

THE ACORN TRUST
AN AUTHORISED UNIT TRUST

PROSPECTUS

(A Non-UCITS Retail Scheme with FCA Product Reference Number: 573886)

**Prepared in accordance with the Collective Investment Schemes Sourcebook
valid as at and dated**

20 March 2024

Evelyn Partners Fund Solutions Limited

Authorised and Regulated by the Financial Conduct Authority

PROSPECTUS
OF
THE ACORN TRUST

This document constitutes the Prospectus for The Acorn Trust (the "Fund") which has been prepared in accordance with the terms of the rules contained in the Collective Investment Schemes Sourcebook (the "FCA Regulations") published by the FCA as part of their Handbook of rules made under the Financial Services and Markets Act 2000 (the "Act").

This Prospectus has been prepared solely for, and is being made available to investors for the purposes of evaluating an investment in Units in Trust. Investors should only consider investing in the Trust if they understand the risks involved including the risk of losing all capital invested.

The Prospectus is dated and is valid as at 20 March 2024.

Copies of this Prospectus have been sent to the FCA and the Trustee.

All communications in relation to this Prospectus shall be in English.

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

The Prospectus is based on information, law and practice at the date of this Prospectus. The Fund is not bound by any out of date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus.

Evelyn Partners Fund Solutions Limited, the Manager of the Fund, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the FCA Regulations to be included in it.

The Trustee is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefore under the FCA Regulations or otherwise

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1. Definitions

Accumulation units means units (of whatever class) in the Fund as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Regulations;

Act means the Financial Services and Markets Act 2000 as may be amended or updated from time to time;

AIF means alternative investment fund;

AIFM means alternative investment fund manager;

AIFMD means the Alternative Investment Fund Managers Directive, 2011/61/EU, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable;

AIFMD Level 2 Regulation means Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing the AIFMD, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable;

AIFM Rules means the AIFMD, AIFMD Level 2 Regulation, and the United Kingdom implementing legislation, including the section of the FCA Handbook that deals with investment funds;

Approved Bank has the meaning defined in the FCA Rules, broadly an approved bank is the Bank of England or other OECD member state central bank, a bank with Part IV authorisation to accept deposits, a building society, or a bank supervised by the central bank or regulator in a member state of the OECD;

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

AUT means a UK authorised unit trust scheme;

Authorised Investment Fund means an AUT or an ICVC;

Business Day means a day (not being Saturday or Sunday) on which banks are open for business in London;

Client Money means any money that a firm receives from or holds for, or on behalf of, a unitholder in the course of, or in connection with, its business unless otherwise specified;

Dealing Day means the 14th and the final Business Day of the month, except where the 14th is not a Business Day it shall be the next Business Day thereafter;

EEA State a member state of the European Union or any other state which is within the European Economic Area;

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

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

EMT means the European MiFID Template;

EUWA means the European Union Withdrawal Act 2018;

FCA the Financial Conduct Authority, or such successor regulatory authority as may be appointed from time to time, and (where applicable) its predecessors including the Financial Services Authority;

FCA Regulations the rules contained in the Collective Investment Schemes Sourcebook (COLL), and the Investment Funds Sourcebook (FUND), as part of the FCA Rules as they may be amended or updated from time to time;

FCA Rules the FCA's Handbook of Rules and Guidance (including the COLL Sourcebook);

Fund means The Acorn Trust, a UK authorised unit trust;

Income units means units (of whatever class) in the Fund as may be in issue from time to time in respect of which income allocated thereto is distributed periodically to the holders thereof pursuant to the FCA Rules net of any tax deducted or accounted for by the Fund;

Investment Managers means Cazenove Capital Management, a trading name of Schroder & Co. Limited and Evelyn Partners Investment Management LLP;

Manager means Evelyn Partners Fund Solutions Limited or such entity as may be appointed Manager of the Fund from time to time;

MiFID II means Markets in Financial Instruments Directive, effective from 3 January 2018, or the statutory equivalent thereof, which forms part of UK law by virtue of the EUWA, as applicable;

Net Accumulation Units means accumulation units which are net paying units;

Net Asset Value or **NAV** means the value of the Scheme Property less the liabilities of the Fund as calculated in accordance with the Trust Deed;

Net Income Units means income units which are net paying units;

Net paying units means units (of whatever class) of the Fund as may be in issue from time to time and in respect of which income allocated thereto is credited periodically to capital (in the case of accumulation units) or distributed periodically to the holders thereof (in the case of income units) in either case in accordance with the relevant tax law net of any tax deducted or accounted for by the Fund;

OTC derivative means over-the-counter derivative;

Prime Broker means a credit institution, regulated investment firm or another entity subject to prudential regulation and ongoing supervision, offering services to professional clients primarily to finance or execute transactions in financial instruments as counterparty and which may also provide other services, such as clearing and settlement of trades, custodial services, stock lending, customised technology and operational support facilities. The Trust does not currently require the services of a Prime Broker;

Scheme Property means the property of the Fund to be given to the Trustee for safe-keeping, as required by the FCA Regulations;

Trust Deed means the deed constituting the Fund, as amended from time to time;

Trustee means NatWest Trustee & Depositary Services Limited;

UCITS Directive means the EC Directive on Undertakings for Collective Investment in Transferable Securities, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable;

Unit Class means a particular class of units as described in Section 4;

Unitholder means a holder of units in the Fund;

Valuation point means 5.00 pm on a Dealing Day;

VAT means value added tax.

2. The Fund

- 2.1 The Acorn Trust is an authorised unit trust, whose effective date of authorisation was 30 January 2012.
- 2.2 The Head Office of the Fund is at 45 Gresham Street, London, EC2V 7BG and is also the address of the place in the United Kingdom for service on the Fund of notices or other documents required or authorised to be served on it.
- 2.3 The base currency of the Fund is pounds Sterling.
- 2.4 Unitholders in the Fund are not liable for the debts of the Fund.
- 2.5 The Fund has been established as a "Non-UCITS retail scheme" and is an AIF for the purposes of AIFMD.
- 2.6 FCA Product Reference Number: 573886

3. Fund Structure

- 3.1 As explained above the Fund is a Non-UCITS retail scheme.
- 3.2 Details of the Fund, including its investment objective and policy are set out in 0. The Fund may currently only invest in derivatives for Efficient Portfolio Management purposes. The Fund may only use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to Unitholders. The use of derivatives for investment purposes may involve additional risks for Unitholders. These additional risks include leverage factors associated with transactions in the Fund. To the extent that derivatives are used for investment purposes, the overall risk of loss to the Fund, and hence the Fund's risk profile, may be increased.
- 3.3 Approval by the FCA in this context refers only to approval under the Act and does not in any way indicate or suggest endorsement or approval of the Trust as an investment.

4. Units

- 4.1 The Unit Classes presently available are set out in the details in 0. Further Unit Classes may be made available in due course, as the Manager may decide. The nature of the right represented by a unit is that of a beneficial interest under a trust.
- 4.2 The minimum initial investment for each Unit Class is set out in 0. These limits may be waived at the discretion of the Manager.
- 4.3 All Units issued by the Fund at present will be Net Income Units or Net Accumulation Units.

5. Management and Administration

5.1 Manager

5.1.1 The Manager of the Fund is Evelyn Partners Fund Solutions Limited which is a private company limited by shares incorporated in England and Wales under the Companies Act 1985. The Manager was incorporated on 30 July 1985 (Registered Company No 1934644).

Registered Office and Head Office: 45 Gresham Street London EC2V 7BG

Share Capital: Issued and paid up £50,000 Ordinary shares of £1 each

Information on the typical investor profile for the Trust is set out in Appendix 6.

5.1.2 The directors of the Manager are listed in Appendix 8. None of them have any significant business activities not connected with the business of the Manager.

5.1.3 The Manager is responsible for managing and administering the Fund's affairs in compliance with the FCA Regulations.

5.1.4 As at the date of this Prospectus, the Manager acts as manager or authorised corporate director of the authorised funds set out in Appendix 9.

5.2 Terms of Appointment

5.2.1 The Manager's appointment is governed by the Trust Deed.

5.2.2 The Manager is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or realising any outstanding obligations.

5.2.3 The Manager is under no obligation to account to the Trustee or the Unitholders for any profit it makes on the issue or re-issue of Units or cancellation of Units which it has redeemed. The fees to which the Manager is entitled are set out later in this document.

5.2.4 The main business activities of the Manager are (i) acting as manager (or authorised corporate director); and (ii) fund administration.

5.2.5 The Manager holds professional indemnity insurance to cover its professional liability risks (as set out in Article 12 of the AIFMD Level 2 Regulation), has appropriate professional indemnity insurance in place and maintains an amount of own funds sufficient to meet the PII Requirements in accordance with Article 15 of the AIFMD Level 2 Regulation (professional indemnity insurance). The Manager has internal operational risk policies in place to identify, measure, manage and monitor appropriately operational risks including professional liability risks to which the Manager is or could be reasonably exposed in accordance with the requirements of Article 13 of the AIFMD Level 2 Regulation. The operational risk management activities are performed independently by the Risk Oversight function.

5.2.6 Upon termination of the Manager Agreement and the appointment of another Manager (the New Manager), the Manager may transfer any sums being held as

client money to the New Manager, who will continue to hold the money in accordance with FCA client money rules.

- 5.2.7 The Unitholder will be given the opportunity, upon request, to have the proceeds returned by submitting a written request to the Transfer Agency team at 177 Bothwell Street, Glasgow, G2 7ER.

6. The Trustee

NatWest Trustee & Depositary Services Limited is the Trustee of the Trust.

The Trustee is incorporated in England as a private limited company. Its registered office is at 250 Bishopsgate, London EC2M 4AA, which is also its head office. The ultimate holding company of the Trustee is the NatWest Group plc, which is incorporated in Scotland. The principal business activity of the Trustee is the provision of trustee and depositary services.

Duties of the Trustee

The Trustee is responsible for the safekeeping of scheme property, monitoring the cash flows of the Trust, and must ensure that certain processes carried out by the Manager are performed in accordance with the applicable rules and scheme documents.

Conflicts of interest

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 Trustee 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 non-UCITS retail scheme or a particular Sub-fund and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA 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.

The Trustee operates independently from the Trust, Investors, the Manager and its associated suppliers and the Custodian. As such, the Trustee does not anticipate any conflicts of interest with any of the aforementioned parties.

Delegation of Safekeeping Functions

The Trustee is permitted to delegate (and authorise its delegate to sub-delegate) the safekeeping of Scheme Property.

The Trustee has delegated safekeeping of the Scheme Property to CACEIS Bank, UK Branch (“the Custodian”). In turn, the Custodian has delegated the custody of assets in certain markets in which the Trust may invest to various sub-delegates (“sub-custodians”).

6.1 Terms of Appointment

6.1.1 The Trustee may not retire voluntarily except upon the appointment of a new trustee.

6.1.2 The fees to which the Trustee is entitled are set out later in this document.

The Trustee was appointed as Trustee under a Depositary Agreement between the Manager, the Trust and the Trustee (the "Depositary Agreement"). Under the Depositary Agreement, the Trustee is free to render similar services to others and the Trustee, the Trust and the Manager are subject to a duty not to disclose confidential information.

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

Under the Depositary Agreement the Trustee/Depositary will be liable to the Trust for any loss of Financial Instruments held in Custody or for any liabilities incurred by the Trust as a result of the Trustee's negligent or intentional failure to fulfil its obligations.

However, the Depositary Agreement excludes the Trustee from any liability except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence in the performance or non-performance of its obligations.

It also provides that the Trustee will be entitled to be indemnified from the Scheme Property for any loss suffered in the performance or non-performance of its obligations except in the case of fraud, wilful default, negligence or failure to exercise due care and diligence on its part.

The Depositary Agreement may be terminated on three months' notice by the Trust or the Trustee or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Trustee retire voluntarily, until the appointment of a new Trustee.

7. The Investment Managers

The Manager has appointed Evelyn Partners Investment Management LLP to provide investment management and related advisory services to the Manager pursuant to an investment advisory agreement and has also appointed Cazenove Capital Management, a trading name of Schroder & Co. Limited to provide investment management and related advisory services to the Manager pursuant to an investment advisory agreement (together the "Investment Advisory Agreements"). The Investment Manager's have the authority to make investment decisions on behalf of the Fund and the Manager.

The Investment Advisory Agreement with Evelyn Partners Investment Management LLP may be terminated on three months' written notice by the Manager or Evelyn Partners Investment Management LLP. The Investment Advisory Agreement with Cazenove Capital Management, a trading name of Schroder & Co. Limited may be terminated on 30 days' written notice by the Manager or the Cazenove Capital Management, a trading name of Schroder & Co. Limited. Notwithstanding this, the

Manager may terminate all or any of the Investment Advisory Agreements with immediate effect if it is in the interests of the Unitholders.

- 7.1.1 Under the Investment Advisory Agreements, the Manager provides indemnities to the Investment Managers, (except in the case of any matter arising as a direct result of their fraud, negligence, default or bad faith).
- 7.1.2 The principal business activity Evelyn Partners Investment Management LLP is the provision of discretionary investment management services. The principal business activity of Cazenove Capital Management, a trading name of Schroder & Co. Limited is the provision of discretionary investment management services.
- 7.1.3 The fees and expenses of the Investment Managers will be paid out of the Manager's annual management charge which is taken from the property of the Fund as set out later in this document.
- 7.1.4 Copies of the Investment Managers' execution policy and voting policy are available from the Manager on request.
- 7.1.5 Evelyn Partners Investment Management LLP is part of the same corporate group as the Manager.

8. The Auditors

The Auditors of the Fund are Johnston Carmichael LLP, whose address is Bishop's Court, 29 Albyn Place, Aberdeen, AB10 1YL.

9. The Administrator and Register of Unitholders

The register of Unitholders is maintained by the Manager at its office at 177 Bothwell Street, Glasgow, G2 7ER and may be inspected at that address during normal business hours by any Unitholder or any Unitholder's duly authorised agent.

10. Conflicts of Interest

The Manager, the Trustee and the Investment Managers are or may be involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the Fund. In addition, the Fund may enter into transactions at arm's length with companies in the same group as the Manager or the Investment Managers. The Manager maintains a written conflict of interest policy. The 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 of damage to the interests of the Trust or its unitholders will be prevented. Should any such situations arise the Manager will, as a last resort if the conflict cannot be avoided, disclose these to unitholders in the report and accounts or otherwise an appropriate format. Copies of the Manager's and the Investment Managers' conflicts of interest policies are available from the Manager on request.

The Trustee may, from time to time, act as trustee or depositary of other companies or funds.

The Custodian may, from time to time, act as custodian and hold assets of other funds and investors.

Each of the parties will, to the extent of their ability and in compliance with the FCA Regulations, ensure that the performance of their respective duties will not be impaired by any such involvement.

To ensure the fair treatment of Unitholders is central to all the activities of the Manager, the Manager has implemented a Treating Customers Fairly policy, against which all its policies and procedures and those of its delegates are measured and must conform. This ensures that conflicts of interest are appropriately managed in a way that is fair to Unitholders as outlined in this section, that expenses are proportionate and allocated fairly (see Fees and Expenses), that Unitholders can redeem their holdings (see Buying and Selling Units) and that if Unitholders are dissatisfied with their treatment their complaints are assessed by an independent and impartial investigator (see Complaints).

11. Client Money

As required by the FCA's client money rules, the Manager will hold money received from clients or on the client's behalf in accordance with those rules in a pooled client bank account, with an approved bank (as defined in the FCA Rules) in the UK.

No interest payment will be made on client money held by the Manager. Client money will be held in a designated client money account with NatWest Group plc.

The Manager will not be liable for any acts or omissions of the approved bank. The approved bank will be responsible for any acts or omissions within its control.

In the event of the insolvency of any party, clients' money may be pooled which means that unitholders may not have a claim against a specific account and may not receive their full entitlement, as any shortfall may be shared pro rata amongst all clients.

The Manager is covered by the Financial Services Compensation Scheme (FSCS). The FSCS may pay compensation if the Manager is unable to meet its financial obligations. For further information about the compensation provided by the FSCS (including the amounts covered and eligibility to claim) refer to the FSCS website www.FSCS.org.uk or call the FSCS on 020 7741 4100 or 0800 678 1100.

12. Buying, Selling and Switching Units

The dealing office of the Manager is open from 9.00 am until 5.00 pm on each Business Day to receive requests for the purchase, redemption and switching of Units, which will be effected at prices determined at the next valuation point following receipt of such request.

13. Buying Units

13.1 Procedure

13.2 Where minimum investment levels allow units can be purchased by sending a completed application form to the Manager's Transfer Agency Team at Bothwell

Street, Glasgow, G2 7ER, either (i) accompanied by a cheque (up to a maximum value of £50,000), or (ii) having made a telegraphic transfer to the Manager's bank account. Application forms are available from the Manager. The Manager will accept written instructions on subsequent transactions which can be carried out by writing to the Manager's Dealing and Registration team at the address set out in Appendix 7. The Manager will also accept telephone purchase instructions for subsequent investments from FCA regulated entities, which may purchase Units by telephoning the Manager on 0141 222 1150. The Manager may accept applications to purchase Units by electronic communication. Electronic communication does not include email. Subsequent transactions will be processed as at the next Dealing Day.

Where an instruction has been received by telephone, settlement is due within 4 Business Days of the Valuation Point. Purchases made by telephone are subject to risk limits at the Manager's discretion, and the Manager may at its discretion reject or defer an instruction to purchase Units until it is in receipt of cleared funds for the purchase (when the purchase of Units will be placed at the next Valuation Point following receipt of cleared funds). An order for the purchase of Units will only be deemed to have been accepted by the Manager once it is in receipt of cleared funds for the application. Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

The Manager, at its discretion has the right to cancel a purchase deal if settlement is materially overdue (being more than 5 Business Days of receipt of an application form or other instruction) and any loss arising on such cancellation shall be the liability of the applicant. The Manager is not obliged to issue Units unless it has received cleared funds from an investor.

The Manager reserves the right to charge interest above the prevailing Bank of England Base rate, on the value of any settlement received later than the 4th Business Day following the Valuation Point.

- 13.2.1 The Manager has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for Units in whole or part, and in this event the Manager will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the Manager may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.
- 13.2.2 Any subscription monies remaining after a whole number of Units has been issued will not be returned to the applicant. Instead, fractions of Units will be issued in such circumstances.
- 13.2.3 No interest payment will be made on client money held by the Manager, prior to investment in the Fund. Client money will be held in a designated client money account with NatWest Group plc.
- 13.2.4 Unitholders have the right to cancel their transactions within 14 calendar days of receipt of their contract note. If a Unitholder cancels their contract, they will

receive a refund of the amount that they invested including the initial charge either in full or less a deduction to reflect any fall in Unit price since the date of investment. This may result in a loss on the part of Unitholders. If Unitholders wish to exercise their right to cancel they should write to the Dealing and Registration team at 177 Bothwell Street, Glasgow, G2 7ER. Unitholders will not be able to exercise their cancellation rights after 14 calendar days of receipt of their contract note. Unitholders should note that in certain circumstances, there may be a delay in returning their investment.

13.3 Documentation the purchaser will receive

13.3.1 A contract note giving details of the Units purchased and the price used will be issued to the Unitholder (the first named, in the case of joint Unitholders) by the end of the Business Day following the valuation point by reference to which the purchase price is determined, together with a notice of the applicant's right to cancel.

13.3.2 Settlement is due on receipt by the purchaser of the contract note.

13.3.3 Unit certificates will not be issued in respect of Units. Ownership of Units will be evidenced by an entry on the Fund's register of Unitholders. Tax vouchers in respect of half-yearly distributions of income will show the number of Units held by the recipient in respect of which the distribution is made. Individual statements of a Unitholder's (or, when Units are jointly held, the first named holder's) Units will also be issued at any time on request by the registered holder.

13.4 Minimum subscriptions and holdings

13.4.1 The minimum initial and subsequent subscription levels, and minimum holdings, are set out in Appendix 1. The Manager may at its discretion accept subscriptions lower than the minimum amount.

13.4.2 If a holding is below the minimum holding the Manager has discretion to require redemption of the entire holding.

13.5 In Specie Issue

If a Unitholder requests, the Manager may at its discretion and subject to the approval of the Investment Managers and the Trustee, arrange for the Fund to accept permitted assets other than cash in settlement of a purchase of Units in the Fund as provided for in the Regulations. In particular the Manager and Trustee will only do so where satisfied that the acceptance of the assets concerned would not be likely to result in any material prejudice to the interests of Unitholders.

14. Selling Units

14.1 Procedure

14.1.1 Every Unitholder has the right to require that the Fund redeem his Units on any Dealing Day unless the value of Units which a Unitholder wishes to redeem will mean that the Unitholder will hold Units with a value less than the required minimum holding, in which case the Unitholder may be required to redeem his entire holding.

14.1.2 Requests to redeem Units may be made in writing to the Manager's Transfer Agency team at 177 Bothwell Street, Glasgow, G2 7ER. The Manager may also, at its discretion and by prior agreement, accept instructions to redeem shares from FCA regulated entities by telephone on 0141 222 1150 or by fax. The Manager may accept requests to sell or transfer Shares by electronic communication. Electronic communication does not include email. Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph "Telephone Recordings" below for further information.

14.2 Documents the seller will receive

A contract note giving details of the number and price of Units sold will be sent to the selling Unitholder (the first named, in the case of joint Unitholders) or their duly authorised agents together with a form of renunciation for completion and execution by the Unitholder (and, in the case of a joint holding, by all the joint holders) not later than the end of the Business Day following the valuation point by reference to which the redemption price is determined. A BACS or CHAPS transfer will be made in satisfaction of the redemption monies within four Business Days of the later of:

14.2.1 receipt by the Manager of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Unitholders and completed as to the appropriate number of Units, together with any other appropriate evidence of title; and

14.2.2 the valuation point following receipt by the Manager of the request to redeem.

14.3 Minimum redemption

Part of a Unitholder's holding may be sold but the Manager reserves the right to refuse a redemption request if the value of the Units to be redeemed is less than any minimum redemption amount set out in Appendix 1 or would result in a Unitholder holding less than the minimum holding, as detailed in Appendix 1. In the latter case the Unitholder may be asked to redeem their entire Unitholding.

14.4 In Specie Redemption

If a Unitholder requests the redemption of Units, the Manager may, if it considers the deal substantial in relation to the total size of the Fund, arrange for the Fund to cancel the Units and transfer Scheme Property to the Unitholder instead of paying the price of the Units in cash. A deal involving Units representing 5% or more in value of the Fund will normally be considered substantial, although the Manager may in its discretion agree an in specie redemption with a Unitholder whose Units represent less than 5% in value of the Fund.

Before the proceeds of cancellation of the Units become payable, the Manager will give written notice to the Unitholder that Scheme Property (or the proceeds of sale of that Scheme Property) will be transferred to that Unitholder.

The Manager will select the property to be transferred (or sold) in consultation with the Trustee and the Investment Managers. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to

the redeeming Unitholder than to continuing Unitholders, and any such redemption as set out above, shall be subject to a retention by the Fund from that property (or proceeds) the value (or amount) of any stamp duty reserve tax to be paid on the cancellation of Units.

14.5 Direct Issue or Cancellation of units

There is no facility for direct issue or cancellation of units by the Trustee.

14.6 Initial offer

The initial price of a Unit is £10 (Units will not be sold or issued in any other currency).

15. Switching

15.1 If applicable, a holder of units may at any time switch all or some of his units (“Old Units”) for units of another fund (“New Units”). The number of New Units issued will be determined by reference to the respective prices of New Units and Old Units at the Valuation Point applicable at the time the Old Units are repurchased and the New Units are issued.

15.2 Switching may be effected by writing to the Manager at 177 Bothwell Street, Glasgow, G2 7ER. A switching shareholder must be eligible to hold the shares into which the switch is to be made. The Manager may at its sole discretion and by prior agreement, accept switching instructions by telephone from FCA regulated entities only. The Manager may accept requests to switch Units by electronic communication. Electronic communication does not include email. The Manager may at its discretion charge a fee on the switching of Units between Funds. These fees are set out in Section 17.3. Telephone calls may be recorded by the Manager, its delegates, their duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes, please see paragraph “Telephone Recordings” below for further information.

15.3 If the switch would result in the Unitholder holding a number of Old Units or New Units of a value which is less than the minimum holding, the Manager may, if it thinks fit, convert the whole of the applicant's holding of Old Units to New Units or refuse to effect any switch of the Old Units. No switch will be made during any period when the right of Unitholders to require the redemption of their Units is suspended (as to which see Section 21 below). The general provisions on selling Units shall apply equally to a switch.

15.4 The Manager may adjust the number of New Units to be issued to reflect the imposition of any switching fee together with any other charges or levies in respect of the issue or sale of the New Units or repurchase or cancellation of the Old Units as may be permitted pursuant to the FCA Regulations.

15.5 A switch of Units between different Funds will be deemed to be a realisation for the purposes of capital gains taxation.

15.6 A Unitholder who switches Units in one class for Units in any other Fund will not be given a right by law to withdraw from or cancel the transaction.

16. Unit Class Conversions

- 16.1 If applicable, a holder of units in a Unit Class (“Old Class Units”) of a Fund may exchange all or some of his units for units of a different Unit Class within the same Fund (“New Class Units”). An exchange of Old Class Units for New Class Units will be processed as a conversion (“Unit Class Conversion”). Unlike a Switch, a conversion of Old Class Units into New Class Units will not involve a redemption and issue of units.
- 16.2 For the purposes of Income Equalisation the New Class Units will receive the same treatment as the Old Class Units. The number of New Class Units issued will be determined by a conversion factor calculated by reference to the respective prices of New Units and Old Units at the valuation point applicable at the time the Old Class Units are converted to New Class Units.
- 16.3 Unit Class Conversions may be effected in writing to the Transfer Agency Team. A converting unitholder must be eligible to hold the units into which the Unit Class Conversion is to be made.
- 16.4 It is the Manager’s intention that Unit Class Conversions will be processed at the next Valuation Point following receipt of the instruction, however the Manager reserves the right to defer a Unit Class Conversion until no later than after the next Annual Accounting Date if it is in the interests of other Unitholders. The Manager may accept requests to convert Units by electronic communication. Electronic communication does not include email.
- 16.5 If the Unit Class Conversion would result in the Unitholder holding a number of Old Class Units or New Class Units of a value which is less than the minimum holding in the Unit Class concerned, the Manager may, if it thinks fit, convert the whole of the applicant’s holding of Old Class Units to New Class Units or refuse to effect any Unit Class Conversion of the Old Units.
- 16.6 Please note that, under current tax law, a Unit Class Conversion of units between different unit classes in the same Fund will not be deemed to be a realisation for the purposes of capital gains taxation.
- 16.7 A unitholder who converts their units in one unit class to units in a different unit class in the same Fund will not be given a right by law to withdraw from or cancel the transaction.

17. Dealing Charges

17.1 Preliminary Charge

The Manager may impose a charge on the sale of Units to investors which is based on the amount invested by the prospective investor (though this may be waived wholly or partially at the Manager’s discretion). The preliminary charge is payable to the Manager. Full details of the current preliminary charge for each class of Unit are set out in Appendix 1.

17.2 Redemption Charge

- 17.2.1 The Manager may make a charge on the redemption of Units (though this may be waived wholly or partially at the Manager's discretion). At present no redemption charge is levied.
- 17.2.2 The Manager may not introduce a redemption charge on Units unless, not less than 60 days before the introduction, it has given notice in writing to the then current Unitholders at their registered address of that introduction and has revised and made available the Prospectus to reflect the introduction and the date of its commencement. If charged, the redemption charge will be deducted from the price of the Units being redeemed and will be paid by the Fund to the Manager.
- 17.2.3 In the event of a change to the rate or method of calculation of a redemption charge, details of the previous rate or method of calculation will be available from the Manager.

17.3 Switching Fee

On the switching of Units of one class for Units of another class the Trust Deed authorises the Manager to impose a switching fee. The fee will not exceed an amount equal to the then prevailing preliminary charge for the Class into which Units are being switched. The switching fee is payable to the Manager. Currently no switching charge will be levied.

18. Other Dealing Information

As the Fund operates a system of dual pricing, no "dilution levy" or "dilution adjustment" will be applied.

19. Money Laundering

As a result of legislation in force in the United Kingdom to prevent money laundering, persons conducting investment business are responsible for compliance with money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when buying Units. The Manager reserves the right to reverse the transaction or to refuse to sell Units if it is not satisfied as to the identity of the applicant.

20. Restrictions and Compulsory Transfer and Redemption

The Manager may from time to time impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held by any person in breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory. In this connection, the Manager may, inter alia, reject in its discretion any application for the purchase, sale, transfer or switching of Units.

21. Suspension of Dealings in the Fund

- 21.1 The Manager may, with the agreement of the Trustee, or must if the Trustee so requires, temporarily suspend the issue, cancellation, purchase and redemption of Units in the Fund, if the Manager or the Trustee is of the opinion that due to exceptional circumstances it is in the interests of all the Unitholders. The suspension will only be permitted to continue for as long as it is justified having regard to the interests of the Unitholders. The Manager and the Trustee must

formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

- 21.2 On suspension, the Manager or Trustee must immediately inform the FCA stating the reasons for its action.
- 21.3 The Manager will notify all Unitholders of the suspension in writing as soon as practicable and will publish details to keep Unitholders appropriately informed about the suspension, including its likely duration.
- 21.4 Re-calculation of the Unit price for the purpose of purchases and redemptions will commence on the next relevant valuation point following the ending of the suspension.

22. Governing Law

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

23. Valuation of the Fund

- 23.1 The property of the Fund will normally be valued at 5.00 pm on each Dealing Day ("the valuation point").
- 23.2 The Manager may at any time during a Business Day carry out an additional valuation if the Manager considers it desirable to do so.
- 23.3 The Manager maintains a Fair Value Pricing policy with an audit review carried out annually. The policy is detailed fully in the Fair Value Policy document.
- 23.4 The Manager's Transfer Agency Team may request a change to the pricing methodology in certain circumstances. The policy is detailed in the Pricing Policy document.
- 23.5 All asset prices from the primary price source are compared to two other sources to ensure the validity of each price. The policy is detailed in the Pricing Policy document.
- 23.6 Valuation of the Fund will be in two parts: one on an issue basis, which will form the basis of the price at which Units are issued (issue price); the other on a cancellation basis, which will form the basis of the price at which Units are cancelled (cancellation price). The Manager is able to set a dealing spread between the maximum sale price (issue price plus the initial charge) and cancellation price, and to determine where dealing prices should lie within a range between the maximum sale price and the cancellation price.

24. Calculation of the Net Asset Value

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

- 24.1 All the property of the Fund (including receivables) is to be included, subject to the following provisions.

24.2 The valuation of the property of the Fund shall consist of two parts, one on an issue basis and one on a cancellation basis calculated in accordance with the following provisions.

24.2.1 The valuation of property for that part of the valuation which is on an issue basis is as follows.

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

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

(aa) if a single price for buying and selling units or shares is quoted at that price plus any dealing costs (as defined below), any preliminary charge payable by the Fund on the purchase of the units or shares, and any dilution levy or SDRT provision which would be added in the event of a purchase by the Fund of the units or shares in question (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Fund, the valuation must not include any preliminary charge payable in the event of a purchase by the Fund of those units or shares); or

(bb) if separate buying (offer) and selling (bid) prices are quoted, at the buying price, less any expected discount plus any dealing costs (as defined below), but where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Fund, the issue price shall be taken instead of the buying price; or

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

(ii) exchange-traded derivative contracts:

(aa) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or

(bb) if separate buying and selling prices are quoted, at the average of the two prices;

(iii) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the Manager and the Trustee;

(iv) any other investment:

- (aa) the best available market dealing offer price on the most appropriate market in a standard size (plus any dealing costs, (as defined below)); or
- (bb) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable; and
- (v) property other than that described in (i), (ii), (iii) and (iv) above: at a value which, in the opinion of the Manager, is fair and reasonable (plus any dealing costs (as defined below)).

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

- (a) Property which is not cash (or other assets dealt with in sections 24.3 and 24.4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:
 - (i) units or shares in a collective investment scheme:
 - (aa) if a single price for buying and selling units or shares is quoted, at that price (less any dealing costs (as defined below), any redemption charge payable by the Fund on the sale of the units or shares, (taking account of any expected discount) and any dilution levy or SDRT provision which would be deducted in the event of a sale by the Fund of the units or shares (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Fund, any redemption charge payable in the event of a sale by the Fund of those units or shares must not be deducted)); or
 - (bb) if separate buying (offer) and selling (bid) prices are quoted, at the selling price less any dealing costs (as defined below) and any redemption charge payable on the sale of the units or shares taking account of any expected discount (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units or shares are held by the Fund, the cancellation price shall be taken instead of the selling price; or
 - (cc) 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 or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable;
 - (ii) exchange-traded derivative contracts:

- (aa) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - (bb) if separate buying and selling prices are quoted, at the average of the two prices;
 - (iii) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the Manager and the Trustee;
 - (iv) any other investment:
 - (aa) the best available market dealing bid price on the most appropriate market in a standard size (less any dealing costs (as defined below)); or
 - (bb) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable; and
 - (v) property other than that described in (i), (ii), (iii) and (iv) above: at a value which, in the opinion of the Manager, is fair and reasonable (less any dealing costs (as defined below)).
- 24.3 Cash and amounts held in current, deposit and margin accounts and in other time related deposits shall be valued at their nominal values.
- 24.4 In determining the value of the scheme property, all instructions given to issue or cancel units shall be assumed (unless the contrary is shown) to have been carried out and any payment made or received and any consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary has been shown) to have been taken.
- 24.5 Subject to paragraphs 24.6 and 24.7 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.
- 24.6 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 24.5.
- 24.7 All agreements are to be included under paragraph 24.5 which are, or ought reasonably to have been known, to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
- 24.8 Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current

accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.

- 24.9 Deduct an estimated amount for any liabilities payable out of the property of the Scheme and any tax thereon treating periodic items as accruing from day-to-day.
- 24.10 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- 24.11 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 24.12 Add any other credits or amounts due to be paid into the property of the Fund.
- 24.13 Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
- 24.14 Currencies or values in currencies other than the base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of unit holders or potential unit holders.
- 24.15 For the purposes of this section, "dealing costs" means any fiscal charges, commission or other charges payable in the event of the Fund carrying out the transaction in question (but excluding any preliminary charge payable by the Fund on the purchase of units or shares), assuming that the commission and charges (other than fiscal charges) which would be payable by the Fund are the least that could reasonably be expected to be paid in order to carry out the transaction.

25. Price per Unit in the Fund and each Class

The price per Unit at which Units are sold is the sum of the Net Asset Value per Unit, calculated on the issue basis, plus any applicable preliminary charge, as described above. The price per Unit at which Units are redeemed is the Net Asset Value per Unit, calculated on the cancellation basis, less any applicable redemption charge, as described above.

26. Pricing basis

The Fund deals on a forward pricing basis. A forward price is the price calculated at the next valuation point after the sale or redemption is agreed.

27. Publication of Prices

Unitholders can obtain the price of their Units by going to www.trustnet.com, or by telephoning 0141 222 1151.

28. Risk factors

Potential investors should consider the following risk factors before investing in the Fund. Units in the Fund should generally be regarded as a long-term investment.

In pursuing its investment objective the Fund holds a number of financial instruments. These financial instruments may include but are not limited to:

- equity shares, equity related shares and non-equity shares, fixed income securities, floating rate securities;
- cash, liquid resources and short-term debtors and creditors that arise directly from the Fund's operations;
- derivative transactions, which the Fund may also enter into, the purpose of which is to manage the market risks arising from the Fund's investment activities; and
- short-term borrowings which may be used to finance investment activity.

The main risks arising from financial instruments are summarised below.

There is no assurance that the investment objective of the Fund will be achieved. Past performance is not a reliable indicator of future performance.

28.1 General Risks

The price of units of the Fund and any income from them may fall as well as rise and investors may not get back the full amount invested. Past performance is not a guide to future performance. There is no assurance that the investment objective of a Fund will actually be achieved.

The following statements are intended to summarise some of the risks, but are not exhaustive, nor do they offer advice on the suitability of investments.

28.1.1 Equities Risk

Where investments are in the shares of companies (equities), the value of those equities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events. Currency exchange rate movements will also cause changes in value when the currency of the investment is other than sterling.

28.1.2 Warrants Risk

Where investments are in warrants, the price per Unit of the Fund may fluctuate more than if the Fund was invested in the underlying securities because of the greater volatility of the warrant price.

28.1.3 Bonds and Debt Instruments (Including High Yielding Securities) Risk

Where investments are in bonds or other debt instruments, the value of those investments will depend on market interest rates, the credit quality of the issuer and liquidity considerations. Investments in high yielding debt instruments where the level of income may be relatively high (compared to investment grade debt instruments); however the risk of depreciation and realisation of capital losses on such debt instruments held will be significantly higher than on lower yielding debt instruments.

28.1.4 Lower Rated/Unrated Securities Risk

The credit quality of debt instruments is often assessed by rating agencies. Medium and lower rated securities and unrated securities of comparable quality may be subject to wider fluctuations in yield, wider bid-offer spreads, greater liquidity premium and accentuated market expectations, and consequently greater fluctuations in market values, than higher rated securities. Changes in such ratings, or expectation of changes, will be likely to cause changes in yield and market values, at times significantly so.

28.1.5 Collective Investment Schemes Risk

The Fund may make investments in collective investment schemes. Such investments may involve risks not present in direct investments, including, for example, the possibility that an investee collective investment scheme may at any time have economic or business interests or goals which are not fully consistent with those of the Fund. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. There may be liquidity constraints and the extent to which an investee fund's securities are valued by independent sources are factors which could impact on the Fund's valuation.

Unregulated collective investment schemes in which the Fund may invest up to 20% of its scheme property may invest in highly illiquid securities that may be difficult to value. Moreover, many alternative investment strategies give themselves significant discretion in valuing securities. You should be aware that liquidity constraints and the extent to which a fund's securities are valued by independent sources are factors which could have an impact on the Fund's valuation.

28.1.6 Leveraged Companies Risk

Investments may be made in companies or collective investment schemes which borrow funds. Such companies or collective investment schemes may not be subject to any limitations on the amount of their borrowings, and the amount of borrowings that they may have outstanding at any time may be large in comparison to their capital. Furthermore, given that the fund may borrow in order to make investments, the Unitholders must be aware that they may suffer a greater risk resulting from the decline of the net asset value of the underlying investments made with this borrowing facility and therefore, the Funds' risk exposure will be higher.

28.1.7 Leverage Risk

Leverage is where a Trust borrows money in order to meet redemption requests or, through the use of derivatives, for the purpose of buying or selling assets. Where assets are bought or sold using borrowed money this increases the risk that in the case of losses that these are compounded and as a result have a material negative impact on the value of the Trust.

28.1.8 Gold and Natural Resources Risk

The price of gold/natural resources in which the Funds invest may be subject to sudden, unexpected and substantial fluctuations that may lead to significant declines in the values of the Units concerned and hence the Net Asset Value of the Funds.

28.1.9 New Issue Risk

The Fund may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

28.1.10 Futures and Options Risk

The Fund may use, under certain conditions, options and futures on indices and interest rates, for the purposes of efficient portfolio management. The use of derivatives for Efficient Portfolio Management is not intended to increase the risk profile of the Trust. Also, the Fund may hedge market and currency risks using futures, options and forward exchange contracts. Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are “leveraged” or “geared”. A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling (“writing”) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or acquire or deliver the underlying interest. If the option is “covered” by the seller holding a corresponding position in the underlying interest or a future on another option, the risk may be reduced.

The Fund may only use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to Unitholders. The use of derivatives for investment purposes may involve additional risks for Unitholders. These additional risks include leverage factors associated with transactions in the Fund. To the extent that derivatives are used for investment purposes, the overall risk of loss to the Fund, and hence the Fund's risk profile, may be increased.

28.1.11 Foreign Currency Risk

The Fund may invest in securities denominated in a number of different currencies other than sterling in which the Fund is denominated. Changes in foreign currency exchange rates may adversely affect the value of a Fund's investments and the income thereon.

28.1.12 Pricing and Valuation Risk

For quoted investments a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid investments which are difficult to value may increase the risk of mispricing. Furthermore, the Fund will compute Net Asset Values when some markets are closed for holidays or other reasons. In these and similar cases a verifiable source of market prices will not be available and the Manager may invoke a Fair Value

process which will determine a fair value price for the relevant investments; this Fair Value process involves assumptions and subjectivity.

28.1.13 Emerging Countries and Developing Markets Risk

The Fund may invest in emerging markets which are undergoing rapid growth and regulatory change. Emerging markets present additional risks to those normally encountered in developed securities markets. These risks may be political, social and economic in nature and may be complicated by inflationary pressures and currency depreciation. The accounting and financial reporting standards, practices and disclosure requirements in some of the countries in which investments may be made may differ from those experienced in more developed markets. Similarly, reliability of the trading and settlement systems in such markets and the liquidity of these markets may not be equal to those available in more developed markets and this could lead to delays in settlement or affect the price at which investments could be realised. Government influence or control of private companies in some countries may be significant and investments may be exposed to the risks of political change, political uncertainty or governmental action. Such assets could be expropriated, nationalised, confiscated or subjected to changes in legislation relating to foreign ownership. The value of investments in emerging markets may therefore be adversely affected by political and/or economic conditions, which would, in turn, adversely impact on the performance of the Fund and its Unit price.

28.1.14 Smaller and Unquoted Companies Risk

Significant investments may be made in smaller companies, in which there may be no established market for the shares, or the market may be highly illiquid. Because of this potential illiquidity investment in the Fund may not be appropriate for all investors, including those who are not in a position to take a long-term view of their investment. The Fund may also invest, directly and indirectly, in securities that are not listed or traded on any stock exchange. In such situations, the Fund may not be able to immediately sell such securities. The purchase price and subsequent valuation of these securities may reflect a discount, which could be significant, from the market price of comparable securities for which a liquid market exists.

28.1.15 Risk to Capital

This includes potential risk of reduction in capital resulting from withdrawals or cancellations of shares and distributions in excess of investment returns.

28.1.16 Liquidity Risk

In normal market conditions a Fund's assets comprise mainly realisable investments which can be readily sold. A Fund's main liability is the redemption of any Units that investors wish to sell. In general the Fund manages its investments, including cash, such that it can meet its liabilities. Investments held may need to be sold if insufficient cash is available to finance such redemptions. If the size of the disposals is sufficiently large, or the market is illiquid, then there is a risk that either the investments might not be sold or the price at which they are sold may adversely affect the Net Asset Value of the Fund. If there were significant requests for redemption of shares in the Fund at a time when a large proportion of the

Fund's assets were invested in illiquid investments, then the Fund's ability to fund those redemptions would be impaired and it might be necessary to suspend dealings in shares in the Fund.

28.1.17 Credit Risk

Investments may be adversely affected if any of the institutions with which money is deposited suffers insolvency or other financial difficulties (default). Credit risk also arises from the uncertainty about an issuer's ultimate repayment of principal and interest for bond or other debt instrument investments. The entire deposit or purchase price of the debt instrument is at risk of loss if there is no recovery after default. The risk of default is usually greatest with bonds and debt instruments that are classed as 'sub-investment' grade.

28.1.18 Settlement Risk

All security investments are transacted through brokers who have been approved by the Manager as an acceptable counterparty. The list of approved brokers is reviewed regularly. There is a risk of loss if a counterparty fails to perform its financial or other obligations to the Fund, for example, the possibility that a counterparty may default, by failing to make payments due, or make payments in a timely manner. If settlement never occurs the loss incurred by the Fund will be the difference between the price of the original contract and the price of the replacement contract, or, in the case where the contract is not replaced the absolute value of the contract at the time it is voided. Furthermore, in some markets 'Delivery versus Payment' may not be possible in which case the absolute value of the contract is at risk if the Fund meets its settlement obligations but the counterparty fails before meeting its obligations.

28.1.19 Custody Risk

Assets of the Fund are kept by the custodian and investors are exposed to the risk of the custodian not being able to fully meet its obligation to restate in a short time frame all of the assets of the Fund in the case of bankruptcy of the custodian. Securities of the Fund will normally be identified in the custodian's books as belonging to the Fund and segregated from other assets of the custodian which mitigates but does not exclude the risk of non restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non restitution in case of bankruptcy. The custodian does not keep all the assets of the Fund itself but uses a network of sub-custodians which are not part of the same group of companies as the custodian. Investors are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the custodian.

A Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the custodian will have no liability.

28.1.20 Tax Risk

Tax laws, currently in place, may change in the future which could affect the value of the Fund's and therefore the Unitholders investments. Refer to the section

headed 'Taxation' in the Prospectus for further details about the taxation of the Fund.

28.1.21 Inflation Risk

Unless the performance of your investment keeps up with or beats inflation, the real value of your investments will fall over time.

28.1.22 Political and/or Environmental Risk

The investee companies may operate in countries where the ownership rights may be uncertain and development of the resources themselves may be subject to disruption due to factors including civil disturbances, industrial action, interruption of power supplies, as well as adverse climatic conditions.

28.1.23 Market Risk

The risk that the entire market of an asset class will decline thus affecting the prices and the values of the assets.

29. Risk Management

29.1 Upon request to the Manager a Unitholder can receive information relating to:

29.1.1 the quantitative limits applying in the risk management of the Fund;

29.1.2 the methods used in relation to 29.1.1; and

29.1.3 any recent developments of the risk and yields of the main categories of investment in the Fund.

29.2 The FCA Regulations require that authorised fund managers maintain a liquidity risk management process.

29.3 The Manager assesses how many days are likely to be required to sell investments without negatively impacting the Unit price or liquidity on a best endeavours basis i.e. a liquidity ladder. The Manager assess the bid/offer spreads and trading volumes as widening spreads and thin trading volumes give an indication that it might be more difficult to dispose of an investment. The characteristic of the Trust determines the frequency of this assessment. The main factors are:

29.3.1 liquidity of underlying investments;

29.3.2 the size of the investment as a proportion of the Trust and also relative to the market (e.g. proportion of the holding to the average trade size); and

29.3.3 the average holding period of Unitholders in the Trust.

29.4 It is also the Manager's responsibility to ensure that the Investment Manager undertakes testing of its liquidity management arrangements against various stressed liquidity arrangements on a regular basis.

30. Liabilities of the Fund

Unitholders are not liable for the debts of the Fund. A Unitholder is not liable to make any further payment to the Fund after paying the purchase price of Units.

31. Historical Performance Data

Historical performance data for the Company is set out in Appendix 3.

32. Fees and Expenses

32.1 General

32.1.1 The Fund may pay out of the property of the Fund charges and expenses incurred by the Fund, which will include the following expenses:

- (a) the fees and expenses payable to the Manager, to the Trustee and to the Investment Managers;
- (b) broker's commission, fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessarily incurred in effecting transactions for the Fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- (c) fees and expenses in respect of establishing and maintaining the register of Unitholders and any sub-register of Unitholders;
- (d) any costs incurred in or about the listing of Units in the Fund on any Stock Exchange, and the creation, conversion and cancellation of Units;
- (e) any costs incurred in producing and dispatching any payments made by the Fund, or the yearly and half-yearly reports of the Fund, or the Prospectus;
- (f) any fees, expenses or disbursements of any legal or other professional adviser of the Fund;
- (g) any fees, expenses or disbursements in relation to the establishment of the Fund, including without limitation FCA fees and the fees of any adviser in relation to the establishment of the Fund;
- (h) any costs incurred in taking out and maintaining any insurance policy in relation to the Fund;
- (i) any costs incurred in respect of meetings of Unitholders convened for any purpose including those convened on a requisition by Unitholders not including the Manager or an associate of the Manager;
- (j) liabilities on unitisation, amalgamation or reconstruction including certain liabilities arising after transfer of property to the Fund in consideration for the issue of Units as more fully detailed in the FCA Regulations;
- (k) interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- (l) taxation and duties payable in respect of the property of the Fund or the issue or redemption of Units, including stamp duty reserve tax;

- (m) the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- (n) the fees of the FCA, in accordance with the chapter of the FCA Rules entitled "Fees Manual", together with any corresponding periodic 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;
- (o) the Trustee's expenses, as detailed in Section 34 below;
- (p) any expense incurred in relation to trust secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Fund and any expenses incurred in distributing information regarding the prices of Units to Unitholders;
- (q) any fees or expenses incurred in the modification of the Prospectus and/or Trust Deed and/or simplified prospectus (or any successor document, including the NURS Key Investor Information Document), to the extent permitted by the FCA Rules;
- (r) any expenses incurred in the printing and preparation (but not the dissemination) of the simplified prospectus (or any successor document, including the NURS Key Investor Information Document); and
- (s) any fees or expenses incurred in translating any document.

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

32.1.3 Any third party research received in connection with investment advisory services that an Investment Manager provides to the Trust will be paid for by the Investment Manager out of its fees, as relevant in relation to the Trust, and will not be charged to the Trust.

32.1.4 Expenses are allocated between capital and income in accordance with the FCA Regulations and the Act and as specified in Appendix 1. Where expenses are allocated to income but at the end of the accounting period there is insufficient income, the shortfall will be allocated to capital in accordance with the FCA Regulations and the Act. This may constrain capital growth.

33. Charges payable to the Manager

33.1 In payment for carrying out its duties and responsibilities the Manager is entitled to take out of the Fund an annual management charge.

33.2 The annual management charge is based on the month end valuation from the previous month, accrues daily and is payable monthly in arrears on the last Business Day of each month. The current management charges are set out in Appendix 1.

33.3 The Manager is also entitled to reimbursement of all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, including stamp duty, stamp duty reserve tax on transactions in Units and expenses incurred in effecting regulatory changes to the Fund.

- 33.4 The Manager may not introduce a new category of remuneration for its services unless the introduction has been approved by an extraordinary resolution of Unitholders in the Fund.
- 33.5 The Manager may not increase the current rate or amount of its remuneration payable out of the Scheme Property or the preliminary charge unless, not less than 60 days before the introduction or increase, the Manager gives notice in writing of the introduction or increase and the date of its commencement to all Unitholders at their registered address and has revised and made available the Prospectus to reflect the introduction or new rate and the date of its commencement.
- 33.6 The Evelyn Partners Fund Solutions Limited remuneration policy is designed to be compliant with the AIFMD Remuneration Code contained in SYSC 19B of the FCA Handbook, and provides a framework to attract, retain and reward employees and partners and to maintain a sound risk management framework, with particular attention to conduct risk. The overall policy is designed to promote the long term success of the group. The policy is designed to reward partners, directors and employees for delivery of both financial and non-financial objectives which are set in line with company strategy.
- 33.7 Details of the Evelyn Partners Fund Solutions Limited remuneration policy are available on the website <https://www.evelyn.com/regulatory/remuneration-code-disclosure>.

A paper copy of the remuneration policy can be obtained free of charge by telephoning 0141 222 1151.

Any fees payable to the Manager may be reduced or waived by the Manager at its discretion.

34. Investment Managers' fees

The Investment Managers' fees and expenses are paid by the Manager from the Manager's annual management charge. The current annual fees are set out in Appendix 1.

35. Trustee's Fee

- 35.1 The Trustee receives for its own account a periodic fee which will accrue daily from the last Business Day in the preceding month to the last Business Day in each month. It is payable within seven days 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 except for the first accrual, which is calculated by reference to the first valuation point of the Fund. The fee is payable out of the property of the Fund.

- Current rate: 0.0275% on first £50 million, 0.025% between £50 million and £100 million, 0.02% above £100 million (+ VAT)
- Minimum charge: £7,500 per annum (+ VAT)

- 35.2 The rate of this fee is agreed between the Manager and the Trustee from time to time.

- 35.3 These rates can be varied from time to time in accordance with the FCA Regulations.
- 35.4 The first accrual in relation to the Fund will take place in respect of the period beginning on the day on which the Fund is launched and ending on the last Business Day of the month in which that day falls.
- 35.5 In addition to the periodic fee referred to above, the Trustee shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safekeeping of the Scheme Property as follows:

Item	Range
Transaction Charges	Between £1.96 and £75.65 per transaction
Safe Custody Charges	Between 0.001% and 0.5525% of the value of investments being held per annum

- 35.6 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 Manager and the Trustee.
- 35.7 Where relevant, the Trustee may also 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 Regulations.
- 35.8 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 Regulations or by the general law.
- 35.9 On a winding up of the Fund or the redemption of a class of shares, 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. No compensation for loss of office is provided for in the agreement with the Trustee.
- 35.10 Any value added tax on any fees, charges or expenses payable to the Trustee will be added to such fees, charges or expenses.
- 35.11 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

the Manager) who has had the relevant duty delegated to it pursuant to the FCA Regulations by the Trustee.

36. Unitholder Meetings and Voting Rights

36.1 Annual General Meeting

The Fund will not hold annual general meetings.

36.2 Requisitions of Meetings

36.2.1 The Manager may requisition a general meeting at any time.

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

36.3 Notice of Quorum

Unitholders will receive at least 14 days' notice of a Unitholders' 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 also two Unitholders present in person or by proxy, however if a quorum is not present from a reasonable time from the time appointed for the meeting then one person entitled to be counted in a quorum shall be a quorum. Notices of Meetings and Adjourned Meetings will be sent to Unitholders at their registered addresses.

36.4 Voting Rights

36.4.1 At a meeting of Unitholders, on a show of hands every Unitholder who (being an individual) is present in person or (being a corporation) is present by its representative properly authorised in that regard, has one vote. For joint Unitholders, the vote of the first Unitholder, or the proxy of the first Unitholder, stated in the register of Unitholders will be accepted to the exclusion of the votes of other joint Unitholders.

36.4.2 On a poll vote, a Unitholder may vote either in person or by proxy. The voting rights attaching to each Unit are such proportion of the voting rights attached to all the Units in issue that the price of the Unit bears to the aggregate price(s) of all the Units in issue at the date seven Business Days before the notice of meeting is deemed to have been served.

36.4.3 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.

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

- 36.4.5 The Manager may not be counted in the quorum for a meeting and neither the Manager nor any associate (as defined in the FCA Rules) 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 every Unitholder in the Fund is prohibited by the FCA Rules from voting, a resolution may, with the prior written agreement of the Trustee, instead be passed with the written consent of Unitholders representing 75% of the Units of the Fund in issue.
- 36.4.6 "Unitholders" in this context means Unitholders on the date seven Business Days before the notice of the relevant meeting was deemed to have been served but excludes holders who are known to the Manager not to be Unitholders at the time of the meeting.

37. Class Meetings

The above provisions, unless the context otherwise requires, apply to Unit Class meetings as they apply to general meetings of Unitholders. However, an extraordinary resolution will be required to sanction a variation of class rights.

38. Taxation

The following summary is only intended as a general summary of United Kingdom ("UK") tax law and HM Revenue & Customs practice, as at the date of this Prospectus, applicable to the Trust and to individual and corporate investors who are the absolute beneficial owners of a holding in the Trust which is held as an investment. The summary's applicability to, and the tax treatment of, investors will depend upon the particular circumstances of each investor (and it will not apply to persons, such as certain institutional investors, who are subject to a special tax regime). It should not be treated as legal or tax advice. Accordingly, if investors are in any doubt as to their taxation position, they should consult their professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

The following is divided into sections relating to "Bond Trust" and "Equity Trust". A "Bond Trust" is a Trust which invests more than 60% of its market value in "Qualifying Investments" (at all times in each accounting period). The term "Qualifying Investments" includes money placed at interest and securities that are not units, including but not limited to government and corporate debt securities and cash on deposit. The tax issues relating to the Trust and the investors within it are treated separately in this section. It is anticipated that the Trust will for most periods be an Equity Trust for these purposes, but that depending on how it is invested it may constitute a Bond Trust for some periods.

38.1 Taxation of an Equity Trust

38.1.1 Taxation of Capital Gains

An Equity Trust is not subject to UK taxation on capital gains arising on the disposal of its investments. In the unlikely event that the Trust be considered to be trading in securities under tax law, and to the extent an investment is disposed in a non-distributor/reporting fund, any gains made will be treated as taxable income and not exempt gains.

38.1.2 Tax on income

An Equity Trust will be liable to corporation tax at a rate equal to the lower rate of income tax, currently 20%, on its income after relief for expenses (which include fees payable to the Manager and to the Trustee). Dividends and similar income distributions from UK and non-UK resident companies are generally exempt from corporation tax. Dividends and similar income distributions from UK authorised unit trusts and UK ICVCs are also generally exempt from corporation tax to the extent the underlying income derives from dividends.

Foreign dividends and similar income are generally treated as exempt for the purposes of UK corporation tax. This income may be subject to withholding tax in certain jurisdictions.

Dividend income received from certain countries are likely to be elected to be treated as taxable income in the UK in order to obtain a beneficial rate of withholding tax in the source country. This is based on guidance provided to the investment fund industry by the Investment Association.

Profits from loan relationships are treated as taxable income, as for a Bond Trust.

38.2 Taxation of a Bond Trust

38.2.1 Taxation of Capital Gains

Bonds or loan relationships held are taxable as income (see below) and are not subject to capital gains tax. Capital gains, for example on investment in equities, (except insofar as treated as income gains - see below) accruing to a Bond Trust will be exempt from UK tax on chargeable gains.

38.2.2 Tax on Income

A Bond Trust will be liable to UK corporation tax at 20% on income, translated (where appropriate) into Sterling, from investments in debt, debt-related securities and cash deposits less deductible expenses. Such income will be computed according to the generally accepted accounting practice relevant to the Trust.

The total will be taxed under the Loan Relationship rules. Any income received from UK equities will be exempt from UK corporation tax.

A Bond Trust would generally be entitled to make up distribution accounts in such a way that the income distribution (including accumulations of income, which are deemed to be paid and reinvested as capital) to unitholders is treated as if it were interest for UK tax purposes. If so entitled, the Trust intends that distributions will be made in this way.

The treatment of distributions as interest distributions for UK tax purposes is significant because:

- distributions made should be deductible for corporation tax purposes against UK taxable income.

- The income, less interest distributions, expenses (including the Manager's and Trustee's fees) and any non-UK withholding taxes, is subject to UK corporation tax at a rate equal to the basic rate of income tax (currently 20%). Any corporation tax charge should not be significant.

Capital gains (except insofar as treated as accrued income gains - see above) accruing to a Bond Trust will be exempt from UK tax on chargeable gains.

38.3 Stamp duty reserve tax

On 30 March 2014, Schedule 19 Stamp Duty Reserve Tax (SDRT) ceased to be chargeable on dealings in units in authorised unit trusts. As such, the provisions relating to SDRT no longer apply. However, investors should note that should SDRT or a similar tax relating to dealings on units in authorised unit trusts be reintroduced in the future, all such costs will be paid out of the Trust's Scheme Property and charged to capital.

However it should be noted that in the unlikely event of either of the below occurring within the Fund SDRT may still be triggered and where applicable be charged to the investor:

- (i) third party transfer of units; or
- (ii) non-pro rata in specie redemptions.

39. Automatic Exchange of Financial Account Information

39.1 US Foreign Account Tax Compliance Act (FATCA)

The US Foreign Account Tax Compliance Act (FATCA) is designed to help the Internal Revenue Service (the IRS) combat US tax evasion. It requires financial institutions, such as the Trust, to report on US investors or US holdings, whether or not this is relevant. Failure to comply (or be deemed compliant) with these requirements will subject the Trust to US withholding taxes on certain US-sourced income and gains. Under an intergovernmental agreement between the US and the United Kingdom, the Trust may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports US taxpayer information directly to HMRC.

Unitholders may be asked to provide additional information to the Manager to enable the Trust to satisfy these obligations. Institutional Unitholders may be required to provide a Global Intermediary Identifications Number (GIIN). Failure to provide requested information may subject a Unitholder to liability for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption, transfer or other termination of the Unitholder's interest in its units. The Global Intermediary Identification Number for the Fund is available on request.

39.2 Common Reporting Standard

The Common Reporting Standard (CRS) is the reporting standard approved and developed by the Organisation of Economic Co-operation and Development (OECD) in 2014, and came into force with effect from 1st January 2016. This requires financial institutions such as the Trust, to report non-UK resident investors, other than US Persons, to other agreed jurisdictions on an annual basis. The objective of

this reporting is the same as the FATCA regulations but on a worldwide basis and is based on Residency rather than citizenship as with the US model, and will encompass natural persons and legal entities.

40. Income equalisation

- 40.1 Income equalisation, as explained below, may apply in relation to the Fund, as detailed in Appendix 1.
- 40.2 Part of the purchase price of a Unit reflects the relevant share of accrued income received or to be received by the Fund. This capital sum is returned to a Unitholder with the first allocation of income in respect of a Unit issued during an accounting period.
- 40.3 The amount of income equalisation is either (i) the actual amount of income included in the issue price of that Unit; or (ii) is calculated by dividing the aggregate of the amounts of income included in the price of Units issued or sold to Unitholders in an annual or interim accounting period by the number of those Units and applying the resultant average to each of the Units in question.
- 40.4 The Manager currently uses the method outlined in (ii) in paragraph 40.3 to apply income equalisation.

41. Winding up of the Fund

- 41.1 The Fund may be wound up under the FCA Regulations, following approval by the FCA, in the following circumstances:
 - 41.1.1 if the order declaring the Fund to be an authorised unit trust scheme ("Order of Authorisation") is revoked;
 - 41.1.2 if the Manager or the Trustee requests the FCA to revoke the Order of Authorisation 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;
 - 41.1.3 if an extraordinary resolution is passed to wind up the Fund and the FCA's prior consent to the resolution has been obtained by the Manager or the Trustee;
 - 41.1.4 on the effective date of a duly approved scheme of arrangement of the Fund which is to result in the Fund being left with no property;
 - 41.1.5 on the expiry of any period specified in the Trust Deed as the period at the end of which the Fund is to be wound up.
- 41.2 On the occurrence of any of the above:
 - 41.2.1 in the case of scheme of arrangement referred to above the Trustee shall wind up the Fund in accordance with the scheme of arrangement.
 - 41.2.2 in any other case, the Trustee shall, as soon as practicable after the Fund falls to be wound up, realise the property of the Fund and, after paying 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.

41.2.3 any unclaimed net proceeds or other cash held by the Trustee after 12 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.

41.2.4 on completion of the winding-up of the Fund, 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.

42. General Information

42.1 Accounting Periods

The annual accounting period of the Fund ends each year on 30 November (the accounting reference date). The interim accounting period of the Fund ends each year on 31 May.

42.2 Income Allocations

42.2.1 Allocations of income are made on both an interim basis and an annual basis in respect of the income available for allocation in each accounting period.

42.2.2 Distributions of income in respect of Net Income Units are paid by BACS, in accordance with Section 42.2.3, on or before the interim income allocation date of 30 September and the annual income allocation date of 31 March.

42.2.3 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 charges and expenses paid or payable out of income in respect of that accounting period. The Manager then makes such other adjustments as it considers appropriate (and after consulting the Trustee as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, transfers between the income and capital account and any other adjustments which the Manager considers appropriate after consulting the auditors.

42.2.4 The Manager and the Trustee have agreed a de minimis amount of £20 in respect of distribution of income payments made by cheque.

42.2.5 If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Fund.

42.2.6 Income will be distributed as a dividend payment where the Trust is deemed to be an Equity Trust or as an interest payment where the Trust is deemed to be a Bond Trust over the relevant accounting period. The treatment of income anticipated by the Manager is given in Appendix 1, although Unitholders are advised the treatment of income will depend on the composition of assets over the accounting period. Income can only be distributed as an interest payment if the Trust has held the minimum Qualifying Investments over the accounting period (see "Taxation" for further details). Details of the treatment of income for taxation purposes over

an accounting period will be given in a tax voucher sent to all Unitholders when the income is allocated.

42.3 Annual and Half-yearly Reports

Annual reports of the Fund will be published within four months of each annual accounting period and half-yearly reports will be published within two months of each interim accounting period.

The annual and half-yearly reports will be available upon request.

The annual and half-yearly reports will include disclosures on the following:

- (a) The percentage of the Trust's assets that are subject to special arrangements arising from their illiquid nature;
- (b) Any new arrangements for managing the liquidity of the Trust;
- (c) The current risk profile of the Trust and the risk management systems employed by the Manager to manage those risks;
- (d) Any changes to the maximum level of leverage that the Manager may employ on behalf of the Trust;
- (e) Any changes to any right of reuse of collateral or any guarantee granted under the leveraging arrangement; and
- (f) The total amount of leverage employed by the Trust.

42.4 Documents relating to the Fund

42.4.1 The following documents may be inspected free of charge between 9.00 a.m. and 5.00 p.m. every Business Day at the offices of the Manager at 45 Gresham Street, London, EC2V 7BG:

- (a) the most recent annual and half-yearly reports of the Fund;
- (b) the Prospectus; and
- (c) the Trust Deed (and any amending deed).

42.4.2 The Manager may make a charge at its discretion for copies of the Trust Deed, however, the reports and the Prospectus are available free of charge.

42.5 Notices

Notices and Documents will be sent to the Unitholder's registered address.

42.6 Telephone Recording

Please note that the Manager may record telephone calls for training and monitoring purposes and to confirm investors' instructions. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period

of seven years, where the Manager can identify the call. If you ask the Manager to send you a recording of a particular call, the Manager may ask for further information to help identify the exact call to which your request relates.

42.7 Complaints

Complaints concerning the operation or marketing of the Fund should be referred to the compliance officer of the Manager at 45 Gresham Street, London, EC2V 7BG, in the first instance. If the complaint is not dealt with satisfactorily then it can be made direct to The Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR. A copy of the Manager's complaints handling procedure is available on request.

Making a complaint will not prejudice your rights to commence legal proceedings.

Further information regarding any compensation scheme or any other investor-compensation scheme of which the Manager or the Trust is a member (including, if relevant, membership through a branch) or any alternative arrangement provided, are also available on request.

42.8 Best Execution

The Manager must act in the best interests of the Trust when executing decisions to deal on behalf of the Trust. The Manager's order execution policy sets out the (i) systems and controls that have been put in place and (ii) the factors which the Manager expects the Investment Manager to consider when effecting transactions and placing orders in relation to the Trust. This policy has been developed in accordance with the Manager's obligations under the Regulations to obtain the best possible result for the Trust.

Details of the order execution policy are available from the Manager on request. If you have any questions regarding the policy please contact the Manager or your professional adviser.

42.9 Inducements and Soft Commission

When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Trust, an Investment Manager or Manager (as relevant) will not accept and retain any fees, commissions or monetary benefits; or accept any non-monetary benefits, where these are paid or provided by any third party or a person acting on behalf of a third party.

The Investment Manager or Manager will return to the Trust as soon as reasonably possible after receipt any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to the Trust, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

However, the Investment Manager or Manager may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the Trust; and of a scale and nature such that they could not be judged to impair their compliance with its duty to act honestly, fairly and professionally in the best interests of the Trust.

42.10 Genuine Diversity of Ownership (GDO)

Units in, and information on, the Trust are and will continue to be marketed and made easily and widely available to reach the intended categories of investors and in a manner appropriate to attract those categories of investors. The intended categories of investors are retail and institutional investors.

42.11 Compensation

Under the Financial Services Compensation Scheme (FSCS), in the event of firm default your investment is protected up to the value of £85,000 per person per firm.

Appendix 1

Investment objective, policy and other details of the Fund

Investment of the assets of the Fund must comply with the FCA Regulations and its own investment objective and policy. Details of the investment objective and policy are set out overleaf together with other information including available Unit Classes, charges, minimum investment levels and distribution dates. A detailed statement of the investment and borrowing restrictions applicable to the Fund is contained in Appendix 2. Lists of the eligible securities and derivatives markets on which the Fund may invest are contained in Appendix 4. A list of the locations of the establishment of any second schemes which the Fund may invest in from time to time is shown in Appendix 10.

Changes to the Investment Objective and Policy will normally require approval by Unitholders at an Extraordinary General Meeting if the change alters the nature or risk profile of the Fund, or on giving 60 days notice to Unitholders where these do not alter the nature or risk profile of the Fund. In exceptional circumstances, changes may be made to the Investment Objective and Policy with no minimum period of notice where these are for clarification purposes only. In all cases, changes may only be made to the Investment Objective and Policy following notification to the FCA pursuant to the Act and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Fund.

THE ACORN TRUST

Investment Objective and Policy

The investment objective of the Fund is to achieve a balance between capital growth and income returns by employing a medium risk strategy and investing in any country and in any economic sector of the world.

The Fund will seek to achieve this objective by investing directly or indirectly in a range of asset classes, geographical and economic sectors. The Fund may invest in both regulated and unregulated collective investment schemes, transferable securities, approved money market instruments, deposits and cash or near cash investments, warrants and gold. The Fund may also use derivatives for the purpose of EPM only. It is anticipated that the Fund may be significantly invested in collective investment schemes. However, the proportion of the property of the Fund which may be held in the different permitted asset classes, including cash and near cash, may vary from time to time at the Manager's discretion subject to the limitations on investment set out in the FCA COLL Sourcebook.

It is the Manager's intention that derivatives and forward transactions will only be used for Efficient Portfolio Management. The Fund may use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to Unitholders. The use of derivatives for investment purposes may alter the risk profile of the Fund.

Please be aware that there is no guarantee that capital will be preserved.

Ongoing Charges Figure (OCF)

The OCF provides investors with a clearer picture of the total annual costs in running a collective investment scheme and is based on the previous year's expenses. The figure may vary from year to year and it excludes the costs of buying or selling assets for the Trust (but includes transaction charges incurred by investing in any other collective investment schemes). Where there is not enough historic data available, or when historic data will not provide a reliable indication of future costs, an estimated OCF will be calculated based on the most reliable information available (OCF (Estimated)). The OCF is displayed in the Key Investor Information Document (KIID). A copy of the KIID can be provided free of charge on request.

Benchmark	Unitholders may compare the performance of the Fund against the ARC Sterling Steady Growth PCI. Comparison of the Fund's performance against this benchmark will give Unitholders an indication of how the Fund is performing against an index based on the real performance numbers delivered to discretionary private clients by participating investment managers. The benchmark is not a target for the Trust, nor is the Fund constrained by the benchmark.
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Classes of Units available	Net Income Units and Net Accumulation Units.
Currency of denomination	Pounds Sterling
Minimum initial investment	£1,000,000
Minimum subsequent investment	£100,000
Minimum withdrawal	None, provided the minimum investment amount is maintained
Minimum holding	£1,000,000
Manager's preliminary charge	5%
Annual management charge	Up to 1.5%
Charge for investment research	None
Annual accounting date	30 November
Interim accounting date	31 May
Annual income allocation date	31 March
Interim income allocation date	30 September
Invest in any Securities Market of the UK or a Member State of the EU or states within the EEA on which securities are admitted to Official Listing	Yes
Invest in Eligible Markets	As listed in Appendix 4
Income Equalisation	Yes
Charges taken from Income or Capital	Expenses are allocated to income apart from those relating directly to the purchase or sale of investments.
Income to be distributed as a dividend or interest?	The Fund may distribute income in the form of a dividend or interest depending on the composition of the assets held over the accounting period.

Whether an investment in the Fund is appropriate will depend on the investor's own requirements and attitude to risk. The Fund is designed for high net worth retail investors (although it may be promoted to all types of investor) who:

- want to achieve a balance between capital growth and income returns over the medium to longer term through direct and indirect exposure to a range of asset classes, geographic sectors and economic sectors with the expertise of the Investment Managers;
- can meet the minimum investment levels;
- are able to commit to a long term investment in the Fund and take the risk of losing part or all of their investment capital;
- who understand and are willing to take the risks involved in investing in the Fund (as detailed under "Risk Factors" set out in section 28 of the Prospectus).

If you have any doubts as to whether the investment is suitable for you, please contact a financial manager.

Appendix 2

Investment and Borrowing Powers of the Fund

1. Investment and borrowing powers of the Fund

These restrictions apply to the Fund.

Investment restrictions

The Fund will be invested with the aim of achieving the investment objective of the Fund but subject to the limits on investment set out in the FCA Regulations and the Fund's investment policy.

Generally the Fund will invest in the investments to which it is dedicated including approved securities which are transferable securities admitted to or dealt on a regulated market or in a market in the UK or an EEA State which is regulated, operates regularly and is open to the public, units in collective investment schemes, warrants, money market instruments and deposits. The Fund may also invest in physical gold. Derivatives and forward transactions will only be used by the Fund for Efficient Portfolio Management purposes and the Fund may only use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to Unitholders.

The investment objective and policy of the Fund are subject to the limits on investment under chapter 5 of the FCA Regulations applicable to non UCITS Retail Schemes, which are summarised below.

2. Transferable securities and money market instruments

2.1 Types of transferable security

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

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

2.1.3 In applying paragraph 2.1.2 to an investment which is issued by a body corporate, and which is a share or a debenture (as such terms are defined in the FCA Handbook), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

2.1.4 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.

2.2 Criteria for investment in transferable securities

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

- (a) the potential loss which the Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
- (b) its liquidity does not compromise the Manager's ability to comply with its obligations to redeem units at the request of any qualifying unitholder;
- (c) reliable valuation is available for it as follows:
 - (i) in the case of a transferable security admitted to or dealt in on an eligible market (see further paragraph 2.7 below for an explanation of eligible market) where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - (ii) 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;
- (d) appropriate information is available for it as follows:
 - (i) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
 - (ii) 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;
- (e) it is negotiable; and
- (f) its risks are adequately captured by the risk management process of the Manager.

2.2.2 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:

- (a) not to compromise the ability of the Manager to comply with its obligations to redeem units at the request of any qualifying unitholder; and
- (b) to be negotiable.

2.3 Closed end funds constituting transferable securities

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 2.2 above and either:

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

- (i) it is subject to corporate governance mechanisms applied to companies; and
 - (ii) 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
- (b) where the closed end fund is constituted under the law of contract:
- (i) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
 - (ii) it is managed by a person who is subject to national regulation for the purpose of investor protection.

2.4 Transferable securities linked to other assets

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

- (a) fulfils the criteria for transferable securities set out in paragraph 2.2 above; and
- (b) is backed by or linked to the performance of other assets which may differ from those in which the Fund can invest.

2.4.2 Where an investment in paragraph 2.4.1 contains an embedded derivative component, the requirements of this Appendix and the FCA Regulations with respect to derivatives and forwards will apply to that component.

2.5 Approved money market instruments

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

2.6 Transferable securities and money market instruments generally to be admitted to or dealt in on an eligible market

2.6.1 Transferable securities and approved money market instruments held within the Fund must be:

- (a) admitted to or dealt in on an eligible market (as described in paragraph 2.7); or
- (b) recently issued transferable securities provided that the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and such admission is secured within a year of issue; or
- (c) an approved money market instrument not admitted to or dealt in on an eligible market, within paragraph 2.8 or 2.9 subject to paragraph 2.10.

2.6.2 The Fund may invest up to 20% of the Fund's investments in transferable securities not within paragraph 2.6.1, or money market instruments other than those referred to in paragraph 2.6.1 which are liquid and have a value which can be determined accurately at any time.

2.7 Eligible markets regime

2.7.1 To protect investors the markets in which investments of the 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. Where a market ceases to be eligible investments on that market cease to be approved securities. The 20% restriction in paragraph 2.6.2 above on investment in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

2.7.2 A market is eligible for the purposes of the FCA Handbook if it is:

- (a) a regulated market (as defined in the FCA Handbook); or
- (b) a market in the UK or an EEA state which is regulated, operates regularly and is open to the public.

2.7.3 A market not falling within paragraph 2.7.2 is eligible for the purposes of the FCA Handbook if:

- (a) the Manager after consultation with and notification to the Trustee decides that market is appropriate for investment of, or dealing in the Fund's property;
- (b) the market is included in a list in the Prospectus; and
- (c) the Trustee has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market; and all reasonable steps have been taken by the Manager in deciding whether that market is eligible.

2.7.4 In paragraph 2.7.3(a) a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation 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.

2.7.5 The eligible securities and derivatives markets for the Fund are set out in Appendix 4. New eligible securities markets may be added to the existing list in accordance with the FCA Regulations governing approvals and notifications.

2.8 Money market instruments with a regulated issuer

2.8.1 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:

- (a) the issue or the issuer is regulated for the purposes of protecting investors and savings; and

(b) the instrument is issued or guaranteed in accordance with paragraph 2.9.

2.8.2 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 purposes of protecting investors and savings if:

- (a) the instrument is an approved money market instrument;
- (b) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit rates risks related to investments in it) in accordance with paragraph 2.10 below; and
- (c) the instrument is freely transferable.

2.9 Issuers and guarantors of money market instruments

2.9.1 The Fund may invest in an approved money market instrument if it is:

- (a) issued or guaranteed by any one of the following:
 - (i) a central authority of the UK or, an EEA state or if the EEA state is a federal state, one of the members making up the federation;
 - (ii) a regional or local authority of the UK or an EEA state;
 - (iii) the Bank of England, European Central Bank or a central bank of an EEA state;
 - (iv) the EU or the European Investment Bank;
 - (v) a non-EEA state other than the UK or, or in the case of a federal state one of the members making up the federation; or
 - (vi) a public international body to which the UK or one or more EEA states belong; or
- (b) issued by a body, any securities of which are dealt in on an eligible market; or
- (c) issued or guaranteed by an establishment which is:
 - (i) subject to prudential supervision in accordance with criteria defined by UK or European community law; or
 - (ii) an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or European community law.

2.9.2 An establishment shall be considered to satisfy the requirement in paragraph 2.9.1(c)(ii) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

- (a) it is located in the UK or the EEA;

- (b) it is located in an OECD country belonging to the Group of Ten;
- (c) it has at least one investment grade rating;
- (d) on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or European community law.

2.10 Appropriate information for money market instruments

2.10.1 In the case of an approved money market instrument within paragraph 2.9.1(b) or issued by a body referred to in the FCA Regulations at COLL 5.2.10EG; or which is issued by an authority within paragraph 2.9.1(a)(ii) or a public international body within paragraph 2.9.1(a)(vi), but is not guaranteed by a central authority within paragraph 2.9.1(a)(i), the following information must be available:

- (a) 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;
- (b) updates of that information on a regular basis and whenever a significant event occurs; and
- (c) available and reliable statistics on the issue or the issuance programme.

2.10.2 In the case of an approved money market instrument issued or guaranteed by an establishment within paragraph 2.9.1(c) the following information must be available:

- (a) 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;
- (b) updates of that information on a regular basis and whenever a significant event occurs; and
- (c) 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.

2.10.3 In the case of an approved money market instrument within paragraph 2.9.1(a)(i), (iv) or (v) or which is issued by an authority within paragraph 2.9.1(a)(ii) or a public international body within paragraph 2.9.1(a)(vi) and is guaranteed by a central authority within paragraph 2.9.1(a)(i) 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.

3. Spread limits

3.1 Not more than 20% in value of the Fund's investments can consist of deposits with a single body.

- 3.2 Not more than 10% in value of the Fund's investments can consist of transferable securities or money market instruments issued by a single body. This limit of 10% is raised to 25% in value of the Fund in respect of covered bonds.
- 3.3 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Fund's property.
- 3.4 Not more than 20% in value of the Fund's investments can consist of transferable securities which are not approved securities and unregulated schemes.
- 3.5 Except for a feeder fund, not more than 35% in value of the Fund's property is to consist of the units of any one collective investment scheme.
- 3.6 Not more than 10% in value of the Fund's investments can consist of gold.

The limits in section 3 do not apply in respect of a transferable security or an approved money-market instrument to which COLL 5.6.8R (Spread: government and public securities) applies, for which please see section 4 below.

4. Government and public securities

- 4.1 This section applies in respect of a transferable security or an approved money-market instrument ("such securities") that is issued or guaranteed by:

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

belong.

Up to 35% of the Scheme Property may be invested in such securities issued by a single issuer.

5. Collective Investment Schemes

- 5.1 Up to 100% in value of the property of the Fund may be invested in units in other collective investment schemes (hereafter a "second scheme") although not more than 35% in value of the Scheme Property is to consist of the units of any one second scheme. Where the schemes invested in are managed, operated or administered by the Manager (or one of its associates) the rules on double charging contained in the FCA Regulations must be complied with. Investment may only be made in second schemes whose maximum annual management charge does not exceed 5%.

Any second scheme must either:

- 5.1.1 be a UK UCITS scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA or
- 5.1.2 be a recognised scheme under the provision of Section 272 of the Financial Services and Markets Act 2000; or

- 5.1.3 be authorised as a non-UCITS retail scheme; or
- 5.1.4 be constituted outside the United Kingdom and the investment and borrowing powers of which are the same or more restrictive than those of a non-UCITS retail scheme; or
- 5.1.5 be a scheme not falling within 5.1.1 to 5.1.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.
- 5.2 The second scheme must also operate on the basis of the prudent spread of risk, be prohibited from having more than 15% in value of the property of that scheme consisting of units in collective investment schemes (unless COLL 5.6.10AR applies), and the participants in the second scheme must be entitled to have their units redeemed in accordance with the scheme at a price related to the net value of the property to which the units relate and determined in accordance with the scheme.
- 5.3 Where the second scheme is an umbrella collective investment scheme the above provisions apply to each sub-fund as if it were a separate scheme.
- 5.4 The Fund may invest in units of other collective investment schemes and pay any related charges or expenses for investing in such units unless the schemes are managed, operated or administered by the Manager (or one of its associates) in which case the Fund will pay no additional management charges to the Manager and the rules on double charging contained in the FCA are complied with.
- 5.5 Any second schemes in which the Fund invests will be established in the locations listed in Appendix 10. The Fund may invest in second schemes established in locations not currently listed in Appendix 10 provided the second scheme satisfies the requirements of this Prospectus and the FCA Regulations, where this occurs the list in Appendix 10 will be updated and an updated Prospectus issued.

6. Feeder Schemes

- 6.1 A non-UCITS retail scheme that is not a feeder NURS may, if the following conditions are met, invest in units of:
 - (a) a feeder UCITS; or
 - (b) a feeder NURS; or
 - (c) a scheme dedicated to units in a single property authorised investment fund; or
 - (d) a scheme dedicated to units in a recognised scheme.
- 6.2 The relevant master UCITS must comply with COLL 5.2.13R(2), (3) and (4) as if it were the second scheme for the purpose of that rule.
- 6.3 The relevant qualifying master scheme, property authorised investment fund or recognised scheme must comply with COLL 5.6.10R(2) to (5) as if it were the second scheme for the purpose of that rule.

- 6.4 Not more than 35% in value of the scheme property of the non-UCITS retail scheme may consist of units of one or more schemes permitted under (6.1)(a) to (d).
- 6.5 The non-UCITS retail scheme must not invest directly in units of the relevant master UCITS, qualifying master scheme, property authorised investment fund or recognised scheme.
- 6.6 The authorised fund manager of the non-UCITS retail scheme must be able to show on reasonable grounds that an investment in one or more schemes permitted under (6.1)(a) to (d) is:
- (a) in the interests of investors; and
 - (b) no less advantageous than if the non-UCITS retail scheme had held units directly in the relevant:
 - (i) master UCITS; or
 - (ii) qualifying master scheme; or
 - (iii) property authorised investment fund; or
 - (iv) recognised scheme.

7. Warrants and nil and partly paid securities

Up to 5% in value of the Scheme Property may consist of warrants, provided that warrants may only be held if it is reasonably foreseeable there will be no change to the Scheme Property between the acquisition of the warrant and its exercise and the rights conferred by the proposed warrant and all other warrants forming part of the Scheme Property at the time of the acquisition of the proposed warrant will be exercised and that the exercise of the rights conferred by the warrants will not contravene the FCA Regulations.

Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund at any time when the payment is required without contravening the FCA Regulations.

A warrant may not be included in the Scheme Property unless it is listed on an eligible securities market.

8. Deposits

Up to 20% in value of the Scheme Property can consist of deposits with a single body. The Fund may only invest in deposits with an Approved Bank and which are repayable on demand, or have the right to be withdrawn, and maturing in no more than 12 months.

9. Derivatives and forward transactions

Derivatives may be used by the Fund for Efficient Portfolio Management purposes only. Derivatives and forward transactions may be used for investment purposes on providing Unitholders with 60 days' notice. As a result, the NAV of the Fund could potentially be more volatile, however, it is the Investment Managers' intention that the Fund, owing to its portfolio composition or the portfolio management techniques used, will not have volatility over and above the general market volatility of the markets of their underlying investments. The use of derivatives for Efficient Portfolio Management is not intended to increase the risk profile of the Fund. However to the extent that derivatives are used for investment purposes, the overall risk of loss to the Fund may be increased. Please also see "Risk Factors" above.

- 9.1 The Fund's intention is to reduce investor risk, and meet its investment objective as set out in Appendix 1, through the use of derivatives. In pursuing their investment objectives, the Fund may make use of a variety of derivative instruments in accordance with the FCA Regulations.
- 9.2 A transaction in a derivative transaction must:
 - 9.2.1 for derivatives other than OTC derivatives, be an "approved derivative" which is effected on or under the rules of an "eligible derivatives market"; or
 - (a) be an OTC derivative transaction which is:
 - (i) in a "future" or an "option" or a "contract for differences" as defined in the FCA Handbook;
 - (ii) with a counterparty which is:
 - (aa) an "eligible institution", i.e. an authorised credit institution or an authorised investment firm in the UK, any EEA State, or an Approved Bank; or
 - (bb) a person whose FCA permission, as published in the FCA Register or whose authorisation in any EEA country, permits it to enter into the transaction as principal off-exchange;
 - (iii) on approved terms, i.e. the terms of the transaction are approved only if the Manager:
 - (aa) carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
 - (bb) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and
 - (iv) capable of reliable valuation, i.e. only if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

- (aa) on the basis of an up-to-date market value which the Manager and the Trustee agree is reliable; or
 - (bb) if the value referred to in (a) is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- (v) 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:
- (aa) 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
 - (bb) a department within the Manager which is independent from the department in charge of managing the property of the Fund and which is adequately equipped for such a purpose,
- for the purposes of the above "fair value" is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

In addition, any forward transaction must be made with an eligible institution or an Approved Bank.

(b) Investment risk

- (i) Derivative transactions are permitted under the FCA Regulations provided that the underlying consists of any or all of the following to which the Fund is dedicated:
 - (aa) transferable securities;
 - (bb) permitted money market instruments;
 - (cc) permitted deposits;
 - (dd) permitted derivatives;
 - (ee) permitted collective investment scheme units;
 - (ff) financial indices;
 - (gg) interest rates;
 - (hh) foreign exchange rates; and
 - (ii) currencies.

As set out above, a "look-through" approach exists which requires the FCA Regulations spread limits which apply to non-UCITS retail schemes as set out

in this Prospectus to be complied with in relation to the underlying assets (unless the derivative relates to an index).

- (c) Derivative transactions must not cause the Fund to diverge from its Investment Objective and must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, money market instruments, units in collective investment schemes, or derivatives.
- (d) The Manager must use a risk management process enabling it to monitor and measure as frequently as appropriate the risk of the Fund's positions and their contribution to the overall risk profile of the Fund. The risk management process maintained by the Manager should take into account the investment objectives and policies of the Fund.
- (e) A derivative transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the Fund is or may be committed by another person is covered globally, i.e. if adequate cover from within the Scheme Property for the Fund is available to meet the Fund's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk and the time available to liquidate any positions.

Cash not yet received into the Scheme Property, but due to be received within one month, is available as cover for the purposes of the preceding paragraph.

Property which is the subject of a stock lending transaction is only available for cover if the Manager has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.

The global exposure relating to derivatives held by the Fund may not exceed the NAV of its Scheme Property.

- (f) No agreement by or on behalf of the Fund to dispose of property or rights may be made unless:
 - (i) the obligation to make the disposal and any other similar obligation could immediately be honoured by the Fund by delivery of property or the assignment (or, in Scotland, assignation) of rights; and
 - (ii) the property and rights at (i) are owned by the Fund at the time of the agreement.
- (i) and (ii) do not apply to:
- (iii) a deposit; or
 - (iv) where:
 - (aa) the risks of the underlying financial instrument of a derivative can be appropriately represented by another

financial instrument and the underlying financial instrument is highly liquid; or

(bb) the Manager or the Trustee has the right to settle the derivative in cash and cover exists within the Scheme Property which falls within one of the following asset classes:

- cash;
- liquid debt instruments (e.g. government bonds of first credit rating) with appropriate safeguards (in particular, haircuts); or
- other highly liquid assets which are recognised considering their correlation with the underlying of the financial derivative instruments, subject to appropriate safeguards (e.g. haircuts where relevant).

In the asset classes referred to in (iv), assets may be considered as liquid where the instruments can be converted into cash in no more than seven Business Days at a price closely corresponding to the current valuation of the financial instrument on its own market.

(g) The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of the Scheme Property. The exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it provided the collateral meets each of the following conditions:

- (i) it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
- (ii) it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
- (iii) it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
- (iv) can be fully enforced by the Fund at any time.

(h) In applying the limits above, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:

- (i) comply with the conditions set out in Section 3 (Contractual netting Contracts for novation and other netting agreements) of Annex III to the Banking Consolidation Directive (Directive 2000/12/EC) or the statutory equivalent thereof, which forms part of UK law by virtue of the EUWA, as applicable; and
- (ii) are based on legally binding agreements.

- (i) All derivative transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
 - (i) it is backed by an appropriate performance guarantee; and
 - (ii) it is characterized by a daily market-to-market valuation of the derivative positions and at least daily margining.
- (j) Where the Fund invests in derivatives, the exposure to the underlying assets must not exceed the spread limits set out above save that, subject to prudent spread of risk, where the Fund invests in an index-based derivative (provided the relevant index's composition is sufficiently diversified, the index is a representative benchmark for the market to which it refers and is published in an appropriate manner) the underlying constituents of the index do not have to be taken into account for the purposes of complying with the above spread limits.

10. General

- 10.1 Underwriting and sub-underwriting contracts and placings may also, subject to certain conditions set out in the FCA Regulations, be entered into for the account of the Fund.
- 10.2 Cash or near cash may be retained in the Scheme Property to enable the pursuit of the investment objective; or for redemption of Units in the Fund; or efficient management of the Fund in accordance with its investment objective or for a purpose which may reasonably be regarded as ancillary to the investment objective of the Fund.
- 10.3 The Fund may invest directly in gold up to a limit of 10% of Scheme Property.

11. Stock lending

The Fund may not enter into stock lending transactions.

12. Borrowing powers

- 12.1 The Fund may, subject to the FCA Regulations, borrow money from an eligible institution or an Approved Bank for the use of the Fund on the terms that the borrowing is to be repayable out of the Scheme Property.
- 12.2 The Manager must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property.
- 12.3 These borrowing restrictions do not apply to "back to back" borrowing to be cover for transactions in derivatives and forward transactions.

13. Leverage

- 13.1 Transactions introducing leverage are generally undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates or involve receiving a premium for the writing of a covered call option or cash covered put option on the property of the Trust which the Trust is willing to buy or sell at the exercise

price. The Trust may also borrow up to 10% of its net asset value; as a result of actively invested borrowing the fund would display leveraged characteristics.

- 13.2 The types and sources of leverage and risks the Trust may employ are as follows:
- (i) The Trust may borrow up to 10% of its net asset value from an Approved Bank, and
 - (ii) Through the use of derivatives. Any exposure by the Trust through the use of derivatives must be covered by cash or readily realisable assets held by the Trust. Restrictions on the use of derivatives are outlined in the Investment Objective and Policy in Appendix 1 and detailed in the Investment and Borrowing Powers in Appendix 2.
- 13.3 Please refer to the Risk Factors for details of the risks associated with these types of leverage.
- 13.4 The following restrictions apply to the use of leverage:
- (i) Leverage through Borrowing: The Trust may borrow from Eligible Institutions or Approved Banks only.
 - (ii) Leverage through the Use of Derivatives: Derivatives may be used for the purposes of Efficient Portfolio Management only. No current collateral or asset reuse arrangements are currently in place. Should the Trust enter into any contracts that require the use of collateral in future, collateral will be managed in accordance with FCA Regulations and Guidelines issued from time to time by the European Securities and Markets Authority. A Collateral Management Policy will be implemented by the Manager before the Trust enters into any transactions which require it to hold collateral from a counterparty.
- 13.5 Under AIFMD, it is necessary for AIFs to disclose their leverage in accordance with prescribed calculations. The two types of leverage calculations defined are the gross and commitment methods. These methods summarily express leverage as a ratio of the exposure of the AIF against its net asset value. 'Exposure' typically includes debt, the value of any physical properties subject to mortgage, non sterling currency, equity or currency hedging (even those held purely for risk reduction purposes, such as forward foreign exchange contracts held for currency hedging) and derivative exposure (converted into the equivalent underlying positions). The commitment method nets off derivative instruments, while the gross method aggregates them.

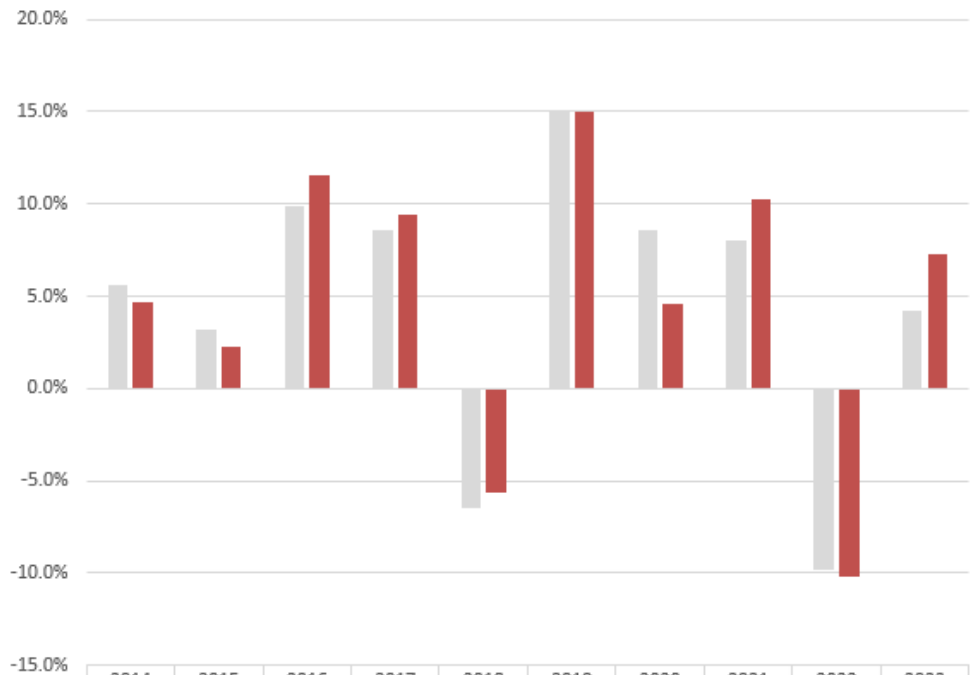
The maximum level of leverage for the Company expressed as a ratio of the Company's total exposure to its Net Asset Value:

under the Gross Method is 200 per cent; and

under the Commitment Method is 130 per cent.

The limits have been set for the investment policy of the AIF under AIFMD and have been set to accommodate the maximum level of leverage conceivable.

Appendix 3 Historical Performance Data



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
■ Fund	5.6%	3.2%	9.9%	8.6%	-6.5%	15.1%	8.6%	8.0%	-9.8%	4.2%
■ ARC Sterling Steady Growth PCI	4.7%	2.3%	11.6%	9.4%	-5.6%	15.0%	4.6%	10.2%	-10.2%	7.3%

Source: Fund - FE fundinfo 2024
Benchmark - Morningstar

Mid to Mid, net income reinvested, net of charges and tax. Performance does not include the effect of any initial or redemption charges.

Appendix 4 Eligible Securities and Derivatives Markets

The Trust may deal through securities markets established in the UK or EEA States on which transferable securities admitted to official listing in these states are dealt in or traded. In addition, up to 20% in value of the Trust may be invested in transferable securities which are not approved securities.

The Trust may also deal in certain of the securities markets listed below and those derivatives markets indicated in Appendix 5.

Australia	Australian Securities Exchange
Bermuda	Bermuda Stock Exchange
Canada	Toronto Stock Exchange
Canada	TSX Venture Exchange
Channel Islands	Channel Islands Stock Exchange
China	Shanghai Stock Exchange
China	Shenzhen Stock Exchange
Hong Kong	Hong Kong Exchanges and Clearing Company
India	BSE Limited
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Japan	Osaka Securities Exchange
Japan	Tokyo Stock Exchange
Korea, Republic of	Korea Exchange
Malaysia	Bursa Malaysia
New Zealand	New Zealand Exchange Ltd
Peru	Lima Stock Exchange (Bolsa de Valores de Lima)
Philippines	Philippine Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Limited
Switzerland	SIX Swiss Exchange

Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Borsa Istanbul
United States of America	NASDAQ
United States of America	New York Stock Exchange
United States of America	NYSE Arca
United States of America	NYSE LIFFE US

Appendix 5

Eligible Derivatives Markets

Hong Kong	Hong Kong Exchanges and Clearing Company
Japan	Tokyo Financial Exchange
Japan	Tokyo Stock Exchange
Singapore	Singapore Exchange
South Africa	JSE Limited
Switzerland	Eurex Zurich
United States of America	Chicago Board Options Exchange
United States of America	CME Group
United States of America	ICE Futures U.S.
United States of America	New York Stock Exchange
United States of America	NYSE Arca
United States of America	NYSE LIFFE US

Appendix 6

Typical Investor Profile(s)

Below is an indication of the target market of the Trust as required under MiFID II and its supplementing regulations, or the statutory equivalent thereof which forms part of UK law by virtue of the EUWA, as applicable. This is fully detailed in the EMT which should be made available to you before making an investment. If you do not believe you fit the target market of this Trust please seek advice from your professional adviser.

This Trust is suitable for all investor types of all levels of knowledge and experience coming into the trust from all available distribution channels.

Investors should be seeking no capital guarantee and be able to bear losses up to their full investment.

The Trust seeks to increase capital and grow income over a long time period.

Please refer to the latest EMT or KIID for the Synthetic Risk Reward Indicator (SRRI).

Appendix 7

Directory

The Fund and Head Office

The Acorn Trust
45 Gresham Street
London
EC2V 7BG

Manager

Evelyn Partners Fund Solutions Limited
45 Gresham Street
London
EC2V 7BG

Investment Managers

Evelyn Partners Investment Management LLP
45 Gresham Street
London
EC2V 7BG

Cazenove Capital Management, a trading name of Schroder & Co. Limited
1 London Wall Place
London
EC2Y 5AU

Dealing and Registration team

Evelyn Partners Fund Solutions Limited
177 Bothwell Street
Glasgow
G2 7ER

Telephone:

Dealing only: 0141 222 1150

Registration and Enquiries: 0141 222 1151

Trustee

Registered Office:
NatWest Trustee & Depositary Services Limited
250 Bishopsgate
London
EC2M 4AA

Principal Place of Business:

NatWest Trustee & Depositary Services Limited
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh
EH12 1HQ

Auditor

Johnston Carmichael LLP
Bishop's Court
29 Albyn Place
Aberdeen
AB10 1YL

Appendix 8
List of Directors of Evelyn Partners Fund Solutions Limited

Name of Director

Andrew Baddeley

Brian McLean

Mayank Prakash

Neil Coxhead

Dean Buckley (Independent Non-Executive Director)

Linda Robinson (Independent Non-Executive Director)

Victoria Muir (Independent Non-Executive Director)

Sally Macdonald (Independent Non-Executive Director)

Guy Swarbreck (Non-Executive Director)

None of the directors have any business activities of significance to the Fund that are not connected with the business of the Manager.

Appendix 9

List of Authorised Funds that Evelyn Partners Fund Solutions Limited acts as authorised fund manager or authorised corporate director for

Authorised Unit Trusts	Investment Companies with Variable Capital
Dragon Trust	Bute Fund
Eagle Fund	Earlstone Fund
Evelyn Witch General Trust	Evelyn Partners Funds
Langham Trust	Evelyn Partners Investment Funds ICVC
Magnum Trust	Forest Fund ICVC
Marathon Trust	Ganymede Fund
Orchard Fund	GFS Investments Fund
Ourax Unit Trust	Glairnox Fund
Spenser Fund	Gryphon Investment Funds
SVS DW Asia Income & Growth Fund	Hercules Managed Funds
SVS Dowgate Wealth UK New Economies Fund	Issodola Fund
SVS Sanlam European Equity Fund	JC Investments Fund
SVS Sanlam Fixed Interest Fund	Kanthaka Fund
SVS Sanlam North American Equity Fund	Moorgate Funds ICVC
The Acorn Trust	New Square Investment Funds
The Alkerton Trust	Pendennis Fund ICVC
The Barro II Trust	Pharaoh Fund
The Capital Balanced Fund	Pityoulsh Investments Fund
The Dream Trust	Quercus Fund
The Endeavour II Fund	Sardasca Fund
The Enterprise Trust	Sherwood Fund
The Global Opportunities Fund	Smithfield Funds
The Ilex Fund	Starhunter Investments Fund
The Jetwave Trust	Stratford Place Fund
The Lancaster Trust	Sussex Fund
The Millennium Fund	SVS Aubrey Capital Management
The Plain Andrews Unit Trust	Investment Funds
The Securities Fund	SVS Brooks Macdonald Fund
Worldwide Growth Trust	SVS Brown Shipley Multi Asset Portfolio
	SVS Cornelian Investment Funds
	SVS Dowgate Wealth Funds ICVC
	SVS Heritage Investment Fund
	SVS Kennox Strategic Value Fund
	SVS RM Funds ICVC
	SVS Saltus Onshore Portfolios
	SVS WAM Investment Funds
	SVS Zeus Investment Funds ICVC
	Sylvan Funds
	Taber Investments Fund
	The Air Pilot Fund
	The Aurinko Fund
	The Blu-Frog Investment Fund
	The Brighton Rock Fund
	The Cheviot Fund
	The Daisybelle Fund
	The Dinky Fund
	The Dunninger Fund

	<p>The Folla Fund The Galacum Fund The Global Balanced Strategy Fund The Gloucester Portfolio The Headspring Fund The Headway Fund The Jake Fund The Jay Fund The Kingfisher Fund The Loch Moy Fund The Magpie Fund The MF Fund The Milne Fund The Nectar Fund The Norton Fund The Princedale Fund The Rosslyn Fund The SBB Fund The Staffordshire Portfolio The Stellar Fund The SVS Levitas Funds The Touchstone Investment Fund The Tully Fund The Westhill Investment Fund TS Campana Fund Vagabond Investment Fund White Oak Fund</p>
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Appendix 10
Establishment of Collective Investment Schemes

Any second schemes in which the Fund may invest will be established in the locations listed below. This list is not restrictive and may be amended from time to time where the Fund invests in second schemes established in new locations.

Any member state of the UK or the European Economic Area

Australia

Bermuda

Canada

Cayman Islands

Channel Islands

Isle of Man

Japan

Singapore

Switzerland

United States