongkong and Shanghai Banking Corporation Limited                                     |
| <b>Jordan</b>              | Standard Chartered Bank   |



| <b>MARKET</b>            | <b>SUBCUSTODIAN</b>  |
|--------------------------|--|
| <b>Kazakhstan</b>        | JSC Citibank Kazakhstan  |
| <b>Kenya</b>             | Standard Chartered Bank Kenya Limited  |
| <b>Republic of Korea</b> | The Hongkong and Shanghai Banking Corporation Limited  |
| <b>Kuwait</b>            | HSBC Bank Middle East Limited<br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)  |
| <b>Latvia</b>            | AS SEB banka   |
| <b>Lithuania</b>         | AB SEB bankas  |
| <b>Luxembourg</b>        | Clearstream Banking S.A., Luxembourg   |
| <b>Malawi</b>            | Standard Bank Limited  |
| <b>Malaysia</b>          | Standard Chartered Bank Malaysia Berhad  |
| <b>Mali</b>              | via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast   |
| <b>Mauritius</b>         | The Hongkong and Shanghai Banking Corporation Limited  |
| <b>Mexico</b>            | Banco Nacional de México, S.A.   |
| <b>Morocco</b>           | Citibank Maghreb   |
| <b>Namibia</b>           | Standard Bank Namibia Limited  |
| <b>Netherlands</b>       | BNP Paribas Securities Services, Paris (operating through the Paris office with support from its Amsterdam branch) ; via Intesa Sanpaolo S.p.A., Milan |
| <b>New Zealand</b>       | The Hongkong and Shanghai Banking Corporation Limited  |
| <b>Niger</b>             | via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast   |
| <b>Nigeria</b>           | Stanbic IBTC Bank Plc.   |
| <b>Norway</b>            | Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)  |
| <b>Oman</b>              | HSBC Bank Oman S.A.O.G.<br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)  |
| <b>Pakistan</b>          | Deutsche Bank AG   |
|                          | Citibank N.A   |
| <b>Panama</b>            | Citibank N.A   |
| <b>Peru</b>              | Citibank del Perú, S.A.  |
| <b>Philippines</b>       | Standard Chartered Bank  |
| <b>Poland</b>            | Bank Handlowy w Warszawie S.A.   |
| <b>Portugal</b>          | Via Citibank Europe Plc, Dublin  |
| <b>Qatar</b>             | HSBC Bank Middle East Limited<br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)  |
| <b>Romania</b>           | Citibank Europe plc, Dublin – Romania Branch   |
| <b>Russia</b>            | AO Citibank  |
| <b>Saudi Arabia</b>      | HSBC Saudi Arabia Limited<br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)  |
| <b>Senegal</b>           | via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast   |
| <b>Serbia</b>            | UniCredit Bank Serbia JSC  |

| <b>MARKET</b>  | <b>SUBCUSTODIAN</b>   |
|--|---|
| <b>Singapore</b>   | Citibank N.A.   |
| <b>Slovak Republic</b>   | UniCredit Bank Czech Republic and Slovakia, a.s.  |
| <b>Slovenia</b>  | UniCredit Banka Slovenija d.d.  |
| <b>South Africa</b>  | FirstRand Bank Limited  |
|  | Standard Chartered Bank Johannesburg Branch   |
| <b>Spain</b>   | Citibank Europe Plc., Dublin  |
| <b>Sri Lanka</b>   | The Hongkong and Shanghai Banking Corporation Limited   |
| <b>Republic of Srpska</b>  | UniCredit Bank d.d.   |
| <b>Sweden</b>  | Skandinaviska Enskilda Banken AB (publ)   |
| <b>Switzerland</b>   | Credit Suisse AG  |
|  | UBS Switzerland AG  |
| <b>Taiwan - R.O.C.</b>   | Standard Chartered Bank (Taiwan) Limited  |
| <b>Tanzania</b>  | Standard Chartered Bank (Tanzania) Limited  |
| <b>Thailand</b>  | Standard Chartered Bank (Thai) Public Company Limited   |
| <b>Togo</b>  | via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast                                    |
| <b>Tunisia</b>   | Union Internationale de Banques   |
| <b>Turkey</b>  | Citibank, A.Ş.  |
| <b>Uganda</b>  | Standard Chartered Bank Uganda Limited  |
| <b>Ukraine</b>   | JSC Citibank  |
| <b>United Arab Emirates<br/>Dubai Financial Market</b>               | HSBC Bank Middle East Limited<br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited) |
| <b>United Arab Emirates<br/>Dubai International Financial Center</b> | HSBC Bank Middle East Limited<br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited) |
| <b>United Arab Emirates<br/>Abu Dhabi</b>                            | HSBC Bank Middle East Limited<br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited) |
| <b>United Kingdom</b>  | State Street Bank and Trust Company, United Kingdom Branch  |
| <b>United States</b>   | State Street Bank and Trust Company, Boston   |
| <b>Uruguay</b>   | Banco Itaú Uruguay S.A.   |
| <b>Vietnam</b>   | HSBC Bank (Vietnam) Limited<br>(as delegate of The Hongkong and Shanghai Banking Corporation Limited)   |
| <b>Zambia</b>  | Standard Chartered Bank Zambia Plc.   |
| <b>Zimbabwe</b>  | Stanbic Bank Zimbabwe Limited<br>(as delegate of Standard Bank of South Africa Limited)                 |

## ANNEXURE 6

### COLLECTIVE INVESTMENT SCHEMES MANAGED BY THE ACD

#### Authorised Investment Companies with Variable Capital

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

#### Authorised Unit Trusts

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

**Authorised Investment Companies with Variable Capital**

TM Lime Fund  
TM Neuberger Berman Investment Funds  
TM Oak Fund  
TM Optimal Funds  
TM P1 Investment Funds  
TM Ruffer Portfolio  
TM Redwheel Funds  
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

**Authorised Unit Trusts**