

# MI Sterling Select Companies Fund

## Prospectus

14 July 2020

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

# About this document

This document is the Prospectus of the Fund. It is valid as at 14 July 2020.

**Important: If you are in any doubt as to the suitability of the MI Sterling Select Companies Fund or any details contained within this Prospectus you should consult your Financial Adviser.**

The Manager, Maitland Institutional Services Ltd, 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 Prospectus is accurate on the date of publication.

Changes to the Fund may occur after the publication of the Prospectus and a new Prospectus may be published at any time. Investors should check with the Manager that this is the most recently published Prospectus as the Manager cannot be bound by an out-of-date prospectus when a new version has been issued.

## Distribution of this Prospectus overseas

This Prospectus is not an offer or solicitation of investment in any territory other than the United Kingdom and distribution of this Prospectus may be prohibited by law in other territories. Anyone seeking to distribute this Prospectus in other territories should inform themselves of local law requirements and comply with them.

## The Trustee

The Trustee is not responsible for the information in this Prospectus (except for information about itself as Trustee) and does not accept responsibility for information in the Prospectus (other than information about itself as Trustee)

# Contents

1. About the Fund .....	3
2. Management and administration .....	6
3. Investment Risks .....	10
4. Issue & Redemption of Units in the Fund .....	13
5. Valuation of the Fund and pricing of units .....	16
6. Fees and expenses .....	18
7. Taxation .....	20
8. Accounting, reporting and information for unitholders .....	22
9. Investor engagement .....	23
10. Policies .....	24
11. Data protection .....	26
12. Winding up of the Fund .....	28
<b>Appendix 1 .....</b>	<b>29</b>
Valuation for pricing .....	29
<b>Appendix 2 .....</b>	<b>30</b>
Investment powers and limits .....	30
<b>Appendix 3 .....</b>	<b>31</b>
List of other authorised collective investment schemes operated by the Manager .....	44
<b>Appendix 4 .....</b>	<b>45</b>
List of Eligible Markets .....	45
<b>Appendix 5 .....</b>	<b>46</b>
List of the Trustee's sub-custodians .....	46
<b>Appendix 6 .....</b>	<b>49</b>
Past performance .....	49

# 1. About the Fund

## 1.1 About the Fund's setup

<b>Name</b>	The name of the Fund is the <b>MI Sterling Select Companies Fund.</b>
<b>Legal structure and duration</b>	The MI Sterling Select Companies Fund is a standalone authorised unit trust.  It was established by a Trust Deed dated 8th August 1963 (as amended from time to time) and the duration of the Fund is unlimited.
<b>Regulatory status</b>	The Fund is authorised and regulated by the Financial Conduct Authority.  It was authorised on 8th August 1963 with Product Reference Number 107048.  The Fund is a UCITS Scheme.
<b>The nature of Units</b>	Investors can subscribe for Units in the Fund which represent their share in the property of the Fund.  Units are provided in different classes.  The Manager may make further Unit classes available.  The nature of the right represented by units is that of beneficial interest under a trust.  Title to units will be evidenced by entries in the register of unitholders. Bearer shares are not issued.  Unitholders are not liable for the debts of the Fund.

## 1.2 The Fund's investment characteristics

<b>The Fund's investment objective</b>	The Fund seeks capital growth over the long-term (3-5 years).
<b>The Fund's investment policy</b>	The Fund invests at least 75% in smaller and medium sized UK companies. <ul style="list-style-type: none"> <li>• Smaller and medium-sized companies will typically be those which have a market capitalisation of up to £5bn.</li> <li>• UK companies are those which are domiciled or listed or have business operations in the UK.</li> </ul> <p>Up to 25% of the Fund may also be invested in:</p> <ul style="list-style-type: none"> <li>• companies of a different market size</li> <li>• non-UK companies</li> <li>• cash or near cash</li> <li>• money market instruments,</li> <li>• transferable securities; and</li> <li>• other collective investment schemes, including those managed by the Manager or Investment Manager.</li> </ul>
<b>The investment limits that apply to the Fund</b>	As set out in the investment policy, the Fund is an equity fund with a bias towards seeking out small and medium-sized companies which in the Investment Manager's opinion represent attractive investment opportunities. Despite its focus, in making any particular investment, the Fund is not constrained by any market capitalisation or geographic requirements, in order for the Investment Manager to be able to select equity investments which it thinks appropriate. The smaller and medium-sized companies which the Investment Manager will consider will be those thought to be high quality differentiated businesses alongside consideration to profitability, assets and potential for future growth and those bought at reasonable valuations.  Investments in money market instruments or other collectives may be undertaken to protect value for

## 1. About the Fund and its structure

	<p>unitholders in circumstances such as the target set of companies are overvalued or there is a risk expropriation or such situations outside our control. In addition, at any time, the Fund may also invest in other transferable securities (such as but not limited to, bonds, collateralised debt obligations, and investment companies), as well as in units in other collective investment schemes which may include those managed by the Manager or the Investment Manager.</p> <p>Derivatives may be used for efficient portfolio management purposes.</p>
--	--

### 1.3 Performance assessment

Information on the past performance of the Fund is set out in Appendix 6.

The Fund 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 Fund's performance, investors may find it useful to compare the Fund against the performance of the IA UK Smaller Companies Sector, which serves as a method of comparing the Fund'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 Fund's performance. This information can be found on the IA website or the Morningstar website.

### 1.4 Profile of a typical investor

The Fund may be suitable for you if you:

- consider collective investment schemes to be a convenient way of participating in investment markets;
- wish to seek to achieve defined investment objectives; and/or
- have experience with, or understand, investments which place capital at risk; and you are able to accept losses.

The Fund 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.

### 1.5 Characteristics of Units in the Fund

#### (a) Types of units

The Trust Deed permits the issue of both accumulation and income units. Currently income and accumulation units are available.

<b>Income Units</b>	GBP
<b>Accumulation Units</b>	GBP

An income unit represents one undivided share in the property of the Fund and an accumulation unit represents an increasing number of undivided shares in the property of the Fund. Each undivided share ranks pari passu with the other undivided shares in the Fund. Unitholders are entitled to participate in the property of the Fund and the income from that property in proportion to the number of undivided shares in the Fund represented by the units held by them.

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

#### (b) 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 Fund 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 Fund.

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 Fund in respect of that period, and deducting the aggregate of the Operator'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 Operator's best estimate of any relief from tax on that remuneration and those other payments. The Operator 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

## 1. About the Fund and its structure

---

(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.

## 2. Management and administration

### 2.1 Firms involved in the management and administration of the Fund

<b>Manager</b>	Maitland Institutional Services Ltd is the authorised fund manager of the Fund. See 2.2 for further information.
<b>Trustee</b>	Northern Trust Global Services SE (UK Branch) is the trustee and depositary of the Fund. See 2.3 for further information.
<b>Investment Manager</b>	Thornbridge Investment Management LLP is the investment manager of the Fund. See 2.4 for further information.
<b>Investment Adviser</b>	Sterling Investments Management Ltd See 2.5 for further information.
<b>Registrar</b>	Maitland Institutional Services Ltd is the registrar and transfer agent for the Fund. See 2.5 for further information.
<b>Auditors</b>	Grant Thornton UK LLP is the auditor of the Fund. See 2.7 for further information.

### 2.2 Manager

#### (a) General

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

It is authorised and regulated by the Financial Conduct Authority

The executive directors of the Manager are:-

- P J Foley-Brickley
- C O'Keeffe
- D Philips\*
- J Thompson\*

\* Independent Non-Executive Director.

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

## 2. Management and administration

---

<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 Fund'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 Fund (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").

### (b) 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.

The Manager manages and administers the affairs of the Fund 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 Fund for any profit it makes in connection with any business similar to, or in competition with, the Fund.

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 3.

## 2.3 The Trustee and Depositary

### (a) General

The Trustee of the Fund 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 10 Rue du Château d'Eau, L-3364 Leudelange, Grand-Duché de 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.

### (b) Duties of the Depositary

The Depositary is responsible for the safekeeping of all the Fund Property of the Fund and has a duty to take reasonable care to ensure that the Fund 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 Fund. The Depositary is



## 2. Management and administration

---

also responsible for monitoring the cash flows of the Fund, 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.

### (c) 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 Fund may invest. A list of sub-custodians is given in Appendix 5. 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).

### (d) 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 Fund, 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.

### (e) 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 Fund Property of the Fund as detailed under the heading "Trustees Fees" and in the Section "Valuation of Property, Charges and Distributions."

## 2.4 The Investment Manager

### (a) 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. The Investment Manager uses the services of an Appointed Representative called Sterling Investments Management Ltd as Investment Adviser.

### (b) Terms of Appointment

The terms of the Investment Management Agreement between the Manager and the Investment Manager include the provision of investment management services in accordance with the investment objectives of the Fund, 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 Fund 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 Fund'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.

## 2. Management and administration

---

### 2.5 The Investment Adviser

The Investment Adviser is Sterling Investments Management Limited with office at Lynwood House, Crofton Road, Orpington, England, BR6 8QE

The Investment Adviser is an appointed representative of the Investment Manager.

The Investment Adviser provides the Investment Manager and the Fund with investment advice including acquisition and disposal of investments for which it is entitled to a fee paid out to the Manager.

### 2.6 The Registrar

#### (a) General

The Manager acts as registrar to the Fund.

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.

#### (b) 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.

### 2.7 The Auditors

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

# 3. Investment Risks

## 3.1 General

The investments of the Fund 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.

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

## 3.2 Market risk

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

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

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

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

## 3.3 Liquidity

In extreme market conditions it may be difficult for the Fund 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 Fund 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.

## 3.4 Tax

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

## 3.5 Inflation and interest rates

The real value of any returns that a unitholder may receive from the Fund 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.

## 3.6 Custody

The assets of the Fund are held for safekeeping by the Depositary and/or the Custodian and their sub-custodians and nominees.

If an asset held for safekeeping is permanently lost, the Depositary will generally be held responsible under law and under its contract with the Manager. However, there are circumstances where the Depositary will not be responsible and the Fund will bear the loss.

If an asset is not lost, but becomes temporarily unavailable (e.g. due to the insolvency of a sub-custodian), the Fund may be unable to deal in the asset and this could impair the performance of the Fund and its ability to redeem unitholders.

Where the assets of the Fund 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.

## 3.7 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.

## 3.8 Counterparty and Settlement

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

## 3.9 Investment in smaller companies

Smaller companies have limited product lines, markets and financial or managerial resources compared to larger companies. These factors can cause sudden changes to the value of a smaller companies and the Fund may suffer a loss.

Smaller company shares are less widely available and are bought and sold less often. The Fund may be unable to value the shares accurately and may pay too much for a smaller company. The Fund's performance may suffer if the Fund is unable to buy and sell shares at the expected price.

## 3.10 Derivatives and volatility

The Fund can hold derivatives in its portfolio. Derivatives are a contract whose value depends on the value of another asset.

Presently the Investment Manager may employ derivatives for efficient portfolio management which should not lead to an increase in risk to the Fund.

### Derivative Techniques

### 3. Investment Risks

---

The COLL Sourcebook permits the Manager to use certain techniques when investing in derivatives in order to manage the Fund'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 Fund 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 Fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

#### (a) Counterparty and Settlement

The Fund 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 Fund to greater counterparty risk and potentially to loss in excess of the counterparty's obligations to the Fund.

#### (b) Counterparty Risk in Over-the-Counter Markets

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

#### 3.11 Cyber Security

As the use of technology has become more prevalent in the course of business, funds have become more susceptible to operational and financial risks associated with cyber security, including: theft, loss, misuse, improper release, corruption and destruction of, or unauthorised access to, confidential or highly restricted data relating to the Fund and the unitholders and compromises or failures to systems, networks,

devices and applications relating to the operations of the Fund and its service providers. Cyber security risks may result in financial losses to the Fund and the unitholders; the inability of the Fund to transact business with the unitholders; delays or mistakes in the calculation of the net asset value or other materials provided to unitholders; the inability to process transactions with unitholders or the parties; violations of privacy and other laws; regulatory fines, penalties and reputational damage; and compliance and remediation costs, legal fees and other expenses. The Fund's service providers (including but not limited to the Manager and the Depositary and their agents), financial intermediaries, companies in which the Fund invests and parties with which the Fund engages in portfolio or other transactions also may be adversely impacted by cyber security risks in their own business, which could result in losses to the Fund or the unitholders. While measures have been developed which are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly since the Fund does not directly control the cyber security defences or plans of its service providers, financial intermediaries and companies in which the Fund invests or with which it does business.

#### 3.12 Risks related to pandemics and public health issues

Epidemics, pandemics, outbreaks of disease, public health issues such as COVID-19 (or other novel coronaviruses), Ebola, H1N1 flu, H7N9 flu, H5N1 flu, and Severe Acute Respiratory Syndrome (SARS) could materially adversely affect the Manager and any third party service provider it appoints, as well as the activities, operations and investments of the Fund.

In particular, COVID-19 has spread rapidly around the world since its initial emergence in December 2019 and has negatively affected (and may continue to negatively affect or materially impact) the global economy and property markets (including as a result of quarantines and other government-directed or mandated measures or actions to stop the spread of outbreaks).

Notable disruptions may include material uncertainty in the ability to value the assets and lack of available investments. This may impact the Fund's performance and liquidity.

Although the long-term effects of COVID-19 (and the actions and measures taken by governments around the world to halt the spread of such virus), cannot be predicted, previous occurrences of other epidemics, pandemics and outbreaks of disease, had material adverse effects on the economies, private markets and operations of those countries and jurisdictions in which they were most prevalent. A recurrence of an outbreak of any kind of epidemic, communicable

### 3. Investment Risks

---

disease, virus or major public health issue could cause a slowdown in the levels of economic activity generally (or push the world or local economies into recession), which could adversely affect the business, financial condition, operations and liquidity of the Manager, its service providers (including the Investment Manager), and the Fund. Should these or other major public health issues, including pandemics, arise or spread (or continue to worsen), the Manager, its service providers (including the Investment Manager) and the Fund could be adversely affected by more stringent travel restrictions (such as mandatory quarantines and social distancing), additional limitations on the Manager, or its service providers' (including the Investment Manager's) and/or the Fund's operations and business activities and governmental actions limiting the movement of people and goods between regions and other activities or operations.

#### 3.13 Risks associated with the UK leaving the European Union ("Brexit")

In a referendum on 23 June 2016, the UK voted to leave the European Union (informally known as "Brexit"). On 29 March 2017, the UK Parliament commenced the formal process of leaving the European Union under Article 50 of the Lisbon Treaty.

The political, economic and legal consequences of Brexit are not yet fully known. It is possible investments in the UK may be more difficult to value, to assess for suitability of risk, harder to buy or sell or subject to greater or more frequent rises and falls in value.

In the longer term, there is likely to be a period of significant political, regulatory and commercial uncertainty as the UK seeks to negotiate its exit from the European Union. The UK's laws and regulations concerning funds may in future diverge from those of the European Union. This may lead to changes in the operation of the Fund or the rights of investors or the territories in which the units of the Fund may be promoted and sold.

#### 3.14 Political Risks

The value of the Fund's investments may be affected by uncertainties such as international political developments, civil conflicts and war, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made. For example, assets could be compulsorily re-acquired without adequate compensation.

# 4. Issue & Redemption of Units in the Fund

## 4.1 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.

## 4.2 Procedure for Dealing

The procedure for dealing in units will be to submit orders either by telephone 0345 305 4213, fax 0845 280 0109, by post or via electronic dealing platforms (such as Calastone) for the purchase, redemption and switch of units for non-retail clients). In addition, the Manager may from time to time make arrangements to allow units to be dealt with through other communication media. The initial purchase must, at the discretion of the Manager, be accompanied by an application form. 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).

At present, transfer of title by means of electronic communication is accepted at the Manager's absolute discretion and the Manager may refuse electronic transfers.

## 4.3 Anti-money laundering procedures

We are required by law to prevent the use of the Fund for money-laundering purposes and have in place a procedure to establish the identity of unitholders. Individual subscription applications must be accompanied 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.

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

The Manager may arrange for the Fund 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 Fund'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 Fund with effect from the issue of the units.

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

## 4.5 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 Fund or in some way detrimental to the Fund, 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 carrying out the redemption, 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) to be paid to it 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.

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.

## 4.6 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

## 4. Issue & Redemption of Units in the Scheme

---

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.

### 4.7 Minimum Holding and Dealing Sizes

Unitholders should make (and maintain) an investment in the Fund of at least £1,000. Redemptions should not result in a balance of less than £1,000 unless redeeming the entire investment. The Manager is entitled to disapply these thresholds.

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

The Manager can restrict the ownership of units to avoid:

- actual or potential breaches of laws in any relevant territory;
- actual or potential liability to taxes that cannot be recovered; or
- any other adverse consequences.

The Manager may compulsorily require a unitholder to convert, sell or may cancel units where to do so is considered by the Authorised Fund Manager to be in the best interests of unitholders. The Authorised Fund Manager will give affected unitholders reasonable written notice before using this power unless the following paragraphs specifically apply.

The Manager may require a unitholder to redeem or transfer their holding within 30 days where any units (“**affected units**”) are:

- (a) 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) held in a way that would result in the Fund incurring any liability to taxation which the Fund would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or
- (c) 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) owned by a unitholder who is registered in a jurisdiction (where the Fund is not registered or recognised by the relevant competent authority) whereby communication with that unitholder by

the Manager, on behalf of the Fund, 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).

A unitholder who becomes aware that they are holding or owns affected units shall either transfer all their affected units to a person qualified to own them or submit a request in writing to the Manager for the redemption of all the affected units.

### 4.9 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 Fund where due to exceptional circumstances it is in the interests of all the unitholders in the Fund. 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.

### 4.10 Electronic Communications

At present, transfer or renunciation of title to units by electronic communication is accepted at the Manager’s absolute discretion and the Manager may refuse electronic transfers.



## 4. Issue & Redemption of Units in the Scheme

---

The Manager will accept instructions to transfer or renunciation of title to units on the basis of an authority communicated by electronic means and sent by the unitholder, or delivered on their behalf by a person authorised by the FCA, subject to:

- (a) prior agreement between the Manager and the person making the communication as to:
  - (i) the electronic media which communication can be delivered; and
  - (ii) how the communication will convey the necessary authority;
- (b) assurance from any person who may give authority on behalf of the unitholder that they will have obtained the required appointment in writing from the unitholder; and

the Manager being satisfied that any electronic communications purporting to be made by a unitholder or their agent are in fact made by that person.

### 4.11 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), 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.

### 4.12 Client Money

Monies received into client money accounts will not incur interest.

### 4.13 Governing law

All deals in units are governed by the laws of England and Wales.



# 5. Valuation of the Fund and pricing of units

## 5.1 General

There is only a single price (i.e. the same price for buying and selling) for each class of units.

The price of a unit is based on unit's proportionate interest in the property of the Fund. The Fund's property is valued at 10am on every business day on the basis described in Appendix 1.

Dealings are on a forward pricing basis. This means that requests to buy or sell units are carried out at the next valuation point following the request.

## 5.2 Publication of the price of units

The price of units are published on [www.maitlandgroup.com](http://www.maitlandgroup.com).

The price 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.

## 5.3 Anti-dilution adjustment

The actual cost of buying, selling or switching assets and investments in the Fund may deviate from the mid-market value used in calculating the price of units, due to dealing charges, taxes, and any spread between buying and selling prices of the Fund's investments. These costs could have an adverse effect on the value of the Fund, known as "dilution".

In order to mitigate the effect of dilution, the Manager is allowed to adjust the sale and purchase price of units in the Fund to take into account the possible effects of dilution. This practise is known as making a "dilution adjustment" or operating swinging single pricing. The power to make a dilution adjustment may only be exercised for the purpose of reducing dilution in the Fund.

The price of each class of units (if more than one) in the Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the price of units of each class of units identically.

The Manager reserves the right to make a dilution adjustment every day. The dilution adjustment is

calculated using the estimated dealing costs of the Fund's underlying investments and taking into consideration any dealing spreads, commission and transfer taxes. The need to make a dilution adjustment will depend on the difference between the value of subscriptions and redemptions as a proportion of the total value of the Fund.

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

The Manager can impose a dilution adjustment on purchases, sales and Switches of units of whatever size and whenever made. The Manager's decision on whether or not to make this adjustment, and at what level this adjustment might be made in a particular case or generally, will not prevent it from making a different decision on future similar transactions.

The estimated rate of dilution adjustment is 1.39% (redemption) to 1.85% (subscription) which may be applied on any dealing day.

## 5.4 Special valuations

The Manager can instruct an additional valuation if it thinks that would be desirable and can use the price at that additional valuation as the price for that day's dealing.

The Manager can instruct additional valuations for the purposes of a scheme of arrangement, or a similar corporate action, and these will not create an official valuation point for the purposes of dealing.

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.

## 5.5 Fair value pricing

The Manager can itself value investments (including hard-to-value investments) at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at the time of valuation; or
- the most recent price available does not reflect the Manager's best estimate of the value of the security

## 5. Valuation of property, charges and distributions

---

(including a unit/share in a collective investment scheme) at the time of valuation.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing;
- the basis and reliability of the alternative price used; and/or

- the Manager's policy on the valuation of the Fund's property.

# 6. Fees and expenses

## 6.1 The Manager's charges

The Manager is remunerated by way of a periodic charge of 1% per annum of the value of the property of the Fund.

It is calculated daily and accrues at each valuation point and is payable monthly.

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

## 6.2 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 Fund 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 Fund on the following basis:

- 0.02% per annum for the first £100,000,000 in value of the Fund Property;
- 0.015% per annum on the next £150,000,000 in value of the Fund Property; and
- 0.01% per annum on the remaining value.

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

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

The first accrual in relation to the Fund will take place in respect of the period beginning on the day on which the first valuation of the Fund 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 Fund Property as follows:

Transaction Charges	£6 to £200
Custody Charges*	0.005% to 0.70%.

\*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 Fund 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 Fund, 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.

## 6.3 Allocation of fees and expenses

All the fees, duties and charges (other than those borne by the Manager) will be charged to the Fund 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 Fund 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.

## 6.4 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;

## 6. Fees and expenses

---

- for manual transactions, £20 per transaction; and
- 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 Fund 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 Fund other than payments permitted by the Regulations and the following:

- (a) broker's commission, fiscal charges and other disbursements which are:
  - (i) necessary to be incurred in effecting transactions for the Fund, and
  - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- (b) interest on borrowings permitted under the Fund and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- (c) taxation and duties payable in respect of the property of the Fund, 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);
- (d) 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:
  - (i) necessary to implement, or necessary as a direct consequence of, any change in the law (including changes in the Regulations), or
  - (ii) 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

- (iii) to remove from the Trust Deed obsolete provisions;
- (e) 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;
- (f) the audit fee properly payable to the Auditors and value added tax thereon and any proper expenses of the Auditors;
- (g) 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 Fund are or may be marketed;
- (h) any payment permitted by COLL 6.7.15R (payment of liabilities on transfer of assets);
- (i) any costs incurred in producing and dispatching payments made by the Fund (as the case may be), or the yearly and half yearly reports of the Fund;
- (j) 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;
- (k) any costs incurred as a result of periodic updates of or changes to any prospectus, key investor information document or trust deed;
- (l) any fees, expenses or disbursements of any legal or other professional adviser of the Fund; and
- (m) 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 Fund.

# 7. Taxation

## 7.1 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 Fund 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 Fund (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 Fund 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 Fund assets acquired on redemption.

## 7.2 The International Tax Compliance Regulations

The Fund 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 Fund 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 Fund 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 Section 4.

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.

## 7.3 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.

## 7.4 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 that 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.

## 7.5 European information reporting

Council Directive 2014/107/EU (the “Amending Cooperation Directive”), which amends Council

## 7. Taxation

---

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.

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 Fund, 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.

### 7.6 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 Fund 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 Fund registers with the IRS as a foreign financial institution and complies with its obligations under 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.

### 7.7 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.

# 8. Accounting, reporting and information for unitholders

## 8.1 Base currency

The base currency of the Fund is pounds sterling.

## 8.2 Accounting Dates

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

## 8.3 Distribution dates

The income accumulation dates are the last business days, respectively, of June and December.

## 8.4 Publication of regular reports

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 from the Manager and on the Manager's website at [www.maitlandgroup.com](http://www.maitlandgroup.com).

## 8.5 Availability of Information

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 on request.

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

- the numerical limits applying in the risk management of the Fund;
- the methods used in relation to the risk management of the Fund; and
- 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 Fund's positions and their contribution to the overall risk

profile of the Fund. Before using the process, the Manager will notify the FCA of the details of the risk management process at least on an annual basis.

## 8.6 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.



## 9. Investor engagement

### (a) **Class and Fund meetings**

The provisions below, unless the context otherwise requires, apply to unit class-level meetings as they apply to general meetings of the Fund.

References to units are to the units of the class concerned and the unitholders and value and prices of such units.

### (b) **Notice and quorum**

Unitholders will receive at least 14 days' notice of a general meeting and are entitled to be counted in the quorum and vote at such meeting either in person or by proxy. The quorum for a meeting is two unitholders, present in person or by proxy. The quorum for an adjourned meeting is one person entitled to be counted in a quorum. Notices of meetings and adjourned meetings will be sent to unitholders at their registered addresses.

### (c) **Voting Rights**

At a general meeting, 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, has one vote.

On a poll vote, a unitholder may vote either in person or by proxy. The voting right attaching to each unit is that proportion of the voting rights attached to all the units in issue (in the Fund or the class as the case may be) as the price of the units bears to the aggregate price(s) of all the units in issue (of the Fund or the class as appropriate), at a reasonable date before the notice of meeting is sent out (such date to be decided by the Manager).

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.

In the case of joint unitholders, the vote of the most senior unitholder who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint unitholders. For this purpose seniority must be determined by the order in which the names stand in the Register.

Except where the COLL Sourcebook or the Fund Deed require an extraordinary resolution (which needs at least 75% of the votes cast at the meeting to be in favour if the resolution is to be passed) any resolution required by the COLL Sourcebook will be passed by a simple majority of the votes validly cast for and against the resolution.

The Manager may not be counted in the quorum for a meeting and neither the Manager nor any 'associate' (as defined in Glossary to the FCA Handbook) of the Manager is entitled to vote at any meeting of the Fund except in respect of units which the Manager or

associate holds on behalf of or jointly with a person who, if the registered unitholder, would be entitled to vote and from whom the Manager or associate has received voting instructions.

Where all the units in the Fund are registered to, or held by, the Manager or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it will not be necessary to convene a meeting and a resolution may, with the prior written agreement of the Trustee, instead be passed with the written consent of unitholders representing 50% or more, or for an extraordinary resolution 75% or more, of the units in issue.

"unitholders" in this context means unitholders entered on the register at a time to be determined by the Manager and stated in the notice of the meeting which must not be more than 48 hours before the time fixed for the meeting.



# 10. Policies

## 10.1 Complaints

Complaints concerning the operation or marketing of the Fund 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. 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 by telephone: on 0800 678 1100 or 020 7741 4100.

## 10.2 Exercise of voting rights

The Manager has a strategy for determining how voting rights attached to ownership of the property of the Fund are to be exercised for the benefit of the Fund. 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 on request.

## 10.3 Inducements

It is the policy of the Manager not to accept any monetary or non-monetary benefits that constitute inducements under any circumstances. The Manager is permitted to accept minor non-monetary benefits such as training (which do not constitute inducements).

## 10.4 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.

## 10.5 Target market

For the purposes of MiFID II - the legislative framework instituted by the European Union to regulate financial markets and improve protections for investors, we have prepared the following description of the Fund's target market

*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 Fund.

Clients who should not invest: shares in the Fund are deemed incompatible for investors which:

## 10. Policies

---

- 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).

### 10.6 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 Fund. This policy has been developed in accordance with the Manager's obligations under the Regulations to obtain the best possible result for the Fund. Details of the order execution policy are available on the Manager's website at [www.maitlandgroup.com](http://www.maitlandgroup.com)

### 10.7 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 Fund.

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 Fund. 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 Fund 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 Fund 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 Fund 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 Fund 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.

# 11. Data protection

## 11.1 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 Fund 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 Fund for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Fund, 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 Fund, for compliance with certain legal obligations to which the Fund 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 Fund, 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 Fund 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 Fund; 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 Fund 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 Fund and the Fund Partners may also process investors' personal information where it or they

consider there are other legitimate business interests of the Fund (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.com](mailto:dataprotectionofficer@maitlandgroup.com). 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 Fund 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 Fund's legal obligations (e.g. 7 years in the UK). Under the Data Protection Legislation, investors have a right of access to their personal data kept by the Fund, the right to amend and rectify any inaccuracies in their personal data held by the Fund and the right to data portability of their personal data by making a request to the Fund in writing at [dataprotectionofficer@maitlandgroup.com](mailto:dataprotectionofficer@maitlandgroup.com). 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.com](mailto:dataprotectionofficer@maitlandgroup.com).

## 11.2 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

## 11. Data protection

---

Manager will take steps to ensure that unitholders' privacy rights are respected. Details relevant to a unitholder may be provided on request

### 11.3 Telephone Recordings

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

# 12. Winding up of the Fund

## 12.1 When the Fund may be wound up

There is no due date for the wind-up of the Fund.

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

- if the order declaring the Fund to be an authorised unit trust scheme is revoked, or
- if the Manager or the Trustee requests the FCA to revoke the order declaring the Fund 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 Fund, the FCA will accede to that request, or
- on the effective date of a duly approved scheme of arrangement which is to result in the Fund being left with no property, or
- on the passing of an extraordinary resolution winding up the Fund provided the FCA's prior consent to the resolution has been obtained by the Manager or the Trustee.

## 12.2 What happens on a winding up

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 Fund, 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 Fund in accordance with the approved scheme of arrangement.

In any other case, the Trustee shall, as soon as practicable after the Fund falls to be wound-up, realise the assets of the Fund 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 (on 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.

# Appendix 1

## Valuation for pricing

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

### 1. Basic provisions

<b>Cash</b>	<ul style="list-style-type: none"> <li>Cash and amounts held in current and deposit accounts and in other time-related deposits will be valued at their nominal values</li> </ul>
<b>Units (or shares) in collective investment schemes</b>	<ul style="list-style-type: none"> <li>If a single price for buying/selling units is quoted, they will be valued at that price</li> <li>If separate buying and selling prices are quoted for units, they will be valued at the average of the two prices (any entry fee having been removed from the buying price and any exit fee having been removed from the selling price)</li> <li>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, the units will be valued at a value which, in the opinion of the Manager, is fair and reasonable</li> </ul>
<b>Quoted securities</b>	<ul style="list-style-type: none"> <li>If a single price for buying and selling the security is quoted, they will be valued at that price</li> <li>If separate buying and selling prices for the security are quoted, they will be valued at the average of the two prices</li> <li>If, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no price exists, the security will be valued at a value which, in the opinion of the Manager, is fair and reasonable</li> </ul>
<b>Other investments</b>	<ul style="list-style-type: none"> <li>Valued at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price</li> </ul>

### 2. Assumptions

- 2.1 In determining the value of the property, all instructions given to issue or cancel units will be assumed to have been carried out (and any cash paid or received) whether or not this is the case.
- 2.2 Subject to paragraph 2.3, agreements for the unconditional sale or purchase of scheme property which are in existence but uncompleted will 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 will not materially affect the final net asset amount.

- 2.3 All agreements are to be included under paragraph 2.2 which are, or ought reasonably to have been, known to the person valuing the property.

- 2.4 Currencies or values in currencies other than the Fund's base currency will be translated at the relevant valuation point at a rate of exchange determined by the Manager that is not likely to result in any material prejudice to the interests of unitholders or potential unitholders.

### 3. Deductions

- 3.1 There will be deducted an estimated amount for anticipated tax liabilities (whether of the United Kingdom or elsewhere) at that time including (as applicable) capital gains tax, income tax, corporation tax, value added tax, stamp taxes, any other transfer or transaction tax, withholding tax, transfer pricing and irrecoverable VAT.
- 3.2 There will be deducted an estimated amount for any liabilities payable out of the scheme property of the relevant Sub-fund and any tax arising treating periodic items as accruing from day to day.
- 3.3 There will be deducted the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

### 4. Additions

- 4.1 There will be added an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.2 There will be added any other credits or amounts due to be paid into the property of the Fund.
- 4.3 There will be added a sum representing any interest or any income accrued due or deemed to have accrued but not received.

### 5. Exceptions

If it is impractical or obviously incorrect to carry out a valuation of any property or investment in accordance with the rules above, the Manager may choose to use other generally recognised valuation principles in order to reach a proper valuation of the Fund's net asset value if it considers that valuation in accordance with those principles better reflects the value of a security, interest or position.

# Appendix 2

## Investment powers and limits

The Operator can generally exercise any investment power or borrowing power provided for in Chapter 5 of the COLL Sourcebook applicable to a UCITS. However, the Fund must always be operated in line with any applicable investment restrictions and limits in its investment policy, the powers and restrictions in this Appendix, the Trust Deed and the rules in Chapter 5 of the COLL Sourcebook.

A summary of the Fund's spread requirements are set out below. More detail on these restrictions and others that apply to the Fund are set out later in this Appendix.

		Maximum exposure to...			
		Asset class		Issuer / deposit taker / counterparty	
		Not on eligible markets	On eligible markets	Single body	Single group
<b>Government and public securities</b>		Up to 100% of the Fund may be invested in Government and public securities		Up to 35% of the Fund may be exposed to a single issuer of Government and public securities	
<b>Transferable securities</b>	<b>Covered bonds</b>		Up to 100% of the Fund may be invested in covered bonds on eligible markets  (or 80% if covered bonds from a single issuer constitute >5% of the Fund)	Up to 25% of the Fund can be invested in covered bonds issued by a single body/group.	
	<b>Uncovered bonds</b>	Up to 10% of the Fund may be invested in unapproved transferable securities and money market instruments	Up to 25% of the Fund may be invested in uncovered bonds on eligible markets	Up to 10% of the Fund may be exposed to a single body across these asset classes  <i>(for up to 40% of the portfolio)</i> ----- Up to 5% of the Fund may be exposed to a single body across these asset classes  <i>(for the remainder)</i>	Up to 20% of the Fund may be exposed to a single body across all these asset classes
	<b>Alternative debentures</b>		Up to 100% of the Fund may be invested in alternative debentures on eligible markets		
	<b>Shares (incl. investment trusts)</b>		Up to 100% of the Fund may be invested in shares on eligible markets		
	<b>Warrants</b>		Up to 5% of the Fund may be invested in warrants on eligible markets		
	<b>Certificates representing certain securities</b>		Up to 100% of the Fund may be invested in these certificates on eligible markets		
<b>Approved money market instruments</b>	Up to 100% of the Fund may be invested in approved MMIs on eligible markets				
<b>Derivatives and forward transactions</b>		Up to 100% of the Fund may consist of derivatives		10% exposure to a single counterparty who is an approved bank  5% exposure to other single counterparties	
<b>Deposits</b>		Up to 100% of the Fund may be deposited as cash with deposit taking institutions		Up to 20% of NAV may be deposited as cash with any single deposit-taking institution	
<b>Units in collective investment schemes</b>		Up to 10% of the Fund may be invested in units in collective investment schemes (including other schemes managed by the Manager or Investment Manager)		Up to 10% of the Fund may be invested in a single collective investment scheme	



**1. General rules of investment**

The scheme property of the Fund (the “Scheme Property”) will be invested with the aim of achieving the investment objective of the Fund (as set out in this document) but subject to the limits set out in Chapter 5 of the COLL Sourcebook (“COLL 5”) and this Prospectus. These limits apply to the Fund as summarised below.

**2. Prudent spread of risk**

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

**3. Treatment of obligations**

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

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

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

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

**4. UCITS schemes - general**

4.1 Subject to the investment objective and policy of the Fund, the Scheme Property must, except where otherwise provided in COLL 5, only consist of any or all of:

4.1.1 transferable securities;

4.1.2 approved money-market instruments;

4.1.3 permitted derivatives and forward transactions;

4.1.4 permitted deposits;

4.1.5 permitted units in collective investments schemes; and

4.1.6 moveable and immoveable property that is essential for the direct pursuit of the Company’s business in accordance with COLL 5.

4.2 Transferable securities and approved money-market instruments held within the Fund must (subject to paragraphs 4.3 and 4.4 below) be admitted to or dealt on an eligible market as described in paragraphs 9 and 10 below.

4.3 Not more than 10% in value of the Scheme Property is to consist of transferable securities, which are not approved securities.

4.4 Not more than 10% in the value of the Scheme Property is to consist of approved money-market instruments which do not fall within paragraph 11 below.

4.5 The requirements on spread of investments generally and in relation to investment in government and public securities do not apply until the expiry of a period of six months after the date of effect of the authorisation order in respect of the Fund (or on which the initial offer commenced if later) provided that the requirement to maintain prudent spread of risk in paragraph 2 above is complied with.

**5. Transferable Securities**

5.1 A transferable security is an investment falling within article 76 (Shares etc), article 77 (instruments creating or acknowledging indebtedness), article 78 (government and public securities), article 79 (instruments giving entitlement to investments) and article 80 (certificates representing certain securities) of the Regulated Activities Order.

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

5.3 In applying paragraph 5.2 above to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc) or 77 (instruments creating or acknowledging indebtedness) 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.

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

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



- 5.5.1 the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
  - 5.5.2 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;
  - 5.5.3 reliable valuation is available for it as follows:
    - 5.5.3.1 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;
    - 5.5.3.2 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;
  - 5.5.4 appropriate information is available for it as follows:
    - 5.5.4.1 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;
    - 5.5.4.2 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;
  - 5.5.5 it is negotiable; and
  - 5.5.6 its risks are adequately captured by the risk management process of the Manager.
- 5.6 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:
- 5.6.1 not to compromise the ability of the Manager to comply with its obligation to redeem Units at the request of any qualifying Unitholder; and
  - 5.6.2 to be negotiable.
- 5.7 No more than 5% of the Scheme Property may be invested in warrants.
- 6. Closed end funds constituting transferable securities**
- 6.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Fund, provided it fulfils the criteria for transferable securities set out in paragraph 5.5 and either:
- 6.1.1 where the closed end fund is constituted as an investment company or a unit trust;
  - 6.1.2 it is subject to corporate governance mechanisms applied to companies; and
  - 6.1.3 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
  - 6.1.4 where the closed end fund is constituted under the law of contract;
  - 6.1.5 it is subject to corporate governance mechanisms equivalent to those applied to companies; and
  - 6.1.6 it is managed by a person who is subject to national regulation for the purpose of investor protection.
- 7. Transferable securities linked to other assets**
- 7.1 A Fund may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by a Fund provided the investment:
- 7.1.1 fulfils the criteria for transferable securities set out above; and
  - 7.1.2 is backed by or linked to the performance of other assets, which may differ from those in which a Fund can invest.
- 7.2 Where an investment in paragraph 7.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.
- 8. Approved money-market instruments**
- 8.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.

- 8.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:
- 8.2.1 has a maturity at issuance of up to and including 397 days;
  - 8.2.2 has a residual maturity of up to and including 397 days;
  - 8.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
  - 8.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 8.2.1 or 8.2.2 or is subject to yield adjustments as set out in paragraph 8.2.3.
- 8.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the Manager to redeem Units at the request of any qualifying Unitholder.
- 8.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
- 8.4.1 enabling the Manager to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  - 8.4.2 based either on market data or on valuation models including systems based on amortised costs.
- 8.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager that would lead to a different determination.
- 9. Transferable securities and money-market instruments generally to be admitted or dealt in on an eligible market**
- 9.1 Transferable securities and approved money-market instruments held within the Fund must be:
- 9.1.1 admitted to or dealt on an eligible market (as described in paragraphs 10.3.1 or 10.3.2); or
  - 9.1.2 dealt on an eligible market (as described in paragraph 10); or
  - 9.1.3 for an approved money-market instrument not admitted to or dealt in on an eligible market, within paragraph 11.1; or
  - 9.1.4 a recently issued transferable security, provided that:
    - 9.1.4.1 the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
    - 9.1.4.2 such admission is secured within a year of issue.
- 9.2 However, the Fund may invest no more than 10% of its Scheme Property in transferable securities and approved money-market instruments other than those referred to in paragraph 9.1.
- 10. Eligible markets regime: purpose**
- 10.1 To protect unitholders the markets on which investments of a Fund 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.
- 10.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in paragraph 9 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.
- 10.3 A market is eligible for the purposes of the rules if it is:
- 10.3.1 a regulated market as defined in the FCA Regulations; or
  - 10.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.
- 10.4 A market not falling within paragraph 10.3 above is eligible for the purposes of COLL 5 if:
- 10.4.1 the Manager, after consultation and notification with the Trustee, decides that market is appropriate for investment of, or dealing in, the Scheme Property;
  - 10.4.2 the market is included in a list in the Prospectus; and
  - 10.4.3 the Trustee has taken reasonable care to determine that:
    - 10.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and

- 10.4.3.2 all reasonable steps have been taken by the Manager in deciding whether that market is eligible.
- 10.5 In paragraph 10.4.1 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 to the order of investors. The eligible securities and derivatives markets for the Fund are set out in this Prospectus.
- 11. Money-market instruments with a regulated issuer**
- 11.1 In addition to instruments admitted to or dealt in on an eligible market, the Fund may invest in an approved money-market instrument provided it fulfils the following requirements:
- 11.1.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
- 11.1.2 the instrument is issued or guaranteed in accordance with paragraph 12 below.
- 11.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
- 11.2.1 the instrument is an approved money-market instrument;
- 11.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 13 below; and
- 11.2.3 the instrument is freely transferable.
- 12. Issuers and guarantors of money-market instruments**
- 12.1 The Fund may invest in an approved money-market instrument if it is:
- 12.1.1 issued or guaranteed by any one of the following:
- 12.1.1.1 a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
- 12.1.1.2 a regional or local authority of an EEA State;
- 12.1.1.3 the European Central Bank or a central bank of an EEA State;
- 12.1.1.4 the European Union or the European Investment Bank;
- 12.1.1.5 a non-EEA State or, in the case of a federal state, one of the members making up the federation;
- 12.1.1.6 a public international body to which one or more EEA States belong; or
- 12.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
- 12.1.3 issued or guaranteed by an establishment which is:
- 12.1.3.1 subject to prudential supervision in accordance with criteria defined by European Community law; or
- 12.1.3.2 subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Community law.
- 12.2 An establishment shall be considered to satisfy the requirement in paragraph 12.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
- 12.2.1 it is located in the European Economic Area;
- 12.2.2 it is located in an OECD country belonging to the Group of Ten;
- 12.2.3 it has at least investment grade rating;
- 12.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by European Community law.
- 13. Appropriate information for money-market instruments**
- 13.1 In the case of an approved money-market instrument within paragraph 12.1.2 or issued by a body of the type referred to in COLL 5.2.10EG, or which is issued by an authority within paragraph 12.1.1.2 or a public international body within paragraph 12.1.1.6 but is not guaranteed by a central authority within paragraph 12.1.1.1, the following information must be available:
- 13.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

- 13.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
- 13.1.3 available and reliable statistics on the issue or the issuance programme.
- 13.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 12.1.3, the following information must be available:
- 13.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
- 13.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
- 13.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 13.3 In the case of an approved money-market instrument:
- 13.3.1 within paragraphs 12.1.1.1, 12.1.1.4 or 12.1.1.5; or
- 13.3.2 which is issued by an authority within paragraph 12.1.1.2 or a public international body within paragraph 12.1.1.6 and is guaranteed by a central authority within paragraph 12.1.1.1;
- 13.3.3 information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.
- 14. Spread: general**
- 14.1 This rule on spread does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 16 applies.
- 14.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.
- 14.3 Not more than 20% in the value of the Scheme Property is to consist of deposits with a single body.
- 14.4 Not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.
- 14.5 The limit of 5% is raised to 25% in value of the Scheme Property in respect of covered bonds provided that when the Fund invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.
- 14.6 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.
- 14.7 Not more than 20% in value of the Scheme Property is to consist of transferable securities and approved money-market instruments issued by the same group.
- 14.8 Not more than 20% in value of the Scheme Property is to consist of the Shares of any one collective investment scheme.
- 14.9 In applying the limits in paragraphs 14.3 and 14.4 and 14.6 and subject to 14.5, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
- 14.9.1 transferable securities (including covered bonds) or approved money-market instruments issued by; or
- 14.9.2 deposits made with; or
- 14.9.3 exposures from Over-the Counter ("OTC") derivatives transactions made with a single body.
- 15. Counterparty risk and issuer concentration**
- 15.1 The Manager must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 14.6 and 14.9 above.
- 15.2 When calculating the exposure of the Fund to a counterparty in accordance with the limits in paragraph 14.6 the Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 15.3 The Manager may net the OTC derivative positions of the Fund with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Fund.
- 15.4 The netting agreements in paragraph 15.3 above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other

- exposures the Fund may have with that same counterparty.
- 15.5 The Manager may reduce the exposure of scheme property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 15.6 The Manager must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 14.6 when it passes collateral to an OTC counterparty on behalf of the Fund.
- 15.7 Collateral passed in accordance with paragraph 15.6 may be taken into account on a net basis only if the Manager is able legally to enforce netting arrangements with this counterparty on behalf of the Fund.
- 15.8 In relation to the exposure arising from OTC derivatives as referred to in paragraph 14.6 the Manager must include any exposure to OTC derivative counterparty risk in the calculation.
- 15.9 The Manager must calculate the issuer concentration limits referred to in paragraph 14.6 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.
- 16. Spread: government and public securities**
- 16.1 The following section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued by:
- 16.1.1 an EEA State;
- 16.1.2 a local authority of an EEA State;
- 16.1.3 a non-EEA State; or
- 16.1.4 a public international body to which one or more EEA States belong.
- 16.2 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 16.3 The Fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:
- 16.3.1 the Manager has, before any such investment is made, consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the authorised fund;
- 16.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;
- 16.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;
- 16.3.4 the disclosures required by the FCA have been made.
- 16.4 In relation to such securities:
- 16.4.1 issue, issuer and issuer include guarantee, guaranteed and guarantor; and
- 16.4.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.
- 17. Investment in collective investment schemes**
- 17.1 Up to 10% of the value of the Scheme Property may be invested in units or shares in other collective investment schemes ("Second Scheme") provided the Second Scheme satisfies all of the following conditions.
- 17.2 The Second Scheme must:
- 17.2.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or
- 17.2.2 be a recognised scheme under the provisions of s.272 of the Financial Services and Markets Act 2000 that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or
- 17.2.3 be authorised as a non-UCITS retail scheme (provided the requirements of Article 50(1)(e) of the UCITS Directive are met); or
- 17.2.4 be authorised in another EEA State provided the requirements of Article 50 (1)(e) of the UCITS Directive are met; or
- 17.2.5 be authorised by the competent authority of an OECD member country (other than another EEA State) which has:
- 17.2.5.1 signed the IOSCO Multilateral Memorandum of Understanding; and
- 17.2.5.2 approved the Scheme's management company, rules and depositary and custodian arrangements,

- (provided the requirements of article 50(1)(e) of the UCITS Directive are met.
- 17.3 The Second Scheme has terms which prohibit more than 10% in value of the scheme property consisting of Shares in collective investment schemes.
- 17.4 Investment may only be made in collective investment schemes managed by the Manager or an associate of the Manager if the Fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
- 17.5 The Fund may invest (subject to the limit set out above) in collective investment schemes managed or operated by, or whose authorised corporate director is, the Manager of the Fund or one of its associates.
- 18. Investment in nil and partly paid securities**
- 18.1 A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the rules in COLL 5.
- 19. Use of derivatives**
- 19.1 Subject to 19.2 below, the Fund may only enter into transactions for the purposes of efficient portfolio management for the Fund. It is not intended that the use of derivative instruments and forward transactions in this way will cause the net asset value of the Fund to have a high volatility or otherwise cause its existing risk profile to change materially.
- 19.2 The initial eligible derivatives markets for the Fund are listed in Appendix IV and new eligible derivative markets may be added.
- 20. Derivatives: general**
- 20.1 A transaction in derivatives or a forward transaction must not be effected for the Fund unless the transaction is of a kind specified in paragraph 21 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 32 (Cover for investment in derivatives).
- 20.2 Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to spread (COLL 5.2.11R Spread: general, COLL 5.2.12R Spread: government and public securities) except for index based derivatives where the rules below apply.
- 20.3 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 20.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 20.4.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
- 20.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
- 20.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 20.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 20.6 Where the Fund invests in an index based derivative, provided the relevant index falls within COLL 5.2.20 AR (Financial Indices underlying derivatives) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R. The rebalancing frequency of the underlying index of such financial derivative instruments is determined by the index provider and there would be no cost to a Fund when the index rebalances.
- 20.7 The Fund does not currently invest in total return swaps for the purposes of the Securities Financing Transactions Regulations.
- 21. Permitted transactions (derivatives and forwards)**
- 21.1 A transaction in a derivative must be:
- 21.1.1 in an approved derivative; or
- 21.1.2 be one which complies with paragraph 25 (OTC transactions in derivatives).
- 21.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the scheme is dedicated: transferable securities, money



- market instruments permitted under paragraph 11 (Investment in money market instruments), deposits, permitted derivatives under this paragraph, collective investment scheme units permitted under paragraph 17 (Investment in collective investment schemes), financial indices which satisfy the criteria set out in COLL 5.2.20, interest rates, foreign exchange rates, and currencies.
- 21.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 21.4 A transaction in a derivative must not cause the Fund to diverge from its investment objectives and policy as stated in trust deed and the most recently published version of this Prospectus.
- 21.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 33 are satisfied.
- 21.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 21.7 A derivative includes an instrument which fulfils the following criteria:
- 21.7.1 it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
- 21.7.2 it does not result in the delivery or the transfer of assets other than those referred to in paragraph 4.1 above including cash;
- 21.7.3 in the case of an OTC derivative, it complies with the requirements in paragraph 25;
- 21.7.4 its risks are adequately captured by the risk management process of the Manager and by its internal control mechanisms in the case of risks of asymmetry of information between the Manager and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 22. Financial indices underlying derivatives**
- 22.1 The financial indices referred to in paragraph 21.2 are those which satisfy the following criteria:
- 22.1.1 the index is sufficiently diversified;
- 22.1.2 the index represents an adequate benchmark for the market to which it refers; and
- 22.1.3 the index is published in an appropriate manner.
- 22.2 A financial index is sufficiently diversified if:
- 22.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
- 22.2.2 where it is composed of assets in which the Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
- 22.2.3 where it is composed of assets in which the Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.
- 22.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 22.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
- 22.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
- 22.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 22.4 A financial index is published in an appropriate manner if:
- 22.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
- 22.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 22.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 21.2, be regarded as a combination of those underlyings.

**23. Transactions for the purchase of property**

A derivative or forward transaction which will or could lead to the delivery of property for the account of the Fund may be entered into only if that property can be held for the account of the Fund, and the Manager having taken reasonable care determines that delivery of the property under the transaction will not occur or will not lead to a breach of the rules in the COLL Sourcebook.

determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

**24. Requirement to cover sales**

No agreement by or on behalf of the Fund to dispose of property or rights may be made unless the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights, and the property and rights above are owned by the Fund at the time of the agreement. This requirement does not apply to a deposit.

25.1.4.1 on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable; or

25.1.4.2 if the value referred to in paragraph 25.1.4.1 is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and

**25. OTC transactions in derivatives**

25.1 Any transaction in an OTC derivative under paragraph 21.1.2 must be:

25.1.5 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:

25.1.1 in a future or an option or a contract for differences;

25.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the Manager is able to check it; or

25.1.2 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

25.1.5.2 a department within the Manager which is independent from the department in charge of managing the Fund and which is adequately equipped for such a purpose.

25.1.3 on approved terms; the terms of the transaction in derivatives are approved only if, before the transaction is entered into, the Trustee is satisfied that the counterparty has agreed with the Fund: to provide at least daily and at any other time at the request of the Manager of the Fund a reliable and verifiable valuation in respect of that transaction corresponding to its fair value (being the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction) and which does not rely only on market quotations by the counterparty; and that it will, at the request of the Fund, enter into a further transaction to close out that transaction at any time, at a fair value arrived at under the reliable market value basis or pricing model agreed under the following paragraph; and

25.1.4 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Fund having taken reasonable care

**26. Valuation of OTC derivatives**

26.1 For the purposes of paragraph 25.1.3 the Manager must:

26.1.1 establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of the Fund to OTC derivatives; and

26.1.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

26.2 Where the arrangements and procedures referred to above involve the performance of certain activities by third parties, the Manager must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UCITS schemes).

26.3 The arrangements and procedures referred to in this rule must be:

26.3.1 adequate and proportionate to the nature and complexity of the OTC derivative concerned; and



26.3.2 adequately documented.

respect of the transferable securities of that body corporate).

## 27. Risk management

27.1 The Manager uses a risk management process, enabling it to monitor and measure at any time the risk of the Fund's positions and their contribution to the overall risk profile of the Fund.

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

27.2.1 a true and fair view of the types of derivatives and forward transactions to be used within the Fund together with their underlying risks and any relevant quantitative limits;

27.2.2 the methods for estimating risks in derivative and forward transactions.

## 28. Investment in deposits

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

## 29. Significant influence

29.1 The Manager must not acquire or cause to be acquired for an authorised unit trust or authorised contractual scheme of which it is the authorised fund 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:

29.1.1 immediately before the acquisition, the aggregate of any such securities held for that authorised unit trust or authorised contractual scheme, taken together with any such securities already held for other authorised unit trusts or authorised contractual schemes of which it is also the authorised fund manager, gives the authorised fund manager power significantly to influence the conduct of business of that body corporate; or

29.1.2 the acquisition gives the authorised fund manager that power.

29.2 For the purposes of paragraph 29.1.1, an authorised fund 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 by it for all the authorised unit trusts or authorised contractual schemes, of which it is the authorised fund 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

## 30. Concentration

30.1 The Fund:

30.1.1 must not acquire transferable securities other than debt securities which:

30.1.2 do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

30.1.3 represent more than 10% of these securities issued by that body corporate;

30.2 must not acquire more than 10% of the debt securities issued by any single issuing body;

30.3 must not acquire more than 25% of the units in a collective investment scheme;

30.4 must not acquire more than 10% of the approved money-market instruments issued by any single body;

30.5 need not comply with the limits in paragraphs 30.2, 30.3 and 30.4 if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

## 31. Derivative exposure

31.1 The Fund may invest in derivatives and forward transactions as long as the exposure to which the Fund is committed by that transaction itself is suitably covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.

31.2 Cover ensures that the Fund is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property of the Fund. Therefore, the Fund must hold Scheme Property which is sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Paragraph 33 (Cover for transactions in derivatives and forward transactions) below sets out detailed requirements for cover of the Fund.

31.3 A future is to be regarded as an obligation to which the Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which the scheme is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).

31.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

**32. Schemes replicating an index**

32.1 The Fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

32.2 Replication of the composition of a relevant index shall be understood to be a reference to a replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.

32.3 The 20% limit can be raised for the Fund up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

32.4 In the case of the Fund replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index in cases where the Fund's investment objective is to achieve a result consistent with the replication of an index rather than an exact replication.

32.5 The indices referred to above are those which satisfy the following criteria:

32.5.1 the composition is sufficiently diversified;

32.5.2 the index represents an adequate benchmark for the market to which it refers; and

32.5.3 the index is published in an appropriate manner.

32.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this section.

32.7 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.

32.8 An index is published in an appropriate manner if:

32.8.1 it is accessible to the public;

32.8.2 the index provider is independent from the index-replicating UCITS scheme; this does not preclude index providers and the UCITS scheme from forming part of the same group, provided

that effective arrangements for the management of conflicts of interest are in place.

**33. Cover for investment in derivatives**

33.1 The Fund may invest in derivatives and forward transactions as part of its investment policy provided:

33.1.1 its global exposure relating to derivatives and forward transactions held in the Fund does not exceed the net value of the scheme property; and

33.1.2 its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 14 above.

**34. Cover and borrowing**

34.1 Cash obtained from borrowing, and borrowing which the Manager reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under paragraph 33 except where paragraph 34.2 below applies.

34.2 Where, for the purposes of this paragraph the Fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in paragraph 34.1 on deposit with the lender (or his agent or nominee), then this paragraph 34.2 applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property of the Fund.

**35. Daily calculation of global exposure**

35.1 The Manager must calculate the global exposure of the Fund on at least a daily basis.

35.2 For the purposes of this section, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

**36. Calculation of global exposure**

36.1 The Manager must calculate the global exposure of the Fund either as:

36.1.1 the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 20 (Derivatives: general), which may not exceed 100% of the net value of the scheme property of the Fund, by way of the commitment approach; or

- 36.1.2 the market risk of the scheme property of the Fund, by way of the value at risk approach.
- 36.2 The Manager must ensure that the method selected above is appropriate, taking into account:
  - 36.2.1 the investment strategy pursued by the Fund;
  - 36.2.2 the types and complexities of the derivatives and forward transactions used; and
  - 36.2.3 the proportion of the scheme property comprising derivatives and forward transactions.
- 36.3 Where the Fund employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 38 (Stock lending) in order to generate additional leverage or exposure to market risk, the Manager must take those transactions into consideration when calculating global exposure.
- 36.4 For the purposes of this paragraph, value at risk means a measure of the maximum expected loss at a given confidence level over the specific time period.

**37. Commitment approach**

- 37.1 Where the Manager uses the commitment approach for the calculation of global exposure, it must:
  - 37.1.1 ensure that it applies this approach to all derivative and forward transactions (including embedded derivatives as referred to in paragraph 20 (Derivatives: general)), whether used as part of the Fund's general investment policy, for the purposes of risk reduction or for the purposes of efficient portfolio management in accordance with paragraph 38 (Stock lending); and
  - 37.1.2 convert each derivative or forward transaction into the market value of an equivalent position in the underlying asset of that derivative or forward (standard commitment approach).
- 37.2 The Manager may apply other calculation methods which are equivalent to the standard commitment approach.
- 37.3 For the commitment approach, the Manager may take account of netting and hedging arrangements when calculating global exposure of the Fund, where these arrangements do not disregard obvious and material risks and result in a clear reduction in risk exposure.
- 37.4 Where the use of derivatives or forward transactions does not generate incremental exposure for the Fund, the underlying exposure need not be included in the commitment calculation.

- 37.5 Where the commitment approach is used, temporary borrowing arrangements entered into on behalf of the Fund in accordance with paragraph 34 need not form part of the global exposure calculation.

- 37.6 The Manager uses the commitment approach to calculate the global exposure of the Fund.

**38. Stock lending**

- 38.1 The entry into stock lending transactions or repo contract for the account of a Fund is permitted for the generation of additional income for the benefit of the Fund, and hence for its Shareholders.
- 38.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the
- 38.3 The Fund does not currently engage in stock lending, repo, reverse repo, margin lending, buyback or buy-sell-back transactions for the purposes of the Securities Financing Transactions Regulations.

**39. Cash and near cash**

- 39.1 Cash and near cash must not be retained in the Scheme Property of the Fund except to the extent that, where this may reasonably be regarded as necessary in order to enable:
  - 39.1.1 the pursuit of the Fund's investment objectives; or
  - 39.1.2 redemption of Shares; or
  - 39.1.3 efficient management of the Fund in accordance with its investment objectives; or
  - 39.1.4 other purposes which may reasonably be regarded as ancillary to the investment objectives of the Fund.

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

**40. General**

- 40.1 It is not intended that the Fund will have an interest in any immovable property or tangible movable property.
- 40.2 It is envisaged that the Fund will normally be fully invested but there may be times that it is appropriate not

to be fully invested when the Manager reasonably regards this as necessary in pursuit of the investment objective and policy, redemption of Units, efficient management of the Fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of the Fund.

- 40.3 Where the Fund invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the Manager, or an associate of the Manager must pay to the Fund by the close of business on the fourth dealing day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.
- 40.4 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Fund 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.
- 40.5 The COLL Sourcebook permits the Manager to use certain techniques when investing in derivatives in order to manage the Fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure with respect to over-the-counter ("OTC") derivatives; for example the Fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty spread limits. The COLL Sourcebook also permits the Fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in the scheme) under certain conditions.

#### 41. Underwriting

Underwriting and sub underwriting contracts and placings may also, subject to certain conditions set out in the COLL Sourcebook, be entered into for the account of the Fund.

#### 42. Borrowing powers

- 42.1 The Trustee may, on the instructions of the Manager and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property.
- 42.2 Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Trustee, which may be given only on such conditions as appear appropriate to the Trustee to ensure that the borrowing does not cease to be on a temporary basis.

42.3 The Manager must ensure that borrowing does not, on any day, exceed 10% of the value of the Fund.

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

# Appendix 3

## List of other authorised collective investment schemes operated by the Manager

**The Manager acts as Authorised Corporate Director (Manager), 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 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 Thameside Managed Funds
- MI Thornbridge Investment Funds
- MI TwentyFour Investment Funds
- Merian Chrysalis Investment Trust
- TwentyFour Income Fund
- TwentyFour Select Monthly Income Fund

# Appendix 4

## List of Eligible Markets

### Eligible Securities Markets

The following is a list of additional eligible markets for the purposes of Paragraph 5.5.4.2 of Appendix 2

Jurisdiction	Markets
United Kingdom	The Main Market
	The Alternative Investment Market of the London Stock Exchange (AIM)
	NEX Exchange
	Channel Islands Stock Exchange (CISX)
<b>Any other EEA State</b>	All eligible markets
Australia	Australian Securities Exchange (ASX)
Austria	Vienna Stock Exchange
Brazil	BM&F BOVESPA
Canada	Toronto Stock Exchange TSX
	Venture Exchange
	Montreal Exchange
Germany	Eurex Deutschland
	Frankfurt Stock Exchange
Hong Kong	Hong Kong Stock Exchange
India	National Stock Exchange of India

Jurisdiction	Markets
	Bombay Stock Exchange (BSE)
Italy	Borsa Italiana
Japan	Tokyo Stock Exchange
	Osaka Securities Exchange
	Nagoya Stock Exchange
	JASDAQ Securities Exchange
	Tokyo Financial Exchange
New Zealand	New Zealand Stock Exchange (NZX)
Norway	Oslo Stock Exchange
Singapore	Singapore Exchange (SGX)
South Africa	JSE Limited
Spain	MEFF (Renta Variable & Fija) Spanish Exchanges BME
Sweden	NASDAQ OMX Stockholm AB
United States	NYSE MKT, NYSE, NYSE Arca, NASDAQ Stock Exchange, NASDAQ OMX BX, Chicago Stock Exchange

### Eligible Derivatives Markets

The following is a list of additional eligible markets for the purposes of Paragraph 5.5.4.2 of Appendix 2

NYSE Amex Options Exchange
NASDAQ Copenhagen
Eurex Deutschland
Euronext Amsterdam
NASDAQ OMX Helsinki Ltd
Hong Kong Exchanges and Clearing Limited
ICE Futures Europe
Euronext Paris
MEFF Renta Fija
MEFF Montreal Exchange
Chicago Mercantile Exchange
NASDAQ Stockholm AB
London Stock Exchange
Osaka Exchange

NYSE Arca JSE Limited
Eurex Zurich
Tokyo Stock Exchange

# Appendix 5

## List of the Trustee's sub-custodians

Updated as at October 2019

Jurisdiction	Sub custodian	Sub custodian Delegate
Argentina	Citibank N.A., Buenos Aires Branch	
Australia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG	
Bangladesh	Standard Chartered Bank	
Belgium	Deutsche Bank AG	
Bermuda	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Bermuda Limited
Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Bosnia and Herzegovina (Republic of Srpska)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Botswana	Standard Chartered Bank Botswana Limited	
Brazil	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
Bulgaria	Citibank Europe plc, Bulgaria Branch	
Canada	The Northern Trust Company, Canada	
Canada*	Royal Bank of Canada	
Chile	Citibank N.A.	Banco de Chile
China B Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
Clearstream	Clearstream Banking S.A.,	
Colombia	Cititrust Columbia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Côte d'Ivoire	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Côte d'Ivoire SA
Croatia	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
Cyprus	Citibank Europe PLC	
Czech Republic	UniCredit Bank Czech Republic and Slovenia, a.s.	
Denmark	Nordea Bank Abp	
Egypt	Citibank N.A., Cairo Branch	
Estonia	Swedbank AS	
Eswatini (formerly Swaziland)	Standard Bank Swaziland Ltd	
Finland	Nordea Bank Abp	
France	The Northern Trust Company	
Germany	Deutsche Bank AG	
Ghana	Standard Chartered Bank Ghana Limited	
Greece	Citibank Europe PLC	
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	



**Appendix 5: List of the Trustee's sub-custodians**

Jurisdiction	Sub custodian	Sub custodian Delegate
<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>	Citibank Europe Plc	
<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 Northern Trust Company of Saudi Arabia	

**Appendix 5: List of the Trustee's sub-custodians**

Jurisdiction	Sub custodian	Sub custodian Delegate
<b>Senegal</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Côte d'Ivoire SA
<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.

# Appendix 6

## Past 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.

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 cannot be a guide to future performance of the Fund. 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.

	Year to 31/12/15	Year to 31/12/16	Year to 31/12/17	Year to 31/12/18	Year to 31/12/19
<b>MI Sterling Select Companies Fund Accumulation Units</b>	17.8%	20.3%	23.9%	-6.5%	21.6%

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