

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

Maitland Institutional Services Ltd, the Manager of the Scheme, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. Maitland Institutional Services Ltd accepts responsibility accordingly.

**PROSPECTUS**  
**OF**  
**THE MI DISCRETIONARY UNIT FUND**

This document constitutes the Prospectus for The MI Discretionary Unit Fund which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at 7 August 2019.

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

## INTRODUCTION

This document constitutes the Prospectus for The MI Discretionary Unit Fund (“the Scheme”) (an authorised unit trust) which has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook (“COLL Sourcebook”) which forms part of the Specialist Sourcebooks of the FCA Handbook of Rules and Guidance (“the Regulations”) and complies with the requirements of 4.2.5 of the COLL Sourcebook. A copy has been delivered to Northern Trust Global Services SE (UK Branch) (“the Trustee”) and to the Financial Conduct Authority (“FCA”).

Maitland Institutional Services Ltd, the manager of the Scheme (“Manager”), is the person responsible for the information contained in this Prospectus. The Manager has taken all reasonable care to ensure that the information contained in this document is accurate as at the date of issue. Existing and intending holders should note that nothing contained herein can be relied upon as giving a binding indication of future policies to be adopted either in respect of the Scheme or the management and administration thereof. The Scheme is authorised by the FCA (effective 29 April 1988) under the Financial Services and Markets Act 2000 (“the Act”) as a UCITS scheme (as defined in the COLL Sourcebook).

The distribution of this Prospectus and the offering of units in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Scheme to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Units in the Scheme may not be offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia or offered or sold to US Persons as defined in rule 902 of regulation 5 of the United States Securities Act 1933.

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

This Prospectus is based on information, law and practice at the date hereof. Purchases must be made on the basis of the information contained in the most recently published Prospectus and supplementary documentation, including key investor information documents, supplementary information documents and the latest reports when issued, which are available from the registered office of the Manager. Investors should check with the Manager that this is the most recently published version of the Prospectus.

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

where other suitable evidence is available which in its sole judgement allows the Manager to cover its obligations under money-laundering legislation.

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

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

#### Overseas transfers

The Manager may transfer unitholders' personal information to countries located outside the European Economic Area (the "EEA").

This may happen when the Manager's servers, suppliers and/or service providers are based outside the EEA. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the EEA. In these instances the Manager will take steps to ensure that unitholders' privacy rights are respected. Details relevant to a unitholder may be provided upon request.

#### The Trustee

Except for the information about itself as Trustee for which the Trustee is responsible, the Trustee is not responsible for the information contained in this Prospectus and accordingly does not accept any responsibility for such information under the Regulations or otherwise

**Important: If you are in any doubt about the contents of this Prospectus you should consult your Financial Adviser.**

## MANAGEMENT AND ADMINISTRATION

### Regulatory Status

The Manager and the Investment Manager are authorised and regulated by the Financial Conduct Authority. The Trustee is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

With effect from 1 April 2016, the Manager changed its name from Phoenix Fund Services (UK) Ltd to Maitland Institutional Services Ltd. This does not affect the ongoing management of the Scheme.

### Manager

#### General

The Manager is Maitland Institutional Services Ltd which is a private company limited by shares incorporated in England and Wales on 18 May 2007.

The executive directors of the Manager are:-

R Ackermann

P J Foley-Brickley

No director is engaged in any significant business activity not connected with the business of the Manager or other Maitland Institutional Services subsidiaries.

<b>Registered Office:</b>	Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
<b>Principal Place of Business:</b>	Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY
<b>Share Capital:</b>	It has a share capital of £950,000 issued and paid up.
<b>Ultimate Holding Company:</b>	Maitland International Holdings PLC, a company incorporated in Malta.

The Manager is responsible for managing and administering the Scheme's affairs in compliance with the COLL Sourcebook. The Manager may delegate its management and administration functions, but not responsibility, to third parties, including associates subject to the rules in the COLL Sourcebook.

It has therefore delegated to the Investment Manager the function of managing and acting as the investment manager for the investment and reinvestment of the assets of the Scheme (as further explained below). The Manager has, in terms of a separate distribution agreement, delegated to the Investment Manager the responsibilities for distribution and marketing of the units (hereafter the "Distributor"), and pursuant to which the Distributor has the right to appoint sub-distributors upon terms acceptable to the Manager.

### Terms of Appointment

The appointment of the Manager has been made under the terms of a trust deed, as described below. A copy of the trust deed is available to investors and will be sent on request.

Pursuant to the trust deed, the Manager manages and administers the affairs of the Scheme in accordance with the Regulations, the Trust Deed of Incorporation and this Prospectus.

Subject to certain limited exceptions set out in the Regulations, the Manager may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the Manager are set out below.

The Manager is under no obligation to account to the Scheme for any profit it makes in connection with any business similar to, or in competition with, the Scheme.

The Manager is the manager of certain authorised unit trusts, open-ended investment companies and alternative investment funds, details of which are set out in Appendix 2.

### **The Trustee and Depositary**

#### General

The Trustee of the Scheme is Northern Trust Global Services SE (UK Branch), a UK branch of a European public limited liability company, registered on 1 March 2019 with registered number B232281. Northern Trust Global Services SE registered office is 6, Rue Lou Hemmer L - 1748 Senningerberg, Luxembourg and the Depositary's principal place of business is at 50 Bank Street, London E14 5NT, United Kingdom.

Northern Trust Global Services SE is authorised as a credit institution in Luxembourg under Chapter 1 of Part 1 of the Luxembourg law of 5 April 1993 on the financial sector. It is subject to supervision by the European Central Bank and the Luxembourg Commission de Surveillance du Secteur Financier and is regulated by the Financial Conduct Authority in the conduct of its Depositary activities.

The Trustee's ultimate holding company is Northern Trust Corporation, a company which is incorporated in the State of Delaware, United States of America, with its headquarters at 50 South La Salle Street, Chicago, Illinois.

#### Duties of the Depositary

The Depositary is responsible for the safekeeping of all the Scheme Property of the Scheme and has a duty to take reasonable care to ensure that the Scheme is managed in accordance with the Trust Deed and the provisions of the COLL Sourcebook relating to the pricing of, and dealing in, Units and relating to the income and the investment and borrowing powers of the Scheme. The Depositary is also responsible for monitoring the cash flows of the Scheme, and must ensure that certain processes carried out by the Manager are performed in accordance with the FCA Handbook, this Prospectus and the Trust Deed.

### Delegation of Safekeeping Functions

Subject to the Regulations, the Depositary has full power under the Depositary Agreement to delegate (and authorise its delegate to sub-delegate) any part of its safekeeping duties as Depositary.

It has delegated custody services to The Northern Trust Company, London Branch. The Custodian has sub-delegated custody services to sub-custodians in certain markets in which the Scheme may invest. A list of sub-custodians is given in Appendix 3. Investors should note that the list of sub-custodians is updated only at each Prospectus review. An updated list of sub-custodians is maintained by the Manager at [www.maitlandgroup.com/subcustodians](http://www.maitlandgroup.com/subcustodians).

### Updated Information

Up to date information regarding (i) the Depositary's name, (ii) the description of its duties and any conflicts of interest that may arise between the Scheme, the unitholders or the Manager and the Depositary, and (iii) the description of any safekeeping functions delegated by the Depositary, the description of any conflicts of interest that may arise from such delegation, and the list showing the identity of each delegate and sub-delegate, will be made available to unitholders on request.

### Terms of Appointment

The appointment of the Depositary has been made under an agreement between the Manager and the Depositary (the "Depositary Agreement"). The Depositary Agreement is terminable on receipt of six months' written notice given by either party. The Depositary may not retire voluntarily except on the appointment of a new depositary.

The Depositary Agreement contains provisions indemnifying the Depositary and limiting the liability of the Depositary in certain circumstances.

The Depositary and the Custodian will receive a fee from the Scheme Property of the funds as detailed under the heading "Trustees Fees" and in the Section "Valuation of Property, Charges and Distributions."

## **The Investment Manager**

### General

The Manager has appointed the Investment Manager, Thornbridge Investment Management LLP, to provide investment management services to the Manager. The Investment Manager is authorised and regulated by the Financial Conduct Authority.

The Investment Manager's registered office is at 13 Austin Friars, London EC2N 2HE.

The principal activity of the Investment Manager is the provision of investment management services.

### Terms of Appointment

The terms of the Investment Management Agreement between the Manager and the Investment Manager include the provision of investment management in accordance with the investment objectives of the Scheme, the purchase and sale of investments and on the exercise of voting rights relating to such investments. The Investment Manager has authority to make decisions on behalf of the Manager on a discretionary basis in respect of day-to-day investment management of the Scheme Property including authority to place purchase orders and sale orders with regulated dealers and preparation of the Investment Manager's report half-yearly for inclusion in the Scheme's Report for circulation to unitholders. The Agreement may be terminated by either party on not less than six months' written notice or earlier upon the happening of certain specified events, or immediately if the Manager considers that it is in the interests of the unitholders to do so.

The Investment Manager is entitled to a fee out of that paid to the Manager.

The Investment Manager will not be considered as a broker fund adviser under the FCA Handbook in relation to the Scheme.

### **The Registrar**

#### General

The Manager acts as registrar to the Scheme.

The registered office of the Registrar is Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY.

The register is kept and maintained at Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY.

#### Register of unitholders

The Register of unitholders will be maintained by the Registrar at the address of its office as noted above, and may be inspected at that address or the principal place of business of the Manager during normal business hours by any unitholder or any unitholder's duly authorised agent.

### **The Auditors**

The auditors of the Scheme are Grant Thornton UK LLP, whose address is 30 Finsbury Square, London EC2A 1AG.

## **CONSTITUTION AND OBJECTIVES OF THE SCHEME**

The name of the Scheme is The MI Discretionary Unit Fund. The Scheme was authorised on 8th August 1963 and is a UCITS Scheme with Product Reference Number 107048.

It was established by Trust Deed dated 8th August 1963 (as amended by Supplemental Deeds) (the "Trust Deed") and the duration of the Scheme is unlimited.

The base currency of the Scheme is pounds sterling.

Unitholders are not liable for the debts of the Scheme.

## **INVESTMENT OBJECTIVE**

The investment objective of the Scheme is to provide maximum appreciation with above average yield for a growth fund.

## **INVESTMENT POLICY**

It is envisaged that the Scheme will normally be fully invested subject to market considerations. The Scheme is to concentrate on smaller and medium sized UK companies. The policy does not envisage hedging either against price or currency fluctuations.

Smaller and medium sized companies display characteristics of lower liquidity and investors should therefore recognise that the Manager reserves the right to control the rate of investment of new monies. The consequence of this is that from time to time the Scheme may hold liquidity in the range of 0% – 10%.

## **PERFORMANCE ASSESSMENT**

The Scheme is not managed to or constrained by a benchmark, and nor does the Manager use a benchmark in order to assess performance. However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.

In order to assess the Scheme's performance, investors may find it useful to compare the Scheme against the performance of either or both of the IA UK Smaller Companies Sector, which serves as a method of comparing the Scheme's performance with other funds which have broadly similar characteristics.

Some independent data providers prepare and publish performance data on the funds in this sector and investors can use this to assess the Scheme's performance. This information can be found on the IA website or Morningstar website.

## INVESTMENT LIMITS

The Manager invests the property of the Scheme with the aim of achieving the investment objective and policy set out above subject to the limits on investment set out in the COLL Sourcebook. These limits are summarised below:

Generally the Scheme will invest in transferable securities which are “approved securities”. An approved security is a transferable security that is admitted to official listing in an EEA State or is traded on or under the rules of an eligible securities market.

### 1. Transferable Securities

- 1.1 A transferable security is an investment falling within article 76 (Shares etc.), article 77 (Instruments creating or acknowledging indebtedness), article 77A (an alternative debenture), article 78 (Government and public securities), article 79 (Instruments giving entitlement to investments) and article 80 (Certificates representing certain securities) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (the “Regulated Activities Order”).
- 1.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 1.3 In applying paragraph 1.1 above to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (Shares, etc.), 77 (Instruments creating or acknowledging indebtedness), or 77A (an alternative debenture) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored. 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.
- 1.4 The Scheme may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
  - 1.4.1 the potential loss which the Scheme may incur with respect to holding the transferable security is limited to the amount paid for it;
  - 1.4.2 its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying unitholder under the FCA Handbook;
  - 1.4.3 reliable valuation is available for it as follows:
    - 1.4.3.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

- 1.4.3.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;
- 1.4.4 appropriate information is available for it as follows:
  - 1.4.4.1 in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
  - 1.4.4.2 in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the Manager on the transferable security or, where relevant, on the portfolio of the transferable security;
- 1.4.5 it is negotiable; and
- 1.4.6 its risks are adequately captured by the risk management process of the Manager.
- 1.5 Unless there is information available to the Manager that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
  - 1.5.1 not to compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying unitholder; and
  - 1.5.2 to be negotiable.
- 1.6 **Closed end funds constituting transferable securities**
- 1.7 A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Scheme, provided it fulfils the criteria for transferable securities set out in paragraph 1.3 and either:
  - 1.7.1 where the closed end fund is constituted as an investment company or a unit trust:
    - 1.7.1.1 it is subject to corporate governance mechanisms applied to companies; and
    - 1.7.1.2 where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or
  - 1.7.2 Where the closed end fund is constituted under the law of contract:

1.7.2.1 it is subject to corporate governance mechanisms equivalent to those applied to companies; and

1.7.2.2 it is managed by a person who is subject to national regulation for the purpose of investor protection.

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

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

2.1.1 fulfils the criteria for transferable securities set out in 1.3 above; and

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

2.2 Where an investment in 2.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

## 3. **Transferable securities generally to be admitted or dealt in on an Eligible Market**

3.1 Transferable securities and approved money-market instruments held within the Scheme must be:

3.1.1 admitted to or dealt in on an eligible market as described in 4.3.1; or

3.1.2 dealt in on an eligible market as described in 4.3.2; or

3.1.3 admitted to or dealt in on an eligible market as described in 4.4; or

3.1.4 recently issued transferable securities provided that:

3.1.4.1 the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and

3.1.4.2 such admission is secured within a year of issue.

3.2 However, the Scheme may invest no more than 10% of its Property in transferable securities other than those referred to in 3.1.

## 4. **Eligible markets regime: purpose and requirements**

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

4.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in 3.2 above on investing in non-

approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

- 4.3 A market is eligible for the purposes of the rules if it is:
    - 4.3.1 a regulated market as defined in the FCA Handbook; or
    - 4.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.
  - 4.4 A market not falling within paragraph 4.3 above is eligible for the purposes of COLL 5 if:
    - 4.4.1 the Manager, after consultation with and notification to the Trustee, decides that market is appropriate for investment of, or dealing in, the property of the Scheme;
    - 4.4.2 the market is included in a list in the prospectus; and
    - 4.4.3 the Trustee has taken reasonable care to determine that:
      - 4.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
      - 4.4.3.2 all reasonable steps have been taken by the Manager in deciding whether that market is eligible.
  - 4.5 In paragraph 4.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of unitholders.
  - 4.6 The eligible securities markets for the Scheme are markets established in the United Kingdom, Guernsey and Jersey on which transferable securities admitted to official listing in their respective exchanges are dealt in or traded. Specifically the Manager and Trustee in consultation have decided that the AIM market is an eligible securities market.
5. The Manager's investment policy may mean that at times it is appropriate not to be fully invested but to hold cash or near cash. This will only occur when the Manager reasonably regards it as necessary to enable units to be redeemed or for the efficient management of the Scheme in accordance with its objectives or a purpose which may reasonably be regarded as ancillary to the investment objective of the Scheme.
  6. The Manager shall ensure that, taking into account the investment objectives and policy of the Scheme, the property of the Scheme aims to provide a prudent spread of risk. Particular requirements as to this spread of risk are set out below.
  7. No more than 5 per cent in value of the property of the Scheme may be invested in transferable securities (other than transferable securities and money market instruments

issued by a public body) issued by any one issuer. As an exception to this, up to 10 per cent in value of the property of the Scheme may be invested in such securities issued by the same issuer, if the value of all such holdings combined does not exceed 40 per cent of the value of the property of the Scheme (covered bonds need not be taken into account for the purposes of applying the limit of 40%).

8. Not more than 20% in value of the property of the Scheme may consist of transferable securities issued by the same group.
9. Up to 35 per cent of the property of the Scheme may be invested in transferable securities and money market instruments by any one issuer. Subject to this restriction, there is no limit on the securities issued by any one issuer or of any one issue.
10. The Scheme may not hold transferable securities (other than debt securities) which:
  - 10.1 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them, and
  - 10.2 represent more than 10 per cent of those securities issued by that body corporate.
11. The Scheme must not hold more than 10 per cent of the debt securities issued by any single issuing body.
12. The Manager must not acquire or cause to be acquired for the Scheme of which it is the Manager 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:
  - 12.1 immediately before the acquisition, the aggregate of any such securities held for the Scheme taken together with any such securities already held for other authorised unit trusts of which it is also the Manager, gives the Manager power significantly to influence the conduct of business of that body corporate; or
  - 12.2 the acquisition gives the Manager that power.
13. For the purposes of this paragraph the Manager 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 for all of the authorised units trusts of which it is the Manager, 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).
14. Up to 5 per cent in value of the property of the Scheme may consist of warrants. See also paragraph 16 below.
15. 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 Scheme at any time when the payment is required without contravening the Regulations.

16. No investment in other collective investment schemes will be made and warrants will only be held if there is an investment in the underlying company.
17. A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Scheme if the consent of the Trustee is obtained in writing but, in the event of a consequent breach, the Manager must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of unitholders.
18. The Scheme will not have an interest in any immovable property or tangible moveable property.
19. **Borrowing, Hedging and Efficient Portfolio Management**
- 19.1 The Trustee may, on the instructions of the Manager and subject to the Regulations, borrow money from an “eligible institution” or an “approved bank” (each as defined in the Glossary to the FCA Handbook of Rules and Guidance (“the Glossary”) for the use of the Scheme on terms that the borrowing is to be repayable out of the property of the Scheme.
- 19.2 No sum shall be borrowed or hedging transaction entered into if, at the date it is proposed to borrow the sum, that sum, together with all other sums borrowed and not repaid, would, if they became immediately repayable, require more than 10% of the property to be utilized. The period of borrowing shall not exceed 3 months without the prior consent of the Trustee.
- 19.3 No transactions will be entered into for the purposes of efficient portfolio management or stocklending.
20. **Stock Lending**
- 20.1 As an extension of efficient portfolio management techniques explained above, the Scheme or the Depositary for the account of the Scheme may enter into certain stock lending arrangements. Under such arrangements the Scheme or the Depositary transfers securities to a third party otherwise than by way of sale and it is agreed that those securities or securities of the same type and amount should be redelivered to the Scheme or the Depositary at a later date. The Scheme or the Depositary at the time of delivery receives collateral to cover against the risk of the future redelivery not being completed.
- 20.2 There is no limit on the value of the property of the Scheme which may be the subject of stock lending arrangements.

### **Typical Investor Profile**

The Scheme may be suitable for you if you consider collective investment schemes to be a convenient way of participating in investment markets and wish to seek to achieve defined investment objectives. You should have experience with or understand investments which place

capital at risk, and must be able to accept losses. The Scheme may be suitable for you if you can set aside your capital for at least five years. If you are uncertain about whether this product is suitable for you, please contact a professional adviser.

## **ACCOUNTING DATES**

The accounting reference date is 30th April with an interim accounting period to 31st October.

## WHAT HAS BEEN THE PERFORMANCE?

The table set out below shows performance over the past five years, data Source Financial Express. The data relates to accumulation shares, on a bid-to-bid basis.

Please remember that past performance cannot be a guide to the future performance of the Scheme. The value of units and the income from them can fall as well as rise and investors may not get back the full amount originally invested. The impact of the preliminary charge can be material on the performance of your investment.

	Year to 31/12/14	Year to 31/12/15	Year to 31/12/16	Year to 31/12/17	Year to 31/12/18
The MI Discretionary Unit Fund Accumulation Units	-3.0	17.8	20.3	23.9	-6.5

12 Months Total Return % (Bid-to-Bid)

### MiFiD II

MiFiD II is the legislative framework instituted by the European Union to regulated financial markets and improve protections for investors.

#### Target Market for MiFiD II:

Type of clients: retail, professional clients and eligible counterparties (subject to the applicable legal and regulatory requirements in the relevant jurisdiction).

Clients' knowledge and experience: investors with at least basic knowledge and experience of funds which are to be managed in accordance with a specific investment objective and policy.

Clients' financial situation with a focus on ability to bear losses: Investors must be prepared to accept fluctuations in the value of capital including capital loss and accept the risks of investing in equity markets, including having the ability to bear 100% capital loss.

Clients' risk tolerance and compatibility of risk/reward profile of the product with the target market: due to the volatility of markets and specific risks of investing in shares in a fund (including those set out in the risk warnings in this Prospectus), investors should have a high risk tolerance. They should be willing to accept price fluctuations in exchange for the opportunity of higher returns.

Clients' objectives and needs: investors should be seeking to invest for the medium to long term who wish to gain access to a portfolio managed in accordance with the specific investment objective and policy of the Scheme.

Clients' who should not invest: shares in the Scheme is deemed incompatible for investors which:

are looking for full capital protection or full repayment of the amount invested and clients who want a guaranteed return (whether income or capital)

are fully risk averse/have no risk tolerance

need a fully guaranteed income of fully predictable return profile

Distribution channel: This product is eligible for all distribution channels (e.g. investment advice, portfolio management, non-advised sales and pure execution services).

**Best Execution:**

The Manager's order execution policy sets out the factors which the Manager expects the Investment Manager to consider when effecting transactions and placing orders in relation to the Scheme. This policy has been developed in accordance with the Manager's obligations under the Regulations to obtain the best possible result for the Scheme. Details of the order execution policy are available on the Manager's website at [www.maitlandgroup.com](http://www.maitlandgroup.com)

## **CHARACTERISTICS OF UNITS IN THE SCHEME**

### **Types of units**

The Trust Deed permits the issue of both accumulation and income units. Currently income and accumulation units are available. An income unit represents one undivided share in the property of the Scheme and an accumulation unit represents an increasing number of undivided shares in the property of the Scheme. Each undivided share ranks *pari passu* with the other undivided shares in the Scheme. Unitholders are entitled to participate in the property of the Scheme and the income from that property in proportion to the number of undivided shares in the Scheme represented by the units held by them.

A unitholder may convert his holding in either type by request to the Manager.

### **Entitlement of units as to Income**

Allocations of income are made in respect of the income available for allocation in each accounting period. Each Income unit attracts income on the basis of its respective share of property and this is distributed to unitholders at the distribution dates.

Each Accumulation unit attracts income on the basis of its respective share of property and this becomes part of the capital property of the Scheme at the accounting dates and is reflected in the price of the unit.

If a distribution remains unclaimed for a period of six years after it has become due it will be forfeited and will revert to the capital property of the Scheme.

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the Scheme in respect of that period, and

deducting the aggregate of the Manager's and Trustee's remuneration and other payments properly paid or payable out of the income account in respect of that accounting period and adding the Manager's best estimate of any relief from tax on that remuneration and those other payments. The Manager then makes such other adjustments as it considers appropriate (and after consulting the auditors as appropriate) in relation to taxation, the proportion of the prices received or paid for units that is related to income (taking into account any provisions in the Trust Deed relating to income equalisation), potential income which is unlikely to be reduced until 12 months after the income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

In respect of the interim distribution, the Manager reserves the discretion to distribute any amount up to and including the maximum distributable amount.

### **Other Characteristics**

Title to units will be evidenced by entries in the register of unitholders. Bearer shares are not issued.

The nature of the right represented by units is that of beneficial interest under a trust.

### **Meeting of Holders and Voting Rights**

A meeting of unitholders duly convened and held may, by extraordinary resolution, require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the Regulations, but shall not have any other powers.

Unitholders will receive at least 14 days' written notice of any meeting of unitholders and are entitled to be counted in the quorum and vote at any such meeting either in person or by proxy or in the case of a body corporate by a duly authorised representative. The quorum for any a meeting is two unitholders, present in person or by proxy.

At any meeting of unitholders, on a show of hands every unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, shall have one vote. On a poll, the voting rights for each unit must be the proportion of the voting rights attached to all of the units in issue that the price of the unit bears to the aggregate price or price of all of the units in issue. For joint holders, the vote of the most senior unitholder who votes must be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority must be determined by the order in which the names stand in the register of unitholders. A unitholder 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. Except where an extraordinary resolution is specifically required or permitted, any resolution of unitholders will be passed by a simple majority of votes validly cast at a general meeting of unitholders. To be passed an extraordinary resolution must be carried by a majority of not less than 75 per cent of the votes cast at a meeting.

The Manager is only entitled to be counted in a quorum and vote at a meeting (and any adjournment thereof) in respect of units which it holds on or on behalf of or jointly with a person who, if himself the registered unitholder would be entitled to vote and from whom they have received voting instructions. Associates of the Manager are entitled to be counted in the quorum but are only entitled to vote in

respect of units held by them on behalf of or jointly with a person who if himself the registered holder would be entitled to vote and from whom they have received voting instructions.

If after a reasonable time from the time of the start of the meeting, a quorum is not present, the meeting, if convened at the request of unitholders, must be dissolved, and in any other case must stand adjourned to a time and day which is seven or more days later. If at an adjourned meeting a quorum is not present after a reasonable time from the time of the start of the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum.

Unless any unit in the Scheme is a participating security, in the context of despatch of notice, “unitholders” means the persons who were entered on the register as at a cut off date selected by the Manager which is a reasonable time before notices of the relevant meeting are sent out. Where any unit is a participating security a “unitholder” means a person entered on the register at the close of business on a day to be determined by the Manager which must not be more than 21 days before the notices of the meeting are sent out.

Unless any unit in the Scheme is a participating security, in the context of voting, “unitholders” means the persons who were entered on the register of holders at a time to be determined by the Manager and stated in the notice of meeting which must not be more than 48 hours before the time fixed for the meeting.

Where every unitholder at a general meeting is prohibited under COLL 4.4.8R of the COLL Sourcebook from voting, it shall not be necessary to convene a unitholder meeting but a resolution may, with the prior written agreement of the Trustee, be passed with the written consent of unitholders representing 50 per cent or more, or for an extraordinary resolution, 75 per cent or more, of the units in issue.

## **Investment Risks**

### **General**

The investments of the Scheme are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur.

The price of units and any income can fall as well as rise and the value of any unitholder’s investment may fall below the original cost of the investment.

The existence of the preliminary charge means that any unitholder disposing of his units within a short period of purchase may suffer loss.

There is no certainty that the investment objective of the Scheme will actually be achieved and no warranty or representation is given to this effect. The level of any yield for the Scheme may be subject to fluctuations and is not guaranteed.

**Market risk**

The Scheme will be diversified, however, the underlying investments of the Scheme will be subject to normal market fluctuations and to the risks inherent in investment in transferable securities.

The Scheme invests in equities which are inherently more volatile than cash investments.

The Scheme invests in a sector of the U.K. Stock market which is subject to greater volatility than the market as a whole.

The Scheme also invests in the Alternative Investment Market (AIM), which is subject to substantially greater volatility than the market as a whole.

**Liquidity**

In extreme market conditions it may be difficult for the Scheme to realise an investment at short notice without suffering a discount to market value. In such circumstances, the investor may suffer a delay in realising his investment.

Depending on the types of assets the Scheme invests in, there may be occasions where there is an increased risk that a position cannot be liquidated in a timely manner at a reasonable price.

**Tax**

Tax laws currently in place may change in the future which could affect the value of your investments.

**Inflation and interest rates**

The real value of any returns that a unitholder may receive from the Scheme could be affected by interest rates and inflation over time.

The units do not have any inherent inflation protection and their success or failure is dependent on the investment environment and any future changes in it.

**Custody**

Where the assets of the Scheme are held in custody, there may be a risk of loss that could result from the insolvency, negligence or fraudulent action of a custodian or sub-custodian.

**Suspension of Dealing in Shares**

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended.

**Liabilities of the Scheme**

As explained in paragraph 2.2.1 where, under the OEIC Regulations, the Scheme is a segregated portfolio of assets and those assets can only be used to meet the liabilities of, or claims against, the Scheme. Whilst the provisions of OEIC Regulations provide for segregated liability, 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 whether a foreign court would give effect to the segregated liability and cross investment provisions contained in the OEIC Regulations.

### **Counterparty and Settlement**

The Scheme will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement of debt.

#### **1.1 Derivatives and volatility**

The Investment Manager may employ derivatives solely for the purposes of hedging in accordance with Efficient Portfolio Management. For the purpose of clarity, the use of derivatives for this purpose should not lead to an increase in risk to the Scheme.

To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Scheme may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated.

#### **1.2 Derivative Techniques**

The COLL Sourcebook permits the Manager to use certain techniques when investing in derivatives in order to manage the Scheme's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure to over the counter ("OTC") derivatives; for example the Scheme may take collateral from counterparties with whom it has an OTC derivative position and use that collateral to net off against the exposure it has to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits the Scheme to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

#### **1.3 Counterparty and Settlement**

The Scheme will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. In particular, it should be noted that transactions may not always be settled by delivery versus payment and this may expose the Scheme to greater counterparty risk and potentially to loss in excess of the counterparty's obligations to the Scheme.

#### **1.4 Counterparty Risk in Over-the-Counter Markets**

The Scheme may enter into transactions in over-the-counter markets, which will expose the Scheme to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Scheme may enter into agreements or use other derivative techniques, each of which expose the Scheme to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Scheme could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Scheme seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a

possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to cover any losses incurred.

## **ISSUE & REDEMPTION OF UNITS IN THE SCHEME**

### **Dealing Times**

The Manager will be available to receive requests for the issue or redemption of units from 8.30am to 4.30pm on Mondays to Fridays (except Bank Holidays) for the Valuation Point at 10:00am on each business day. Requests for issues or redemption received before 10:00am on a particular dealing day will be dealt at the 10:00am Valuation Point. Requests received after 10:00am will be held over until the next following dealing day.

### **Procedure for Dealing**

The procedure for dealing in units will be to submit orders either by telephone 0345 305 4213, fax 0845 280 0109 or by post. A contract note will be issued in respect of purchases no later than the next business day following the relevant valuation point at which the purchase is effected. Payment for purchases of units is due immediately and should be made by return of post on receipt of the contract note. Certificates will not be issued on the issue of units. Ownership of units is evidenced by entry on the register of unitholders. Payment for redemption of units will be made by the Manager within four days of receipt of a stock transfer form or if required other correct documentation (i.e. in the case of an estate a certified copy of probate etc).

Where a unitholder requests a redemption of units representing not less than 5% of the value of the property of the Scheme, that unitholder may receive, in place of payment for the units in cash, scheme property which has either been chosen by the Manager by a notice of election on the unitholder or has been requested by the unitholder. This is known as in specie redemption.

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

The Manager may arrange for the Scheme to issue units in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Scheme's acquisition of those assets in exchange for the units concerned is not likely to result in any material prejudice to the interests of unitholders.

The Manager will ensure that the beneficial interest in the assets is transferred to the Scheme with effect from the issue of the units.

The Manager will not issue units in the Scheme in exchange for assets the holding of which would be inconsistent with the investment objective or policy of the Scheme.

### **In specie redemptions**

If a unitholder requests the redemption of Shares the Manager may, where it considers that deal to be substantial in relation to the total size of the Scheme or in some way detrimental to the Scheme, arrange for scheme property having the appropriate value to be transferred to the unitholder (an 'in specie transfer'), in place of payment for the Shares in cash. Before the redemption is effected, the Manager must give written notice to the unitholder of the intention to make an in specie transfer, so that the unitholder can require the net proceeds from the sale of the relevant scheme property (rather than the scheme property itself) if the unitholder so desires.

The Manager will select the property to be transferred in consultation with the Depositary. The Manager and Depositary must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the unitholder requesting the redemption than to the continuing unitholders.

At present, transfer of title by means of electronic communication is not accepted.

For postal applications payment in full must accompany the instruction. At the Manager's discretion, payment for large purchases of units may be made by telegraphic transfer.

The Manager, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue and any loss arising on such cancellation shall be the liability of the application.

### **Late Settlement Charge**

The Manager may charge £50 each time a trade is not fulfilled by the end of the business day on the settlement date. The Manager also reserves the right to apply interest charges at 4% above the Bank of England Base Rate on the value of any settlement not received by the end of the business day on the settlement date and thereafter. No interest will be paid on funds held prior to investment. Units that have not been paid for cannot be redeemed.

### **Minimum Holding and Dealing Sizes**

The minimum initial investment is £3,000. There is no minimum number of units on subsequent purchases and redemptions in any one transaction, providing a participant does not maintain a holding of less than 500 units in the case of investors prior to 1 December 2001 and £3,000 in the case of investors after 1 December 2001, other than at the discretion of the Manager.

### **Restrictions, Compulsory Transfer, Redemption and Conversion**

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

If it comes to the notice of the Manager that any units (“**affected units**”):

- (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 Scheme incurring any liability to taxation which the Scheme 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);
- (c) are held in any manner by virtue of which the unitholder or unitholders in question is/are not qualified to hold such units or if it reasonably believes this to be the case; or
- (d) are owned by a unitholder who is registered in a jurisdiction (where the Scheme is not registered or recognised by the relevant competent authority) whereby communication with that unitholder by the Manager, on behalf of the Scheme, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the Manager to prevent such a communication constituting a breach);

the Manager may give notice to the unitholder(s) of the affected units requiring the transfer of such units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such units in accordance with the COLL Sourcebook. If any unitholder upon whom such a notice is served does not within 30 days after the date of such notice transfer his affected units to a person qualified to own them or submit a written request for their redemption to the Manager or establish to the satisfaction of the Manager (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected units, 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 Manager) of all the affected units.

A unitholder who becomes aware that he is holding or owns affected units shall immediately, unless he has already received a notice as set out above, either transfer all his affected units to a person qualified to own them or submit a request in writing to the Manager for the redemption of all his affected units.

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

### **Suspension**

The Manager may, with the prior agreement of the Trustee, and must without delay if the Trustee so requires temporarily suspend the issue, cancellation, sale and redemption of units in the Scheme where due to exceptional circumstances it is in the interests of all the unitholders in the Scheme.

The Manager and the Trustee must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of unitholders.

The Manager will notify unitholders as soon as is practicable after the commencement of the suspension, including details of the exceptional circumstances which have led to the suspension, in a clear, fair and not misleading way and giving unitholders details of how to find further information about the suspension.

Where such suspension takes place, the Manager will publish details on its website or other general means, sufficient details to keep unitholders appropriately informed about the suspension, including, if known, its possible duration.

During the suspension none of the obligations in COLL 6.2 (Dealing) will apply but the Manager will comply with as much of COLL 6.3 (Valuation and Pricing) during the period of suspension as is practicable in light of the suspension.

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

The Manager may agree during the suspension to deal in units in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first valuation point (as referred to below) after the restart of dealings in units.

### **Publication**

The prices of all shares are published on [www.maitlandgroup.com](http://www.maitlandgroup.com). The prices of units may also be obtained by calling 0345 305 4213 during the Manager's normal business hours. The Manager may also, at its sole discretion, decide to publish certain unit prices in other third party websites or publications but the Manager does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the Manager. As the Manager deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal.

### **Large Deal**

For Income units this will be £30,000 or 5,000 units whichever is the higher value.

For Accumulation units this will be £30,000 or 2000 units whichever is the higher value.

For large deals (subject to the Regulations), the Manager may sell units at more than, or redeem units at less than, the published price. The Scheme is dual priced.

### **Pricing Basis for Issues and Redemptions**

Orders received will be dealt with on a forward pricing basis.

## **Electronic Verification**

Under The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act, The FCA Senior Management Arrangements Systems & Controls Sourcebook and the guidance in the Joint Money Laundering Steering Group Guidance Notes (which are updated from time to time), states that the Manager must check an applicant's identity and, in certain circumstances, the source of the money invested. The Manager may also request verification documents from the applicant or parties associated with the applicant. In some cases, documentation may be required for officers performing duties on behalf of applicants who are bodies corporate. The checks may include an electronic search of information held about the applicant (or an associated party) on the electoral role and using credit reference agencies. The credit reference agency may check the details the applicant (or an associated party) supplies against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although that is only to verify identity and will not affect the applicant's (or an associated party's) credit rating. They may also use the applicant's (or an associated party's) details in the future to assist other companies verification purposes. In applying for units an applicant is giving the Manager permission to ask for this information in line with the Data Protection Act 2018. If an applicant invests through a financial adviser they must fill an identity verification certificate on their behalf and send it to the Manager with the application.

## **VALUATION OF PROPERTY, CHARGES & DISTRIBUTIONS**

### **Valuation**

The valuation of property of the Scheme will occur on each business day at 10.00 a.m. The Scheme will be valued in accordance with the provisions set out in Appendix I.

The Manager reserves the right to make special valuations if the Manager considers it desirable to do so.

Valuations of the Scheme will take place on each dealing day at the valuation point for the purposes of determining prices of which units may be bought or sold to the Manager being calculated on an offer basis (for the purposes of calculating the issue price of a unit) or a bid basis (for the purposes of calculating the cancellation price of a unit) respectively. The price at which the Manager sells units (the offer price), may not exceed the issue price of units plus the Manager's initial charge. The price at which the Manager redeems units (the bid price) will not be less than the cancellation price (less any redemption charge and any SDRT provision). The bid price will not exceed the relevant issue price.

Large deals may be carried out at a higher offer price or a lower bid price than those published, provided these prices do not exceed the relevant maximum and minimum parameters set out in the paragraph above.

Where permitted and subject to the Regulations, the Manager may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

The Manager will, upon completion of each valuation, notify the Trustee of the issue price, the cancellation price, the maximum offer price and the minimum bid price of units.

### **Charges and Expenses**

The preliminary charge is 3% of the creation price.

The Manager is remunerated by way of a periodic charge of 1% per annum of the value of the property of the Scheme. It is calculated daily and accrues at each valuation point and is payable monthly.

A mid-market basis will also be used for the calculation of the Manager's and the Trustee's periodic fees.

Any increase of the preliminary or the periodic charge within the relevant maximum may be made only in accordance with the rules in COLL Sourcebook.

### **Trustee fees**

The Trustee receives for its own account a periodic fee which will be calculated and accrue daily and is payable monthly on the last business day in each calendar month in respect of that day and the period since the last business day in the preceding month and is payable as soon as practicable after the last business day in each month. The fee is calculated by reference to the value of the Scheme on the last business day of the preceding month. The rate of the periodic fee is agreed between the Manager and the Trustee and is calculated on a sliding scale for the Scheme on the following basis:

- 0.03% per annum for the first £100,000,000 in value of the Scheme Property;
- 0.02% per annum on the next £150,000,000 in value of the Scheme Property; and
- 0.01% per annum on the value thereafter.

The annual fee is subject to a minimum of £10,000 plus VAT per annum for the Scheme.

These rates can be varied from time to time in accordance with the COLL Sourcebook.

The first accrual in relation to the Scheme will take place in respect of the period beginning on the day on which the first valuation of the Scheme is made and ending on the last business day of the month in which that day falls.

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

Item	Range
Transaction Charges	£6 to £200

Custody Charges*	0.005% to 0.70%.
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\*Minimum £7,500 per annum.

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

Where relevant, the Trustee may make a charge for its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions, in relation to the Scheme and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the COLL Sourcebook.

The Trustee will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Trust Deed, the COLL Sourcebook or by the general law.

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

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

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

### **Allocation of fees and expenses**

All the fees, duties and charges (other than those borne by the Manager) will be charged to the Scheme in respect of which they were incurred. This includes any charges and expenses incurred in relation to the Register of unitholders, except that these will be allocated and charged to units on a basis agreed between the Manager and the Depositary.

Unless otherwise stated, fees and expenses are charged to the income property of the Scheme in accordance with the Regulations. If and only if this is insufficient, deductions will be made from capital (save for any charge made in respect of SDRT). If deductions were made from capital, this could result or capital erosion or constrain capital growth.

### **Registration and dealing fees**

Fees and expenses in respect of dealing in units will be subject to charges of:

- for electronic transactions, £10 per transaction;

- for manual transactions, £20 per transaction;
- for complex transactions, £100 per transaction.

Complex transactions include, for example, dealings involving administrators or executors of wills.

The Manager is also entitled to receive fees and expenses in respect of the establishment and maintenance of the register of unitholders payable monthly in arrears out of the property of the Scheme at the rate of £20 per annum per account. The registration fee is subject to a minimum fee of £5,000 per annum.

No payments may be made out of the property of the Scheme other than payments permitted by the Regulations and the following:

1. broker's commission, fiscal charges and other disbursements which are:
  - (a) necessary to be incurred in effecting transactions for the Scheme, and
  - (b) normally shown in contract notes, confirmation notes and difference accounts as appropriate; and
2. interest on borrowings permitted under the Scheme and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings; and
3. taxation and duties payable in respect of the property of the Scheme, the Trust Deed or the issue of units and any stamp duty reserve tax charged in accordance with Schedule 19 of the Finance Act 1999 (or any statutory modification or re-enactment of it); and
4. any costs incurred in modifying the Trust Deed, including costs incurred in respect of meetings of unitholders convened for purposes which include the purpose of modifying the Trust Deed, where the modification is:
  - (a) necessary to implement, or necessary as a direct consequence of, any change in the law (including changes in the Regulations), or
  - (b) expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interest of unitholders, or
  - (c) to remove from the Trust Deed obsolete provisions;
5. any costs incurred in respect of meetings of unitholders convened on a requisition by unitholders not including the Manager or an associate of the Manager; and
6. the audit fee properly payable to the Auditors and value added tax thereon and any proper expenses of the Auditors;
7. the fees of the Financial Conduct Authority ("the FCA") as set out in the FCA's fees manual under Schedule 1, Part III of the Act or the corresponding fees of any regulatory authority in

a country or territory outside the United Kingdom in which units in the Scheme are or may be marketed;

8. any payment permitted by COLL 6.7.15R (payment of liabilities on transfer of assets);
9. any costs incurred in producing and dispatching payments made by the Scheme (as the case may be), or the yearly and half yearly reports of the Scheme;
10. any costs incurred in preparing, translating, producing (including printing), distributing and modifying any trust deed, any prospectus, any key investor information document (apart from the cost of distributing the key investor information document), or reports, accounts, statements, contract notes and other like documentation or any other relevant document required under the Regulations;
11. any costs incurred as a result of periodic updates of or changes to any prospectus, key investor information document or trust deed;
12. any fees, expenses or disbursements of any legal or other professional adviser of the Scheme; and
13. any costs incurred which are associated with independent risk monitoring or daily “value at risk” or “VaR” calculations (part of the risk monitoring process).

Included in all the above, where appropriate, Value Added Tax will also be borne by the Scheme.

## **DISTRIBUTION DATES**

Interim 31<sup>st</sup> December

Final 30<sup>th</sup> June

In both cases to unitholders on the register at the appropriate accounting date.

## **TERMINATION OF THE SCHEME**

There is no due date for the termination of the Scheme.

However, the Trustee shall proceed to wind-up the Scheme:

1. if the order declaring the Scheme to be an authorised unit trust scheme is revoked, or
2. if the Manager or the Trustee requests the FCA to revoke the order declaring the Scheme to be an authorised unit trust scheme and the FCA has agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Scheme, the FCA will accede to that request, or

3. on the effective date of a duly approved scheme of arrangement which is to result in the Scheme being left with no property.
4. on the passing of an extraordinary resolution winding up the Scheme provided the FCA's prior consent to the resolution has been obtained by the Manager or the Trustee.

If any of the events set out above occur, COLL 5 concerning Investment and Borrowing Powers and COLL 6.2 concerning Dealing and COLL 6.3 concerning Valuation and Pricing will cease to apply. The Trustee shall cease issuing and cancelling units and the Manager will stop redeeming and selling units and valuing and pricing units in accordance with the Trust Deed.

The Manager will notify unitholders of the proposal to wind up the Scheme, or where this is not possible, notify unitholders in writing, as soon as practicable after winding up has commenced, of the commencement of the winding up.

In the case of a scheme of arrangement referred to in paragraph 3 above, the Trustee shall wind up the Scheme in accordance with the approved scheme of arrangement.

In any other case, the Trustee shall, as soon as practicable after the Scheme falls to be wound-up, realise the assets of the Scheme and, after paying or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of the winding-up, distribute the proceeds to the unitholders and the Manager proportionately to the size of their holdings (upon production by them of such evidence, if any, as the Trustee may reasonably require as to their entitlement).

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

## **GENERAL INFORMATION**

### **Trust Deed and relationship with Trustee**

Under the Trust Deed the Manager is not prevented from delegating any function. The relationship between the Trustee and the Manager is governed by the Trust Deed and details of the remuneration may be found under "Charges and expenses."

### **Data Protection Notice**

Investors should note that all personal data contained in any document provided by unitholders or any further data collected in the course of business with the Scheme or provided personally to the Manager constitute personal data within the meaning of the Data Protection Act 2018, the General Data Protection Regulation (Regulation (EU) 2016/679, the EU ePrivacy Directive 2002/58/EC (as amended) and any relevant transposition of, or successor or replacement to, those laws (together the "Data Protection Legislation").

Such personal data will be used by the Scheme for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Scheme, its delegates, and agents. Such processing of personal data is required for the performance of tasks that are necessary for the performance of the contract between the Investor and the Scheme, for compliance with certain legal obligations to which the Scheme is subject or is carried out on as the Manager considers it is within its legitimate interests to do so (the "Grounds for Processing"). The Manager follows strict security procedures as to how prospective investors' personal information is stored and used, and who sees it, to help stop any unauthorised person accessing it.

Investors acknowledge that such personal data are disclosed by the Scheme, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies on the basis of the above Grounds for Processing and that such entities (the "Fund Partners") may further process (including obtaining, holding, using, disclosing and otherwise processing) the personal data on the basis of the same Grounds for Processing for any one or more of the following purposes:

- to manage and administer the investor's holding in the Scheme and any related accounts on an ongoing basis;
  - to carry out statistical analysis and market research;
  - to comply with legal, regulatory and taxation obligations applicable to the investor and the Scheme;
- or
- for disclosure or transfer, whether in the United Kingdom or countries outside of the United Kingdom, including, but without limitation, the United States (which may not have the same data protection laws as the United Kingdom), to third parties, including financial advisors, regulatory bodies, auditors and technology providers or to the Scheme and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above.

The Scheme and the Fund Partners may also process investors' personal information where it or they consider there are other legitimate business interests of the Scheme (including fraud prevention) to necessitate the processing or for any other specific purposes where the investor has given specific consent to the processing (in advance). If an investor has provided explicit consent for their personal data to be processed, the investor shall be entitled to withdraw their consent at any time by contacting the Manager at [dataprotectionofficer@maitlandgroup.co.uk](mailto:dataprotectionofficer@maitlandgroup.co.uk). Please note, in particular, in order to comply with the Common Reporting Standard (Please see the section of this Prospectus entitled "Taxation – Common Reporting Standard"), as implemented in the United Kingdom by the International Tax Compliance Regulations 2015, an investor's personal data (including financial information) may be shared with HM Revenue & Customs and other tax authorities.

They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on [www.gov.uk](http://www.gov.uk) for further information in this regard.

Please note that your personal data will be retained by the Scheme for as long as necessary to fulfil the purposes the Manager collected it for, which, in general terms, is likely to be for the duration of the relevant investment and otherwise in accordance with the Scheme's legal obligations (e.g. 7 years in the UK). Pursuant to the Data Protection Legislation, investors have a right of access to their personal data kept by the Scheme, the right to amend and rectify any inaccuracies in their personal data held by the Scheme and the right to data portability of their personal data by making a request to the Scheme in writing at [dataprotectionofficer@maitlandgroup.co.uk](mailto:dataprotectionofficer@maitlandgroup.co.uk). For further information in relation to your data protection rights refer to the website of the Information Commissioner's Office at <https://ico.org.uk/> and search for "Individual Rights".

The Manager reserves the right to change, modify, add or remove portions of this notice from time to time in our sole discretion, but will inform investors of all material changes. If you have any questions or concerns regarding this notice or Defined Term's practices please contact the Manager at [dataprotectionofficer@maitlandgroup.co.uk](mailto:dataprotectionofficer@maitlandgroup.co.uk).

## **AVAILABILITY OF INFORMATION**

Annual and half yearly reports will be published at the distribution dates. A report containing the full accounts is available to any person free of charge on request.

The Prospectus, Key Investor Information Document, Trust Deed (and all Supplemental Trust Deeds) and the most recent annual and half yearly reports may be inspected (free of charge) at, and copies obtained from:

Maitland Institutional Services Ltd  
 Hamilton Centre  
 Rodney Way  
 Chelmsford  
 Essex  
 CM1 3BY

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

The Manager will provide, upon the request of a unitholder, further information relating to:-

1. the quantitative limits applying in the risk management of the Scheme;
2. the methods used in relation to the risk management of the Scheme; and
3. any recent development of the risk yields of the main categories of investment.

The Manager uses a risk management process (including a risk management policy), enabling it to monitor and measure at any time the risk of the Scheme's positions and their contribution to the overall risk profile of the Scheme. Before using the process, the Manager will notify the FCA of the details of the risk management process at least on an annual basis.

## NOTICES TO UNITHOLDERS

All notices or other documents sent by the Manager to a unitholder will be sent by normal post to the last address notified in writing to the Manager by the unitholder.

## TAXATION

### Scheme and Investors

These statements are based on legislation and HM Revenue & Customs (“HMRC”) practice as known at the date of this Prospectus.

Unitholders are recommended to consult their professional advisers if they are in any doubt as to their individual tax position.

As the Scheme is an authorised unit trust it is exempt from United Kingdom corporation tax on realised capital gains.

Individual unitholders who are resident in the United Kingdom are liable to capital gains tax realised on the redemption or other disposal of units.

The income of the Scheme (except dividends from United Kingdom and generally non-United Kingdom companies) after allowable expenses is subject to United Kingdom corporation tax at the rate of 20%.

Dividend distributions to individual unitholders (which will automatically be re-invested in the case of accumulation units) are subject to further United Kingdom income taxation if the unitholder is subject to basic, higher or additional rate tax.

With effect from 30 March 2014, the Stamp Duty Reserve Tax (SDRT) charge on the surrender of units in an authorised unit trust applies only to an *in specie* redemption of units made otherwise than on a *pro rata* basis. A surrender of units to the Scheme will therefore generally be exempt from SDRT. Where a chargeable transaction occurs the unitholder will be liable for SDRT at 0.5% of the consideration given for the Scheme assets acquired on redemption.

### The International Tax Compliance Regulations

The Scheme is required to comply with The International Tax Compliance Regulations. The regulations transpose into UK law rules and obligations derived from European Union law and inter-governmental agreements entered into by the UK which are aimed at increasing transparency and reducing tax evasion.

To be compliant with these regulations the Scheme must collect information about each investor's tax residence and in certain circumstances provide information about investors' unitholdings to HMRC. HMRC may in turn share this information with overseas tax authorities.

Therefore, where an investor fails to provide the information required by the Scheme to comply with its obligations to HMRC this may result in the Manager taking appropriate action against the unitholder, including invoking the compulsory transfer and redemption provisions set out within Issue and Redemption of Units in the Scheme.

The Manager 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.

### **Conflicts of interest**

The Manager, the Investment Manager and other companies within the Manager's and/or the Investment Manager's group may, from time to time, act as managers, investment managers or advisers to other funds or sub-funds which follow similar investment objectives to those of the Scheme.

It is therefore possible that the Manager and/or the Investment Manager may in the course of their business have potential conflicts of interest with the Scheme. Each of the Manager and the Investment Manager will, however, have regard in such event to its obligations under the Trust Deed Agreement and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Scheme so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the Manager and the Investment Manager will seek to ensure that the Scheme and other funds where they act as managers or investment managers respectively are fairly treated.

The Manager and/or Investment Manager acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks or damage to the interests of the Scheme or its unitholders will be prevented. Should any such situations arise the Manager and/or Investment Manager will disclose to unitholders in an appropriate format.

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

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

## **PROVISION AND DISCLOSURE OF INFORMATION FOR TAXATION MATTERS**

In the UK, provisions relating to the disclosure and reporting of information are set out in The International Tax Compliance Regulations 2015 (the "Regulations"). These harmonise the requirements under the Common Reporting Standard, EU Council Directive 2014/107/EU and FATCA, as discussed below.

### **Common Reporting Standard**

The OECD published the Standard for Automatic Exchange of Financial Account Information in July 2014, also known as the "Common Reporting Standard" ("CRS"). The CRS is a single global standard for the automatic exchange of information ("AEOI") between taxation authorities in participating jurisdictions. The CRS aims to improve transparency to counter tax evasion in participating jurisdictions and to provide taxation authorities in participating jurisdictions with information on offshore or cross-border financial accounts and assets owned by individuals and entities resident in their local jurisdiction.

The CRS sets out details of the financial information to be exchanged, the financial institutions required to report such information to local tax authorities, and the common due diligence standards to be followed by financial institutions to obtain financial account information. A "financial institution" for the purposes of the CRS will include the Trustee and could include any intermediary financial undertaking operating a custodial account in a participating jurisdiction in which units are directly or indirectly held by an individual or entity resident in another participating jurisdiction.

Unitholders and prospective investors should note that there will be a requirement for the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number, tax identification number(s) of each reportable person in respect of a reportable account for the CRS, and information relating to each unitholder's investment (including but not limited to the value of and any payments in respect of the units) to be disclosed by or on behalf of the Trustee to HMRC. HMRC may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, unitholders may be required to provide additional information for the purposes of complying with the CRS.

### **European information reporting**

Council Directive 2014/107/EU (the "Amending Cooperation Directive"), which amends Council Directive 2011/16/EU on administrative cooperation in the field of taxation, introduces an extended regime for the automatic exchange of information between tax authorities in Member States. The Amending Cooperation Directive requires each Member State to implement the CRS.

The Amending Cooperation Directive requires Member States to adopt national legislation necessary to comply with it by 31 December 2015, and such legislation must apply from 1 January 2016 (or 1 January 2017 in the case of Austria). The UK implemented the Amending Cooperation Directive with effect from 1 January 2016.

The Trustee or its delegates, including the Manager and such other entity as may be considered to be a paying agent for these purposes, shall be entitled to require unitholders to provide any information regarding their tax status, identity or residency in order to satisfy the disclosure requirements in the Amending Cooperation Directive.

### **US regime under FATCA**

Under tax legislation in the US, an information reporting regime has been introduced known as the Foreign Account Tax Compliance Act ("FATCA"). Broadly, the intention of FATCA is to safeguard against US tax evasion by requiring non-US financial institutions to report to the US Internal Revenue Service ("IRS") certain information in respect of certain account holders. In the event of non-compliance with the FATCA regime, the Scheme may be subject to a US tax withholding of 30% on certain payments it receives and may in certain circumstances in the future be obliged to make withholding from payments to unitholders.

Broadly, the FATCA regime has been implemented in the UK by the Regulations. Provided that the Scheme registers with the IRS as a foreign financial institution and complies with its obligations pursuant to the Regulations, no FATCA withholding tax should apply. If there is significant non-compliance with the Regulations, FATCA withholding tax could then apply. Any non-compliance could give rise to penalties under the Regulations.

### **Unitholder agreement to provision of information to HM Revenue and Customs and other tax authorities**

In order to comply with CRS, EU Council Directive 2014/107/EU, FATCA and other regimes, the Trustee, the Manager or their delegates will report information regarding unitholders to HMRC, as its local tax authority. The Manager will assist with the provision of information to HMRC. This information may be passed by HMRC to the other tax authorities including the IRS under information sharing agreements.

The ability of the Trustee or the Manager to report information to HMRC will depend on each affected unitholder providing the Trustee, the Manager or their delegate with the information required to satisfy the applicable obligations. By agreeing to subscribe for units in the Scheme, each unitholder agrees promptly to provide such information as the Trustee or its delegate may request for such purposes, and will be deemed to have authorised the automatic disclosure of information by or on behalf of the Trustee, the Manager or their delegates to HMRC or other relevant tax authorities. If a unitholder fails to provide the information requested, the Trustee may exercise its right to compulsorily redeem the units held by the relevant unitholder. Unitholders refusing to provide the requisite information to the Manager or its delegates may also be reported to HMRC.

### **TELEPHONE RECORDINGS**

Please note that the Manager may record telephone calls for training and monitoring purposes and to confirm investors' instructions.

## COMPLAINTS

Complaints concerning the operation or marketing of the Scheme may be referred to the Head of Compliance at the Manager at Hamilton Centre, Rodney Way, Chelmsford, Essex CM1 3BY or, if you subsequently wish to take your complaint further, direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR. The website of the Financial Ombudsman Service is at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

The Financial Services Compensation Scheme offers compensation when an authorised firm is unable to pay claims against it, usually because the firm has gone out of business. The Manager is covered by the Financial Services Compensation Scheme. Investors may be entitled to compensation from the scheme if the Manager cannot meet its obligations. Most types of investment business are covered for 100% of the first £85,000 only. Further information is available from the Financial Services Compensation Scheme (FSCS) by contacting the FSCS Limited at 10th Floor Beaufort House, 15 St Botolph Street, London, EC3A 7QU or via telephone: on 0800 678 1100 or 020 7741 4100.

## ADDITIONAL INFORMATION

### General

The Manager is under no obligation to account to the Trustee or to the participants for any profit it makes on the issue of units or on the re-issue or cancellation of units which it has redeemed.

Unit trusts should always be regarded as a medium to long term investment. The price of the units and the income from them can go down as well as up. It should be noted that past performance is not necessarily a guide to future growth.

If investors are in any doubt as to the suitability of The MI Discretionary Unit Fund, or any details contained within this Prospectus, they should consult their financial adviser.

### Exercise of voting rights

The Manager has a strategy for determining how voting rights attached to ownership of the property of the Scheme are to be exercised for the benefit of the Scheme. Details of this strategy is available from the Manager on request. Details of action taken in respect of the exercise of voting rights are available from the Manager upon request.

### Inducements

It is the policy of the Manager not to accept any inducements under any circumstances.

### Remuneration Policy

The Manager establishes and applies remuneration policies and practices for UCITS Remuneration Code staff that:

are consistent with and promote sound and effective risk management;

do not encourage risk taking which is inconsistent with the risk profiles or the instrument constituting the fund or the prospectus, as applicable, of the UCITS it manages;

do not impair the Manager's compliance with its duty to act in the best interests of the UCITS it manages; and

include fixed and variable components of remuneration, including salaries and discretionary pension benefits.

Up-to-date details of the Manager's remuneration policy, including but not limited to (i) a description of how remuneration and benefits are calculated; and (ii) the identities of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, can be found at [www.maitlandgroup.com](http://www.maitlandgroup.com). Unitholders may obtain a paper copy of the full remuneration policy, free of charge, on request from the Manager.

## APPENDIX 1

### VALUATION FOR PRICING

The value of the property of the Scheme shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.

1. All the property of the Scheme (including receivables) is to be included, subject to the following provisions.
2. The valuation of the property of the Scheme shall consist of two parts, one on an issue basis and one on a cancellation basis calculated in accordance with the following provisions.
  - 2.1 The valuation of property for that part of the valuation which is on an issue basis is as follows:
    - 2.1.1 Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
      - 2.1.1.1 units or shares in a collective investment scheme:
        - (a) if a single price for buying and selling units or shares is quoted, at that price (plus any dealing costs, which means any fiscal charges (including any preliminary charge), commission or other charges payable in the event of the Scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction and including any dilution levy or SDRT provision which would be added in the event of a purchase by the Scheme of the units in question (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Scheme, dealing costs must not include a preliminary charge which would be payable in the event of a purchase by the Scheme of those units)); or
        - (b) if separate buying and selling prices are quoted, the most recent maximum sale price, less any expected discount (plus any dealing costs, which means any fiscal charges, commission or other charges (but excluding any preliminary charge on the sale of units in a collective investment scheme)

payable in the event of the Scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction); but where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Scheme, the issue price shall be taken instead of the maximum sale price; or

- (c) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable;

2.1.1.2 any other investment:

- (a) the best available market dealing offer price on the most appropriate market in a standard size (plus any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction); or
- (b) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable.

2.1.1.3 if any other property, or no price exists under 2.1.1.1 or 2.1.1.2, the Manager's reasonable estimate of a buyer's price (plus any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction but excluding any preliminary charge on sale of units in a collective investment scheme). The buyer's price is the consideration which would be paid by the buyer for an immediate transfer or assignment (or, in Scotland, assignation) to him at arm's length.

2.2 The valuation of property for that part of the valuation which is on a cancellation basis is as follows:

2.2.1 Property which is not cash (or other assets dealt with in paragraphs 3 and 4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

2.2.1.1 units or shares in a collective investment scheme:

- (a) if a single price for buying and selling units or shares is quoted, at that price (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction, any redemption charge payable on sale of units in a collective investment scheme, taking account of any expected discount, any dilution levy or SDRT provision which would be deducted in the event of a sale by the Scheme of the units in question (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Scheme, dealing costs must not include a redemption charge which would be payable in the event of a sale by the Scheme of those units)); or
- (b) if separate buying and selling prices are quoted, the most recent minimum redemption price (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction and any charge payable on the sale of units in a collective investment scheme (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Scheme, dealing costs must not include a redemption charge which would be payable in the event of a sale by the Scheme of those units), less any expected discount); but, if the property sold in one transaction would amount to a large deal (as defined in the Glossary), the cancellation price shall be taken instead of the minimum redemption price; or
- (c) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a seller's price which, in the opinion of the Manager, is fair and reasonable;

## 2.2.1.2 any other investment:

- (a) the best available market dealing bid price on the most appropriate market in a standard size (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction); or
- (b) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a seller's price which, in the opinion of the Manager, is fair and reasonable;

2.2.1.3 if any other property, or no price exists under 2.2.1.1 or 2.2.1.2, the Manager's reasonable estimate of a seller's price (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction and including any redemption charge payable on sale of units in a collective investment scheme, taking account of any expected discount, any dilution levy or SDRT provision which would be deducted in the event of a sale by the Scheme of the units in question (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Scheme, dealing costs must not include a redemption charge which would be payable in the event of a sale by the Scheme of those units)).

## 3. Property which is a derivative transaction shall be treated as follows:

- 3.1 if a written option, (and the premium for writing the option has become part of the scheme property) deduct, for the calculation of the issue basis, the amount of the net valuation of premium (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded, but add, in the case of the calculation of the cancellation basis, dealing costs); but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used; or
- 3.2 if an off-exchange future, include at the net value of closing out (in the case of the calculation of the issue basis, estimated on the basis of the amount of profit or loss receivable or incurable by the Scheme on closing out the contract and deducting minimum dealing costs in the case of profit and adding them in the case of loss;

but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used);  
or

- 3.3 if any other form of derivative transaction, include at the net value of margin on closing out (estimated on the basis of the amount of margin (whether receivable or payable by the Scheme on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded and including minimum dealing costs so that the value is the figure as a negative sum); but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used.
4. Cash and amounts held in current and deposit accounts shall be valued at their nominal values.
  5. In determining the value of the scheme property, all instructions given to the Trustee to issue or cancel units shall be assumed (unless the contrary is shown) to have been carried out and any cash paid or received and all required consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary is shown) to have been taken.
  6. Subject to paragraphs 7 and 8 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 Manager, their omission shall not materially affect the final net asset amount.
  7. Futures or contracts for differences which are not yet due to be performed and unexpired written or purchased options which have not been exercised shall not be included under paragraph 6.
  8. All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
  9. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.
  10. Deduct an estimated amount for any liabilities payable out of the property of the Scheme and any tax thereon (treating periodic items as accruing from day to day).
  11. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

12. In the case of a margined contract, deduct any amount reasonably anticipated to be paid by way of variation margin.
13. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
14. Add any other credits due to be paid into the property of the Scheme.
15. In the case of a margined contract, add any amount reasonably anticipated to be received by way of variation margin.
16. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
17. The valuation is in the Scheme's base currency. Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of unitholders or potential unitholders.

## APPENDIX 2

### LIST OF OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE MANAGER

**The Manager acts as Authorised Corporate Director (ACD), Alternative Investment Fund Manager (AIFM) or Manager of the following Funds:**

MI Activus Wealth Funds

MI Bespoke Funds ICVC

MI Brewin Dolphin Select Managers Fund

MI Brompton UK Recovery Unit Trust

MI Charles Stanley Investment Funds

MI Charles Stanley Investment Funds II

MI Chelverton Equity Fund

MI Downing Investment Funds ICVC

MI Thameside Managed Funds

MI Downing UK Micro-Cap Growth Fund

MI Hawksmoor Open-Ended Investment Company

MI Metropolis Valuefund

MI Miton Cautious Monthly Income Fund

MI Momentum Investment Funds

MI Psigma Multi Asset Fund of Funds

MI Somerset Capital Management Investment Funds ICVC

MI Thornbridge Investment Funds

MI TwentyFour Investment Funds

Hansa Trust PLC

TwentyFour Income Fund

TwentyFour Select Monthly Income Fund

UK Mortgages Limited

### Appendix 3

1 October 2018		
1. Jurisdiction	2. Sub custodian	3. Sub custodian Delegate
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	Deutsche Bank AG	
<b>Bermuda</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Bermuda Limited
<b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	
<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	

<b>Canada</b>	The Northern Trust Company, Canada	
<b>Canada*</b>	Royal Bank of Canada	
<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>Clearstream</b>	Clearstream Banking S.A.,	
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Nordea Bank Abp	
<b>Egypt</b>	Citibank N.A., Cairo Branch	
<b>Estonia</b>	Swedbank AS	
<b>Eswatini (formerly Swaziland)</b>	Standard Bank Swaziland Ltd	
<b>Finland</b>	Nordea Bank Abp	

<b>France</b>	The Northern Trust Company	
<b>Germany</b>	Deutsche Bank AG	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock Connect Shanghai/Shenshen)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	UniCredit Bank Hungary Zrt.	
<b>Iceland</b>	Landsbankinn hf	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)*	
<b>Israel</b>	Bank Leumi Le-Israel B.M.	
<b>Italy</b>	Deutsche Bank SpA	
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Standard Chartered Bank	

<b>Kazakhstan</b>	Citibank Kazakhstan JSC	
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
<b>Morocco</b>	Société Générale Marocaine de Banques	
<b>Namibia</b>	Standard Bank Namibia Ltd	
<b>Netherlands</b>	Deutsche Bank AG	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Nordea Bank Abp	

<b>Oman</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Polska Kasa Opieki Spółka Akcyjna,	
<b>Portugal</b>	BNP Paribas Securities Services	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	
<b>Russia</b>	AO Citibank	
<b>Saudi Arabia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Saudi Arabia
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	DBS Bank Ltd	
<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	

<b>South Africa</b>	The Standard Bank of South Africa Limited	
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Deutsche Bank SAE	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Svenska Handelsbanken AB (publ)	
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	
<b>Taiwan</b>	Bank of Taiwan	
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	
<b>Tunisia</b>	Union Internationale De Banques	
<b>Turkey</b>	Deutsche Bank AG & Deutsche Bank AS	
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch

<b>United Kingdom</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	

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