

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

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

**PROSPECTUS**

**OF**

**THE DREAM TRUST**

**(A UK UCITS scheme with FCA Product Reference Number: 188865)**

This document constitutes the Prospectus for The Dream Trust which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at 22 March 2024.

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

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## **Important Information**

No person has been authorised by the Manager to give any information or to make any representations in connection with the offering of Units other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the Manager.

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 delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Units shall not, under any circumstances, create any implication that the affairs of the Trust have not changed since the date hereof. The distribution of this Prospectus and the offering of Units in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Trust to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The Units have not been and will not be registered in the United States of America under any applicable legislation. They may not be offered or sold in the United States of America, any state of the United States of America or in its territories and possessions or offered or sold to US persons. The Trust and the Manager have not been and will not be registered in the United States of America under any applicable legislation. Potential investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units.

The provisions of the Trust Deed are binding on each of the Unitholders and a copy of the Trust Deed is available on request from Evelyn Partners Fund Solutions Limited.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Evelyn Partners Fund Solutions Limited.

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

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail.

This Prospectus is based on information, law and practice at the date hereof. The Manager cannot be bound by an out of date Prospectus when a new version has been issued and investors should check with Evelyn Partners Fund Solutions Limited that this is the most recently published prospectus.

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

## 1. DEFINITIONS

- “Act”** the Financial Services and Markets Act 2000 as amended, extended, consolidated, substituted or re-enacted from time to time.
- “Approved Bank”** (in relation to a bank account opened by the Manager):
- (a) if the account is opened at a branch in the United Kingdom:
    - (I) the Bank of England; or
    - (II) the central bank of a member state of the OECD; or
    - (III) a bank; or
    - (IV) a building society; or
    - (V) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
  - (b) if the account is opened elsewhere:
    - (I) a bank in (a); or
    - (II) a credit institution established in an EEA State and duly authorised by the relevant Home State Regulator; or
    - (III) a bank which is regulated in the Isle of Man or the Channel Islands; or
    - (IV) a bank supervised by the South African Reserve Bank.
- “Associate”** any other person whose business or domestic relationship with the Manager or the Manager’s associate might reasonably be

expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.

**“Auditor”**

Johnston Carmichael LLP, or such other entity as is appointed to act as auditor to the Trust from time to time.

**“Business Day”**

a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Trust’s portfolio of securities or a significant portion thereof, the Manager may decide that any Business Day shall not be construed as such.

**“Client Money”**

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.

**“Class” or “Classes”**

in relation to Units, means (according to the context) a particular class or classes of Unit.

**“COLL”**

refers to the appropriate chapter or rule in the COLL Sourcebook.

**“the COLL Sourcebook”**

the Collective Investment Schemes Sourcebook issued by the FCA as amended from time to time.

**“Dealing Day”**

each Thursday which is a Business Day and the last Business Day of the month, or such other day as the Manager may determine to avoid excessive periods between valuations that would otherwise be caused by the incidence of non-Business Days.

<b>“EEA State”</b>	a member state of the European Union and any other state which is within the European Economic Area.
<b>“Efficient Portfolio Management” or “EPM”</b>	for the purposes of this Prospectus, means an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of costs or the generation of additional capital or income for the Trust with a risk level which is consistent with the risk profile of the Trust and the risk diversification rules laid down in COLL.
<b>“Eligible Institution”</b>	one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook.
<b>“EMT”</b>	European MiFID Template.
<b>“EUWA”</b>	the European Union (Withdrawal) Act 2018.
<b>“the FCA”</b>	the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time.
<b>“FCA Regulations”</b>	the rules contained in the Collective Investment Schemes Sourcebook (COLL) as part of the FCA Rules as they may be amended or updated from time to time;
<b>“FCA Rules”</b>	the FCA Handbook of Rules and Guidance, as amended from time to time.
<b>“FCA Register”</b>	the public record, as required by section 347 of the Financial Services and Markets Act 2000 (The public record) of every: <ul style="list-style-type: none"> <li>(a) authorised person;</li> <li>(b) AUT;</li> <li>(c) ICVC;</li> <li>(d) recognised scheme;</li> </ul>



- (e) recognised investment exchange;
- (f) recognised clearing house;
- (g) individual to whom a prohibition order relates;
- (h) approved person; and
- (i) person within such other class (if any) as the FCA may determine;

except as provided by any transitional provisions.

**“Home State”**

- (1) (in relation to a credit institution) the EEA State in which the credit institution has been authorised in accordance with the Banking Consolidation Directive.
- (2) (in relation to an investment firm):
  - (a) where the investment firm is a natural person, the EEA State in which his head office is situated;
  - (b) where the investment firm is a legal person, the EEA State in which its registered office is situated or, if under its national law it has no registered office, the EEA State in which its head office is situated.
- (3) (in relation to an insurer with an EEA right) the EEA State in which the registered office of the insurer is situated.
- (4) (in relation to a market) the EEA State in which the registered office of the body which provides trading facilities is situated or, if under its national law it has no registered office, the EEA State

in which that body's head office is situated.

(5) (in relation to a Treaty firm) the EEA State in which its head office is situated, in accordance with paragraph 1 of Schedule 4 to the Act (Treaty rights).

<b>“Investment Manager”</b>	Schroder & Co. Limited, the investment manager to the Manager in respect of the Trust.
<b>“IOSCO”</b>	the International Organisation of Securities Commissions.
<b>“Manager”</b>	Evelyn Partners Fund Solutions Limited, the manager of the Trust.
<b>“MiFID II”</b>	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.
<b>“Net Asset Value” or “NAV”</b>	the value of the Scheme Property less the liabilities of the Trust as calculated in accordance with the Trust Deed.
<b>“OTC”</b>	Over-the-counter derivative: a derivative transaction which is not traded on an investment exchange.
<b>“Register”</b>	the register of Unitholders of the Trust.
<b>“Registrar”</b>	Evelyn Partners Fund Solutions Limited, or such other entity as is appointed to act as Registrar to the Trust from time to time.
<b>“Regulated Activities Order”</b>	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544).

<b>“Regulations”</b>	the FCA Handbook (including the COLL Sourcebook).
<b>“Scheme Property”</b>	the scheme property of the Trust required under the COLL Sourcebook to be given for safekeeping to the Trustee.
<b>“SDRT”</b>	Stamp Duty Reserve Tax.
<b>“Switch”</b>	the exchange where permissible of Units of one fund for Units of another fund.
<b>“Trust”</b>	The Dream Trust.
<b>“Trust Deed”</b>	the trust deed constituting the Trust, as amended from time to time in accordance with the COLL Sourcebook.
<b>“Trustee”</b>	NatWest Trustee & Depository Services Limited, or such other entity as is appointed to act as Trustee;
<b>“UCITS Directive”</b>	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;
<b>“UK UCITS Scheme”</b>	means in accordance with sections 236A and 237 of the Financial Services and Markets Act 2000, a collective investment scheme which may consist of several sub-funds, which is either an authorised unit trust scheme, an authorised contractual scheme, or an authorised open-ended investment company with the sole object of collective investment of capital raised from the public in transferable securities or other liquid financial assets, operating on the principle of risk-spreading, with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings’ assets, and which has identified itself as a UCITS in its prospectus and has been authorised accordingly by the FCA;

<b>“Unit” or “Units”</b>	a unit or units in the Trust.
<b>“Unitholder”</b>	a holder of Units in the Trust.
<b>“Valuation Point”</b>	the point, on a Dealing Day whether on a periodic basis or for a particular valuation, at which the Manager carries out a valuation of the Scheme Property for the Trust for the purpose of determining the price at which Units of a Class may be issued, cancelled or redeemed. The current Valuation Point is 5:00 p.m. London time on each Dealing Day, with the exception of Christmas Eve and New Year’s Eve or a bank holiday in England and Wales, or the last Business Day prior to those days annually where the valuation may be carried out at a time agreed in advance between the Manager and the Trustee.
<b>“VAT”</b>	Value Added Tax.

## **2. DETAILS OF THE TRUST**

### **2.1 General Information**

#### **2.1.1 General**

The Dream Trust (the Trust) is a unit trust authorised by the Financial Conduct Authority with effect from 4 May 1999. The Trust has an unlimited duration.

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.

Unitholders are not liable for the debts of the Trust.

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

#### **2.1.2 Base Currency**

The base currency of the Trust is Pounds Sterling.

#### **2.1.3 Units**

Units in the Trust may be marketed in other Member States and in countries outside the European Union and European Economic Area, subject to the Regulations, and any regulatory constraints in those countries, if the Manager so decides.

The Trust is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and out of the Trust may harm performance by disrupting portfolio management strategies and by increasing expenses. The Manager may at its discretion refuse to accept applications for, or switching of, Units, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Trust. For these purposes, the Manager may consider an investor's trading history in the Trust or other Evelyn Partners Fund Solutions Limited funds and accounts under common ownership or control.

## **2.2 The Structure of the Trust**

### **2.2.1 The Trust**

The Trust is a UK UCITS scheme within the meaning of the FCA Rules.

Investment of the assets of the Trust must comply with the COLL Sourcebook and the investment objective and policy of the Trust. Details of the Trust, including its investment objective and policy, are set out in Appendix I.

The eligible securities markets and eligible derivatives markets on which the Trust may invest are set out in Appendix II. A detailed statement of the general investment and borrowing restrictions in respect of the Trust is set out in Appendix IV.

### **2.2.2 Units**

#### **Classes of Units within the Trust**

The rights represented by Units are those of a beneficial interest under a trust.

Units do not carry preferential or pre-emptive rights to acquire further Units.

Further Classes of Unit may be established from time to time by the Manager with the agreement of the Trustee and in accordance with the Trust Deed and the Regulations. On the introduction of any new Class, either a revised prospectus or a supplemental prospectus will be prepared, setting out the details of each Class.

The currency in which each new Class of Units will be denominated will be determined at the date of creation and set out in the Prospectus issued in respect of the new Class of Units.

The Trust may issue income and accumulation Units, but only income units are currently in issue. Further details of the Units presently available, including details of their criteria for subscription and fee structure, are set out in Appendix I.

Holders of income Units are entitled to be paid the distributable income attributed to such Units on any relevant interim and annual allocation dates.

Holders of accumulation Units are not entitled to be paid the income attributed to such Units, but that income is automatically transferred to (and retained as part of) the capital assets of the Trust on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Unit.

The Trust Deed allows gross income and gross accumulation Units to be issued, as well as net income and net accumulation Units, but currently no gross units are in issue. Net Units are Units in respect of which income allocated to them is distributed periodically to the relevant Unitholders (in the case of income Units) or credited periodically to capital (in the case of accumulation Units), in either case in accordance with relevant tax law, net of any tax deducted or accounted for by the Trust. Gross Units are income or accumulation Units where, in accordance with relevant tax law, distribution or allocation of income is made without any tax being deducted or accounted for by the Trust. All references in this Prospectus are to net Units unless otherwise stated.

Where the Trust has different Classes, each Class may attract different charges and so monies may be deducted from the Scheme Property attributable to such Classes in unequal proportions. In these circumstances, the proportionate interests of the Classes will be adjusted accordingly.

Unitholders are entitled (subject to certain restrictions) to convert all or part of their Units in a Class for Units of another Class. Details of this conversion facility and the restrictions are set out in paragraph 3.5 “Class Conversions”.

### 2.3 **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 the 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](http://www.FSCS.org.uk) or call the FSCS on 020 7741 4100 or 0800 678 1100.

### **3. BUYING, REDEEMING AND SWITCHING UNITS**

The dealing office of the Manager is normally open from 9.00 a.m. to 5.00p.m. (London time) on each Business Day to receive postal requests for the purchase, sale and switching of Units. The Manager may vary these times at its discretion. Requests to deal in Units may also be made by telephone by regulated entities on each Business Day (at the Manager's discretion) between 9.00 a.m. and 5.00 p.m. (London time) directly to the office of the Manager (telephone: 0141 222 1150 or such other number as published from time to time). The initial purchase must, at the discretion of the Manager, be accompanied by an application form.

The Manager will accept instructions to transfer or renunciation of title to units on the basis of an authority communicated by signed stock transfer forms and renunciation forms and sent by the unitholder or delivered on their behalf by a person that is authorised by the FCA or the Prudential Regulatory Authority ("PRA") where applicable (in the case of dual-regulated firms) or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

- a) prior agreement between the Manager and the person making the communication as to how such communications will be identified as conveying the necessary authority; and
- b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the unitholder.

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 may also, at its discretion, introduce further methods of dealing in Units in the future.

In its dealings in Units the Manager is dealing as principal. The Manager does not actively seek to make a profit from dealing in Units as principal but does so in order to facilitate the efficient management of the Trust. The Manager is not accountable to Unitholders for any profit it makes from dealing in Units as principal.

### **3.1 Money Laundering**

As a result of legislation in force in the UK to prevent money laundering, the Manager is responsible for compliance with anti money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Units. Until satisfactory proof of identity is provided, the Manager reserves the right to refuse to issue Units, pay the proceeds of a redemption of Units, or pay income on Units to the investor. In the case of a purchase of Units where the applicant is not willing or is unable to provide the information requested within a reasonable period, the Manager also reserves the right to sell the Units purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment.

### **3.2 Buying Units**

#### **3.2.1 Procedure**

Units may be bought directly from the Manager or through a professional adviser or other intermediary. In addition, the Manager may from time to time make arrangements to allow Units to be bought through other communication media. For details of dealing charges see paragraph 3.6 below. Application forms may be obtained from the Manager.

Valid applications to purchase Units in the Trust will be processed at the Unit price calculated, in accordance with the Regulations, at the next Valuation Point following receipt of the application, except in the case where dealing in the Trust has been suspended as set out in paragraph 3.13.

Settlement is due within four Business Days of the Valuation Point. 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.

For amounts in excess of £50,000, settlement must be made by electronic bank transfer to the bank account detailed on the application form. Otherwise, a cheque should be sent for the net amount, made payable to

“Evelyn Partners Fund Solutions Limited”, at: 45 Gresham Street, London, EC2V 7BG.

The Manager, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue (being more than five 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 up to 4% above the prevailing Bank of England base rate, on the value of any settlement received later than the fourth Business Day following the Valuation Point. No interest will be paid on funds held prior to investment. Units that have not been paid for cannot be redeemed.

A purchase of Units in writing or by telephone (provided this is by a regulated entity, and always at the Manager’s discretion) or any other communication media made available is a legally binding contract. Applications to purchase, once made are, except in the case where cancellation rights are applied, irrevocable. For postal applications payment must be received in full and accompany the application. Payment must be made by cheque or if the amount is in excess of £50,000, settlement must be made by electronic bank transfer to the bank account detailed on the application form.

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.

However, subject to its obligations under the Regulations, 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.

Applicants who have received advice may have the right to cancel their application to buy Units at any time during the 14 days after the date on which they receive a cancellation notice from the Manager. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the Manager receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will

be deducted from the sum originally invested. The Manager may extend cancellation rights to other investors but is under no obligation to do so.

### **3.2.2 Documents the Buyer Will Receive**

A confirmation giving details of the number and price of Units bought will be issued no later than the end of the Business Day following the Valuation Point by reference to which the price is determined, together with, where appropriate, a notice of the applicant's right to cancel.

Registration of Units can only be completed by the Manager upon receipt of any required registration details. These details may be supplied in writing to the Manager or by returning to the Manager the properly completed registration form and copy of the confirmation.

Certificates will not be issued in respect of Units. Ownership of Units will be evidenced by an entry on the Register. Tax vouchers in respect of periodic distributions on Units will show the number of Units held by the recipient.

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

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Unit are set out in Appendix I.

The Manager may at its sole discretion accept subscriptions and/or holdings lower than the minimum amount(s).

If following a redemption, Switch or transfer, a holding in any Class of Unit should fall below the minimum holding for that Class, the Manager has the discretion to effect a redemption of that Unitholder's entire holding in that Class of Unit. The Manager may use this discretion at any time. Failure not to do so immediately after such redemption, Switch or transfer does not remove this right.

## **3.3 Redeeming Units**

### **3.3.1 Procedure**

Every unitholder has the right to require that the Trust 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.

Requests to redeem units may be made writing to the 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 units from FCA regulated entities to the Manager by telephone on 0141 222 1150 or by fax. The Manager will not accept requests to redeem units by electronic communication nor is it possible to transfer units on the authority of an electronic communication. For details of dealing charges see paragraph 3.6 below.

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.

### **3.3.2 Documents a Redeeming Unitholder Will Receive**

A confirmation giving details of the number and price of Units redeemed will be sent to the redeeming Unitholder (or the first named Unitholder, in the case of joint Unitholders) together with (if sufficient written instructions have not already been given) a form of renunciation for completion and execution by the Unitholder (or, in the case of a joint holding, by all the joint Unitholders) no later than the end of the Business Day following the later of the request to redeem Units or the Valuation Point by reference to which the price is determined.

Payment of redemption proceeds will normally be made by cheque to the first named Unitholder (at their risk), or, at the Manager’s discretion, via electronic means in accordance with any instruction received (the Manager may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

Such payment will be made within four Business Days of the later of (a) receipt by the Manager of the form of renunciation (or other sufficient written instructions) duly signed and completed by all the relevant Unitholders together with any other documentation and appropriate evidence of title, any required anti-money laundering related documentation, and (b) the Valuation Point following receipt by the Manager of the request to redeem.

No interest will be paid on funds held whilst the Manager awaits receipt of all relevant documentation necessary to complete a redemption. Units that

have not been paid for cannot be redeemed.

### 3.3.3 Minimum Redemption

Part of a Unitholder's holding may be redeemed but the Manager reserves the right to refuse a redemption request if the value of the Units to be redeemed is less than the minimum stated in respect of the appropriate Class in question (see Appendix I).

## 3.4 Switching

Subject to any restrictions on the eligibility of investors for a particular Unit Class, a Unitholder may at any time Switch all or some of his Units of one Class ("the Original Units") for Units of another Fund ("the New Units"). The number of New Units issued will be determined by reference to the respective prices of New Units and Original Units at the Valuation Point applicable at the time the Original Units are redeemed and the New Units are issued.

Telephone switching instructions may be given by a regulated entity but Unitholders are required to provide written instructions to the Manager (which, in the case of joint Unitholders, must be signed by all the joint Unitholders) before switching is effected.

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.

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. The general provisions on selling shares shall apply equally to a switch. Written instructions must be received by the Manager before the Valuation Point on a Dealing Day in the Trust to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the Manager at the request of the Unitholder giving the relevant instruction may agree. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day.

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

There is currently no charge for switching Units.

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

A switch of units in one fund for units in any other fund is treated as a redemption and sale and will, for persons subject to United Kingdom taxation, be a realisation for the purposes of capital gains taxation.

### 3.5 Class Conversions

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. 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.

Unit Class Conversions may be effected in writing to the Transfer Agency Team (which, in the case of joint unitholders must be signed by all the joint holders). A converting unitholder must be eligible to hold the units into which the Unit Class Conversion is to be made. 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.

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 Shares.

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.

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.

### **3.6 Dealing Charges**

The price per Unit at which Units are bought, redeemed or switched is calculated in accordance with the Regulations. Any initial charge or redemption charge, (or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

#### **3.6.1 Initial Charge**

The Manager may impose a charge on the purchase of Units in each Class. The current initial charge is calculated as a percentage of the amount invested by a potential Unitholder is set out in Appendix I. The Manager may waive or discount the initial charge at its discretion.

The initial charge (which is deducted from subscription monies) is payable by the Unitholder to the Manager.

The current initial charge of a Class may only be increased in accordance with the Regulations.

From the initial charge received, or out of its other resources, the Manager may pay a commission to relevant intermediaries including the Investment Manager and its Associates.

#### **3.6.2 Redemption Charge**

The Manager may make a charge on the redemption of Units in each Class. At present, no redemption charge is levied.

The Manager may only introduce a redemption charge in accordance with the Regulations. Also, if such a charge was introduced, it would not apply to Units issued before the date of the introduction (i.e., those not previously subject to a redemption charge).

#### **3.6.3 Stamp Duty Reserve Tax (“SDRT”)**

On 30 March 2014, Schedule 19 Stamp Duty Reserve Tax (SDRT) ceased to be chargeable on dealings in shares an OEIC. 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 shares in OEICs be reintroduced in the future, all such costs will be paid out of the Fund’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.

- (a) Third party transfer of Units.
- (b) Non-pro rata in specie redemptions.

### 3.7 Transfers

Unitholders are entitled to transfer their Units to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the Manager for this purpose. Completed instruments of transfer must be returned to the Manager, accompanied by the signed stock transfer form(s), in order for the transfer to be registered by the Manager. The Manager may refuse to register a transfer unless any provision for SDRT due has been paid.

### 3.8 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 or which would result in the Trust incurring any liability to taxation which the Trust is not able to recoup itself or suffering any other adverse consequence. In this connection, the Manager may, inter alia, reject in its discretion any application for the purchase, redemption, transfer or switching of Units.

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

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

the Manager may give notice to the Unitholder(s) of the affected Units requiring the transfer of such Units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Units in accordance with the COLL Sourcebook. If any Unitholder upon whom such a notice is served does not



within 30 days after the date of such notice transfer his affected Units to a person qualified to own them or submit a written request for their redemption to the Manager or establish to the satisfaction of the Manager (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Units, he shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the Manager) of all the affected Units.

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

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

### **3.9 Automatic Exchange of Financial Account Information**

#### **US Foreign Account Tax Compliance Act**

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 each Sub-Fund is available on request.

### **3.10 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 1<sup>st</sup> 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.

### **3.11 Issue of Units in Exchange for in Specie Assets**

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

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

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

### **3.12 In Specie Redemptions**

If a Unitholder requests the redemption of Units the Manager may, where it considers that deal to be substantial in relation to the total size of the Trust or in some way detrimental to the Trust, arrange for scheme property having the appropriate value to be transferred to the Unitholder (an 'in specie transfer'), in place of payment for the Units in cash. Before the redemption is effected, the Manager must give written notice to the Unitholder of the intention to make an in specie transfer.

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

### **3.13 Suspension of Dealings in the Trust**

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

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

The Manager or the Trustee (as appropriate) will immediately inform the FCA of the suspension and the reasons for it and will follow this up as soon as practicable with

written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where the Trust is offered for sale.

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

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

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

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

The Manager may agree during the suspension to deal in Units in which case all deals accepted during and outstanding prior to the suspension will be undertaken at a price calculated at the first Valuation Point after the restart of dealings in Units.

### **3.14 Large Deals**

Any purchase or redemption of Units with a value equal to or in excess of £15,000 will amount to a “large deal”. For large deals (subject to the Regulations), the Manager may sell Units at more than, or redeem Units at less than, the published price (see paragraph 4.2 below).

### **3.15 Governing Law**

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

## **4. VALUATION OF THE TRUST**

### **4.1 General**

The Trust will be valued in accordance with the provisions set out in Appendix III. The value per Unit in the Trust is currently calculated at 5:00 p.m (London time) (this being the Valuation Point) on each Dealing Day.

### **4.2 Calculation of the Value**

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

Large deals (see paragraph 3.14) may be carried out at a higher offer price or a lower bid price than those published, provided these prices do not exceed the relevant maximum and minimum parameters set out in the paragraph above.

The Manager may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so. The Manager shall inform the Trustee of any decision to carry out any such additional valuation. Valuations may be carried out for effecting a scheme of amalgamation or reconstruction which do not create a Valuation Point for the purposes of dealings. Where permitted and subject to the Regulations, the Manager may, in certain circumstances (for example where a significant event has occurred since the closure of a market) substitute a price with a more appropriate price which in its opinion reflects a fair and reasonable price for that investment.

For the purposes of calculating the Manager's and Trustee's periodic charges the Scheme Property is valued on a mid-market basis, for the purposes of calculating the investment limits the Scheme Property is valued on a bid basis.

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

"Late Trading" is defined as the acceptance of a subscription, redemption or Switch order received after the Trust's applicable valuation point for that Dealing Day. Late

Trading is not permitted. A request for dealing in Units must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the value per Unit calculated as at the Valuation Point on that next Dealing Day.

#### **4.3 Price per Unit in Each Class**

The price per Unit at which Units are issued or cancelled is calculated by taking the proportion, attributable to the Units of the class in question, of the value on the issue basis (when calculating the issue price per Unit) or the cancellation basis (when calculating the cancellation price per Unit) of the Scheme Property by reference to the most recent valuation, computing the number of Units of the relevant class in issue immediately before that valuation, dividing the total by that number of Units. Any initial charge or redemption charge, (or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

#### **4.4 Pricing Basis**

The Manager deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the Manager. Units in the Trust are dual priced.

#### **4.5 Publication of Prices**

The prices of all Units are published on the website [www.trustnet.com](http://www.trustnet.com). The price may also be obtained by telephone during the Manager's normal business hours on 0141 222 1151 (local call rates). As the Manager deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The Manager may also, at its sole discretion, decide to publish certain Unit prices in other third party websites or publications but the Manager does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the Manager.

## **5. RISK FACTORS**

Potential investors should consider the following risk factors before investing in the Trust.

### **5.1 General**

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

The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Trust. There is no certainty that the investment objective of the Trust will actually be achieved and no warranty or representation is given to this effect. The level of any yield for the Trust may be subject to fluctuations and is not guaranteed.

The entire market of a particular asset class or geographical sector may fall, having a more pronounced effect on funds heavily invested in that asset class or region. There will be a variation in performance between collective investment schemes with similar objectives due to the different assets selected.

Past performance is not a guide to future returns.

### **5.2 Effect of Initial Charge or Redemption Charge**

Where an initial charge or redemption charge is imposed, an investor who realises his Units may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested.

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of Units. If the market value of the Units has increased the redemption charge will show a corresponding increase. Currently there is no redemption charge levied on Units.

The Units therefore should be viewed as medium to long term investments.

### **5.3 Suspension of Dealings in Units**

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

#### 5.4 Tax

The level and basis of taxation may be subject to change. Any change in the Trust's tax status or in legislation could affect the value of investments held by the Trust and affect the Trust's ability to provide the investor's return. See the section headed "Taxation" in this Prospectus regarding further details in respect of the taxation of the Trust.

#### 5.5 Inflation and Interest Rates

The real value of any returns that an investor may receive from the Trust could be affected by interest rates and inflation over time.

#### 5.6 Currency Exchange Rates

Currency fluctuations may adversely affect the value of the Trust's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in Units.

#### 5.7 Derivatives

The Investment Manager may employ derivatives with the aim of reducing the risk profile of the Trust, reducing costs or generating additional capital or income, in accordance with EPM.

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

**For more information in relation to investment in derivatives please see paragraph 12 and 13 in Appendix IV.**

#### 5.8 Credit and Fixed Interest Securities

Fixed interest securities are particularly affected by trends in interest rates and inflation. If interest rates go up, the value of capital may fall, and vice versa. Inflation will also decrease the real value of capital.

The value of a fixed interest security will fall in the event of the default or reduced credit rating of the issuer. Generally, the higher the yield, the higher the perceived credit risk of the issuer. High yield bonds with lower credit ratings (also known as sub-investment grade bonds) are potentially more risky (higher credit risk) than investment grade bonds. A sub-investment grade bond has a Standard & Poor's credit rating of below BBB or equivalent. BBB is described as having adequate capacity to

meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the bond issuer to meet its financial commitments.

## **5.9 Emerging Markets**

Emerging markets tend to be more volatile than more established markets and therefore your money is at greater risk. Risk factors such as local political and economic conditions should also be considered.

The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments within the Trust. A counterparty may not pay or deliver on time or as expected.

Lack of liquidity or efficiency in certain stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Investment Manager may experience more difficulty in purchasing or selling securities than it would in a more developed market.

Given the possible lack of a regulatory structure it is possible that securities in which investments are made may be found to be fraudulent. As a result, it is possible that loss may be suffered.

The currencies of certain emerging countries prevent the undertaking of currency hedging techniques.

Some emerging markets may restrict the access of foreign investors to securities. As a result, certain securities may not always be available to the Trust because the maximum permitted number of an investment by foreign Unitholders has been reached. In addition, the outward remittance by foreign investors of their units of net profits, capital and dividends may be restricted or require governmental approval.

Accounting, financial reporting standards and disclosure requirements in emerging markets may differ from those in more developed markets and, accordingly, investment possibilities may be difficult to properly assess.

## **5.10 Counterparty and Settlement**

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



### 5.11 **Liquidity**

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

### 5.12 **Custody**

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

### 5.13 **Counterparty Risk in OTC Markets**

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

### 5.14 **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.

## 6. MANAGEMENT AND ADMINISTRATION

### 6.1 Regulatory Status

The Manager, the Trustee and the Investment Manager are authorised and regulated by the Financial Conduct Authority of 25 The North Colonnade, Canary Wharf, London E14 5HS.

### 6.2 Manager

#### 6.2.1 General

The Manager is Evelyn Partners Fund Solutions Limited which is a private company limited by shares incorporated in England and Wales on 30th July 1985.

**The directors of the Manager are:**

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 Scheme that are not connected with the business of the Manager.

**Registered Office and Principal Place  
of Business:**

45 Gresham Street  
London  
EC2V 7BG

**Share Capital:**

It has a share capital of £50,000 ordinary shares of £1 each, all of which are issued and paid up.

**Ultimate Holding Company:**

Evelyn Partners Group Limited, a company incorporated in England and Wales and listed on the London Stock Exchange.

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

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

It has therefore delegated to the Investment Manager the function of managing and acting as the investment adviser for the investment and reinvestment of the assets of the Trust (as further explained in paragraph 6.4 below). The Manager is also under no obligation to account to the Trustee, the Trust or the Unitholders for any profit it makes on the issue or re-issue or cancellation of Units which it has redeemed.

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.

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.

## **6.3 The Trustee**

### **6.3.1 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 and head office is at 250 Bishopsgate, London EC2M 4AA. The ultimate holding company of the Trustee is NatWest Group plc, which is incorporated in Scotland. The principal business activity of the Trustee is the provision of trustee and depositary services.

### **6.3.2 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.

### **6.3.3 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 UCITS 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 Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of 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.

### **6.3.4 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 The Bank of New York Mellon, London Branch (BNYM LB) (“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”). A list of sub-custodians is available from the Manager on request.

### **6.3.5 Updated Information**

Up-to-date information regarding the Trustee, its duties, its conflicts of interest and the delegation of its safekeeping functions will be made available to Investors on request.

### **6.3.6 Terms of Appointment**

The Trustee was appointed as the trustee of the UK UCITS by virtue of the Trust Deed and is a Bank authorised by the Regulator to act as depositary of a UK UCITS.

The Trustee was appointed as depositary 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 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 Trust will indemnify the Trustee 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 90 days’ 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 depositary.

Details of the fees payable to the Trustee are given in section 7.3.

## **6.4 The Investment Manager**

### **6.4.1 General**

The Manager has appointed the Investment Manager, Schroder & Co. Limited, to provide investment management services to the Manager. The Investment Manager is authorised and regulated by the Financial Conduct Authority.

The Investment Manager's registered office is at 1 London Wall Place, London, United Kingdom, EC2Y 5AU.

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

The terms of the Investment Management Agreement between the Manager and the Investment Manager include the provision of discretionary investment management to attain the investment objectives, discretion to place purchase and sale orders with regulated dealers and on the exercise of voting rights relating to such investments and on the marketing of Units (subject to the approval of the Manager) and preparation of the Investment Manager's report half yearly for inclusion in the Manager's report for circulation to holders. The agreement is terminable on receipt of not less than 30 days written notice given by either party, or earlier upon the happening of certain specified events.

The Investment Manager is entitled to a fee paid by the Manager out of its remuneration received each month from the Trust, as explained below in paragraph 7.4.

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

## **6.5 The Registrar**

### **6.5.1 General**

The Manager is responsible for the Trust's register and will act as registrar to the Trust in addition to providing fund accounting and other administration services to the Trust.

The register is kept and maintained at 45 Gresham Street, London, EC2V 7BG.

### **6.5.2 Register of Unitholders**

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

The plan register, where applicable, being a record of persons who subscribe for Units through Individual Savings Accounts (ISAs), can be inspected at the office of the Registrar.

## **6.6 The Auditors**

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

## **6.7 Conflicts of Interest**

The Manager, the Investment Manager and Associates may, from time to time, act as investment manager or advisers to other funds or sub-Funds which follow similar investment objectives to those of the Sub-Funds. It is therefore possible that the Manager and/or the Investment Manager and/or their Associates may in the course of their business have potential conflicts of interest with the Trust or that a conflict exists between the Trust and other funds managed by the Manager. Each of the Manager and the Investment Manager and their Associates will, however, have regard in such event to its obligations under the Trust Deed and the Investment Management Agreement respectively and, in particular, to its obligation to act in the best interests of the Trust so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise. Where a conflict of interest cannot be avoided, the Manager, the Investment Manager and their Associates will ensure that the Trust and other funds it manages are fairly treated.

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.

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

Details of the Manager's conflicts of interest policy are available upon request from the Manager.



## **7. FEES AND EXPENSES**

### **7.1 Ongoing**

All costs, charges, fees or expenses, other than the charges made in connection with the subscription and redemption of Units (see paragraph 3.6) payable by a Unitholder or out of Scheme Property are set out in this section.

The Manager may, so far as the COLL Sourcebook allows, also pay out of the Scheme Property all relevant costs, charges, fees and expenses including the following:

- 7.1.1 broker's commission, fiscal charges and other disbursements which are necessary to be incurred in effecting transactions for the Trust and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 7.1.2 any costs incurred in modifying the Trust Deed including costs incurred in respect of meetings of Unitholders convened for purposes which include modifying the Trust Deed, where the modification is necessary to implement changes in the law or as a direct consequence of any change in the law, or is expedient having regard to any change in the law made by or under any fiscal enactment and which the Manager and the Trustee agree is in the interest of Unitholders, or to remove obsolete provisions from the Trust Deed;
- 7.1.3 any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager;
- 7.1.4 liabilities on unitisation, amalgamation or reconstruction;
- 7.1.5 interest on permitted borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 7.1.6 taxation and duties payable in respect of the property of the Trust, the Trust Deed or the issue of units;
- 7.1.7 the audit fees of the Auditors (including VAT) and any expenses of the Auditors; and
- 7.1.8 the periodic fees of the Financial Conduct Authority, together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which units in the Trust are or may be marketed.

The Manager is also entitled to be paid out of the Scheme Property any expenses, incurred by the Manager or its delegates of the kinds described above.

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for the Trust is set out in Appendix I. Where expenses are deducted in the first instance from income if and only if this is insufficient, deductions will be made from capital (save for any charge made in respect of SDRT under paragraph 3.6.3 “Stamp Duty Reserve Tax”). If deductions were made from capital, this would result in capital erosion and constrain growth.

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.

## **7.2 Charges Payable to the Manager**

### **7.2.1 Annual Management Charge**

In payment for carrying out its duties and responsibilities the Manager is entitled to take an annual fee out of the Trust as set out in Appendix I. The annual management charge will accrue on a daily basis in arrears by reference to the value of the Scheme Property on the last Dealing Day of the preceding month and the amount due for each month is payable on the last Dealing Day of each month. The current annual management charge for the Trust (expressed as a percentage per annum of the value of the Trust) is set out in Appendix I. <sup>1</sup>

### **7.2.2 Registration Fees**

The Manager is entitled to receive a fee out of the Scheme Property for providing registration services (including establishing and maintaining sub-registers where applicable), out of which the Manager will pay the fees of the Registrar. Such fee is a quarterly fee. The current fees payable to the Manager are as follows: 0-100 Unitholders: £2200 per annum, 101-250 Unitholders: £4300 per annum, greater than 250 Unitholders, £17.50 per annum per Unitholder.

### 7.2.3 Expenses

The Manager is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above.

VAT is payable on the charges or expenses mentioned above, where appropriate.

If a Class's expenses in any period exceed its income the Manager may take that excess from the capital property attributable to that Class.

The current annual fee payable to the Manager for a Class may only be increased or a new type of remuneration introduced in accordance with the Regulations.

The Evelyn Partners Fund Solutions Limited remuneration policy is designed to be compliant with the UCITS V Remuneration Code contained in SYSC 19E 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.

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.

## 7.3 Trustee's Fee and Expenses

The Trustee is entitled to receive out of the Scheme Property by way of remuneration a periodic charge, which will be calculated and accrue daily and be paid monthly as soon as practicable after the end of each month, and certain additional charges and expenses. The rate of the Trustee's periodic charge in respect of the Trust will be such rate or rates as agreed from time to time between the Manager and the Trustee in accordance with the COLL Sourcebook. The current rate of the Trustee's periodic charge in respect of the Trust is:

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

In addition VAT on the amount of the periodic charge will be paid out of the Scheme Property.

In the event of the termination of the Trust, the Trustee shall continue to be entitled to a periodic charge for the period up to and including the day on which the final distribution in the termination of the Trust shall be made or, in the case of a termination following the passing of an extraordinary resolution approving a scheme of arrangement, up to and including the final day on which the Trustee is responsible for the safekeeping of the Scheme Property. Such periodic charge will be calculated, be subject to the same terms and accrue and be paid as described above, except that for the purpose of calculating the periodic charge in respect of any day falling after the day on which the termination of the Trust commences, the value of the Scheme Property shall be its value determined at the beginning of each such day.

In addition to a periodic charge the Trustee may also be paid by way of remuneration custody fees where it acts as Custodian and other transaction and bank charges. At present the Trustee delegates the function of custody of the Scheme Property to The Bank of New York Mellon, London Branch (BNYM LB).

The remuneration for acting as custodian is calculated at such rate and/or amount as the Manager, the Trustee and the Custodian may agree from time to time.

The current remuneration ranges from between 0.003% per annum and 0.50%\* per annum of the value of the Scheme Property, plus VAT (if any) calculated at an ad valorem rate determined by the territory or country in which the assets of the Trust are held. The current range of transaction charges is between £5.00 and £87.53 per transaction plus VAT (if any).

\*With the exception of:

- USA (Physical Securities) - £14 per line per calendar month.
- Not in Bank / Not in Custody Assets - £65 per line per calendar month.

Custody and transaction charges will be payable monthly in arrears.

In addition to the remuneration referred to above, the Trustee is entitled to receive reimbursement for expenses properly incurred by it in discharge of its duties or exercising any powers conferred upon it in relation to the Trust. Such expenses include, but are not restricted to:

- (i) delivery of stock to the Trustee or custodian;

- (ii) custody of assets;
- (iii) maintenance of the register;
- (iv) collection of income and capital
- (v) submission of tax returns;
- (vi) handling tax claims;
- (vii) preparation of the Trustee's annual report; and
- (viii) such other duties as the Trustee is required by law to perform.

VAT (if any) in connection with any of the above is payable in addition.

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

The Manager is not obliged to account to the Trust or to the Unitholders for these payments.

#### **7.4 Investment Manager's Fee**

The Investment Manager's fees and expenses (plus VAT thereon) for providing investment management services will be paid by the Manager out of its remuneration.

### **8. UNITHOLDER MEETINGS AND VOTING RIGHTS**

#### **8.1 Class and Trust Meetings**

The provisions below, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of the Trust, but by reference to Units of the Class concerned and the Unitholders and value and prices of such Units.

#### **8.2 Requisitions of Meetings**

The Manager may requisition a general meeting at any time.

Unitholders may also requisition a general meeting of the Trust. 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 office of the Trustee. The Manager must convene a general meeting no later than eight weeks after receipt of such requisition.

### **8.3 Notice and Quorum**

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

### **8.4 Voting Rights**

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

On a poll vote, a Unitholder may vote either in person or by proxy. The voting 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 of all the Units in issue at a reasonable date before the notice of meeting is sent out such date to be decided by the Manager.

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

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

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

The Manager may not be counted in the quorum for a meeting and neither the Manager nor any associate (as defined in the COLL Sourcebook) of the Manager is entitled to vote at any meeting of the Trust except in respect of Units which the Manager or associate holds on behalf of or jointly with a person who, if the registered Unitholder, would be entitled to vote and from whom the Manager or associate has received voting instructions.

Where all the Units in the Trust are registered to, or held by, the Manager or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not

be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Trustee, instead be passed with the written consent of Unitholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Units in issue.

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

#### **8.5 Variation of Class Rights**

The rights attached to a Class may not be varied without the sanction of an extraordinary resolution passed at a meeting of Unitholders of that Class.

## 9. 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 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 seek professional advice or information from local organisations. 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 distribution period). The term “Qualifying Investments” includes money placed at interest and securities that are not shares, 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.

### 9.1 Taxation of an Equity Trust

#### Taxation of Capital Gains

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

#### 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 resident companies are exempt from corporation tax. Dividends and similar income distributions from UK authorised unit trusts and other UK ICVCs are generally exempt from corporation tax to the extent the underlying income derives from dividends.

Foreign dividends and similar income received 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 including Israel, Portugal, Russia and Ukraine may 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.

## 9.2 Taxation of a Bond Trust

### 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 investments in equities, (except insofar as income gains - see below) accruing to a Bond Trust will be exempt from UK tax on chargeable gains.

### Tax on Income

Bond Trusts 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. Such income will be computed according to the generally accepted accounting practice relevant to the Trust.

The total of the above elements will be taxed under Schedule D Case III. Any income received from UK equities will be exempt from UK corporation tax.

A Bond Trust would be expected to 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 Bond Trust intend that distributions will be made in this way.

The treatment of distributions as interest distributions for UK tax purposes is significant in two material respects:

- distributions made should be deductible for corporation tax purposes against UK taxable income; and
- UK income tax, currently at a rate of 20%, should be deducted from distributions made by the Bond Trust and accounted for by it to HM Revenue & Customs. However the obligation to deduct income tax from interest distributions does not apply in certain cases, notably where a non-resident beneficial owner of the units makes a valid declaration (“NOR declaration”) to the Trust in advance of a distribution being

made or the distribution is paid to certain categories of qualifying intermediary.

Schedule D Case III income, less gross interest distributions for UK corporation tax purposes, expenses (including Manager's and Trustee's fees) and non-UK withholding taxes, is subject to UK corporation tax at a rate equal to the lower rate of income tax (currently 20%). It is not expected that the corporation tax charge will be significant.

### **9.3 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.

### **9.4 EU Savings Directive**

UK resident individual Unitholders who invest directly in Units of the Trust or via a UK entity, and corporate investors (whether UK resident or not) will not be subject to the EU Savings Directive.

The EU Savings Directive requires Member States of the European Union to provide to the tax authorities of other Member States details of payments of interest or other similar income paid by a paying agent established in the Member State to an individual resident in another Member State by way of automatic information exchange. Austria is the only Member State which does not have a system for automatic information exchange. Austria instead imposes a system of withholding tax of 35% unless the investor elects for the exchange of information. Switzerland, Monaco, Lichtenstein, Andorra, San Marino, the Channel Islands, the Isle of Man and the dependent or associated territories in the Caribbean have also introduced measures equivalent to information reporting or withholding tax.

Where a non-UK resident individual unitholder receives a distribution by the trust that distribution will be subject to the EU Savings Directive if more than 15% of the Trust's assets are invested in debt securities. Proceeds realised by Unitholders on the disposal of Units may be subject to such reporting or withholding if more than 25% of the Trust assets are invested in debt instruments.

The Council of the European Union adopted Directive 2014/48/EU on 24 March 2014, amending Directive 2003/48/EC on the taxation of savings income. The Member States were required to transpose new Directive 2014/48/EU into national law by 1 January 2016 and must apply the new requirements with effect from 1 January 2017. The changes made by directive 2014/48/EU include extending the scope of the EU Savings Directive to payments made to certain entities and legal arrangements and broadening the definition of interest payment to cover income that is equivalent to interest.



## 10. WINDING UP OF THE TRUST

- 10.1 The Trust will not be wound up except in accordance with the COLL Sourcebook.
- 10.2 The Trustee shall proceed to wind-up the Trust:
- 10.2.1 if the order declaring the Trust to be an authorised unit trust scheme is revoked; or
  - 10.2.2 if the Manager or the Trustee requests the FCA to revoke the order declaring the Trust to be an authorised unit trust scheme and the FCA has agreed (provided no material change in any relevant factor occurs) that on the winding-up of the Trust, the FCA will accede to that request; or
  - 10.2.3 the expiration of any period specified in the Trust Deed as the period at the end of which the Trust is to terminate; or
  - 10.2.4 on the effective date of a duly approved scheme of arrangement which is to result in the relevant Trust being left with no property.
- 10.3 If any of the events set out above occurs the rules in the COLL Sourcebook concerning Dealing (COLL 6.2), Valuation and Pricing (COLL 6.3) and Investment and Borrowing Powers (COLL 5), will cease to apply. The Trustee shall cease to issue and cancel units and the Manager will stop redeeming and selling units.
- 10.4 In the case of a scheme of arrangement referred to in paragraph 10.2.4 above, the Trustee shall wind up the Trust in accordance with the approved scheme of arrangement.
- 10.5 In any other case, the Trustee shall, as soon as practicable after the relevant Trust falls to be wound-up, realise the assets of the Trust and, after paying, or retaining adequate provision for, all liabilities properly payable and retaining provision for the costs of the winding-up, distribute the proceeds to the Unitholders and the Manager proportionately to their respective interest in the Trust.
- 10.6 Any unclaimed net proceeds or other cash (including unclaimed distribution payments) held by the Trustee after twelve months from the date the proceeds became payable, shall be paid by the Trustee into Court, although the Trustee will have the right to retain any expenses incurred in making that payment. On completion of the winding-up, the Trustee shall notify the FCA in writing of that fact and the Trustee or the Manager shall request the FCA to revoke the order of authorisation.
- 10.7 Following the completion of a winding up of the Trust, the Manager must prepare a final account showing how the winding up took place and how the Scheme Property

was distributed. The Auditors of the Trust shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the Auditors' report must be sent to the FCA and to each Unitholder (or the first named of joint Unitholders) on it within four months of the completion of the winding up.

## **11. GENERAL INFORMATION**

### **11.1 Accounting Periods**

The annual accounting period of the Trust ends each year on the last day of February each year (the accounting reference date) with an interim accounting period ending on 31 August.

The Manager may even out the payments of income within an accounting period by carrying forward income otherwise distributable with a view to augmenting amounts to be paid out at a later date.

Unitholders with more than 1,000,000 Units may receive a monthly valuation from the Investment Manager.

### **11.2 Notice to Unitholders**

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

### **11.3 Income Allocations**

The Trust has interim and final income allocations. Income is allocated in respect of the income available at each accounting date.

In relation to income Units, distributions of income for the Trust are paid by cheque or electronic means directly into a Unitholder's bank account on or before the relevant income allocation date in each year as set out in Appendix I.

Where accumulation Units are issued, income will become part of the capital property of the Trust and will be reflected in the price of each such accumulation Unit as at the end of the relevant accounting period.

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

If a distribution made in relation to any income Units remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the Trust.

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 Trust in respect of that period, and deducting the charges and expenses of the Trust 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 Trust's Auditors as appropriate) in relation to taxation, income equalisation, income unlikely

to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

#### **11.4 Annual Reports**

The annual report of the Trust will be published and sent to Unitholders within four months from the end of each annual accounting period and the half yearly report will be published within two months of each interim accounting period. The annual and half-yearly reports are available upon request.

#### **11.5 Documents of the Trust**

The following documents may be inspected free of charge during normal business hours on any Business Day at the offices of the Manager at 45 Gresham Street, London, EC2V 7BG.

11.5.1 the Prospectus;

11.5.2 the most recent annual and half yearly reports of the Trust; and

11.5.3 the Trust Deed (and any amending documents).

Unitholders may obtain copies of the above documents from the Manager. The Manager may make a charge at its discretion for copies of documents (apart from the most recent versions of the Prospectus and annual and half yearly reports of the Trust which are available free of charge to anyone who requests).

#### **11.6 Provision of Investment Advice**

All information concerning the Trust and about investing in Units of the Trust is available from the Manager at 177 Bothwell Street, Glasgow, G2 7ER. The Manager is not authorised to give investment advice and persons requiring such advice should consult a professional adviser. All applications for Units are made solely on the basis of the current prospectus of the Trust, and investors should ensure that they have the most up to date version.

#### **11.7 Telephone Recordings**

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.

## **11.8 Complaints**

Complaints may be brought in writing to the Compliance Officer of the Trust at 45 Gresham Street, London, EC2V 7BG, or by telephone 0207 131 4000.

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at: Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR, telephone number 0800 023 4567.

A copy of the Manager's complaints procedure is available upon 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.

## **11.9 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.

## **11.10 Strategy for the Exercise of Voting Rights**

The Manager has a strategy for determining when and how voting rights attached to ownership of the Scheme Property are to be exercised for the benefit of the Trust. A summary of this strategy is available upon request from the Manager. Voting records and further details of the actions taken on the basis of this strategy in relation to the Trust are available free of charge from the Manager on request.

## **11.11 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.

#### **11.12 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 the 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.

#### **11.13 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.

#### **11.14 Indemnity**

The Trust Deed contains provisions indemnifying the Directors, other officers and the Trust's Auditors or the Trustee against liability in certain circumstances otherwise than in respect of their negligence, default, breach of duty or breach of trust, and indemnifying the Trustee against liability in certain circumstances otherwise than in respect of its failure to exercise due care and diligence in the discharge of its functions in respect of the Trust.

### 11.13 Risk Management

The Manager will provide upon the request of a Unitholder further information relating to:

- 11.13.1 the quantitative limits applying in the risk management of the Trust;
- 11.13.2 the methods used in relation to 11.13.1; and
- 11.13.3 any recent development of the risk and yields of the main category of investment.

## APPENDIX I

### 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.

### TRUST DETAILS

<b>Name:</b>	<b>The Dream Trust</b>
<b>Type of Scheme:</b>	<b>UK UCITS scheme</b>
<b>FCA Product Reference Number:</b>	<b>188865</b>

## **Investment Objective and Policy:**

The objective of the Trust is to achieve a combination of capital returns and income, net of fees, that exceed UK inflation (as measured by the Consumer Price Index) by 3% per annum, over a rolling time period of at least 5 years. Capital invested in the Trust is at risk and there is no guarantee that a positive return will be delivered over any one or a number of twelve-month periods.

The Trust will gain exposure to a range of global, diversified asset classes.

At any one time, the Trust may be invested in any one or more of the following: collective investment schemes, equities, equity related investments (including structured products), fixed income securities (which may include investment grade, high yield and index-linked securities that are issued by governments or companies), investment trusts (for the purposes of gaining exposure to alternative asset classes including infrastructure, property and global equity markets), ETFs and other asset classes (including deposits, cash, near cash). Up to 100% of the value of the Scheme Property may be invested in units or shares in other collective investment schemes (this may include collective investment schemes managed by the Manager or the Investment Manager).

The Trust is actively managed, and the Investment Manager is not constrained by any particular asset allocation in respect of industry, sector or geography. Typically, the Trust will maintain, in normal market conditions, an exposure to equities of between 25% and 60% of the value of the portfolio. Such exposure may be direct or indirect.

## **Benchmark**

Target benchmark: Consumer Price Index net of fees +3% over a rolling time period of at least 5 years.

Should investors want to measure the performance of the Trust over a shorter time period, investors can also use MPI Medium Risk as a comparison of the performance of the Trust over varying time periods (for example, one month, one quarter or 5 years). The Manager does not, however, use MPI Medium Risk as a target for the Trust and it should only be used as a means of comparing performance.

The Manager has selected these benchmarks as the Manager believes they best reflect the objective and are consistent with the risk appetite of investors.

**Final Accounting Date:** The last day of February each year

**Interim Accounting Date:** 31 August

**Income Distribution Dates:** 30 April and 31 October

**Units Classes and Type of Units:** Income and Accumulation\*

**Initial Charge:** 7.5%

**Redemption Charge:** Nil

**Switching Charge:** Nil

**Annual Management Charge:** 0.95%

**Charge for investment research** None

<b>Allocation of Charges:</b>	<b>Income</b>	<b>Capital</b>
AMC:	100%	
Ongoing Operating Costs (Section 7.1):	100%	
Dealing and Registration (see Section 7):	100%	
Trustee (see Section 7.3):	100%	
Custody (see Section 7.3):	100%	
Portfolio Transactions (SDRT, Broker's Commission - Section 7.1):		100%

**Investment Minima:\*\***

Lump Sum: £100,000

Holding: £100,000

Top-Up: £25,000 provided minimum holding maintained

Redemption: £25,000 provided minimum holding maintained

**Past Performance:** Past performance information is set out in Appendix VII.

\* Not currently available for investment.

\*\* The Manager may waive the minimum levels at its discretion.

## APPENDIX II

### ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

The Trust may deal through securities and derivatives markets which are regulated markets (as defined in the glossary to the FCA Handbook) or markets established in the UK or an EEA State which are regulated, operate regularly and are open to the public (excluding Cyprus and Slovenia).

The Trust may also deal through the securities markets and derivatives markets indicated below.

#### Eligible Securities Markets:

Austria	Vienna Stock Exchange (Wiener Boerse AG)
Belgium	NYSE Euronext Brussels
Bulgaria	Bulgarian Stock Exchange - Sofia
Croatia	Zagreb Stock Exchange
Czech Republic	Prague Stock Exchange
Denmark	NASDAQ OMX Copenhagen
Estonia	NASDAQ OMX Tallinn
Finland	NASDAQ OMX Helsinki
France	NYSE Euronext Paris
Germany	Deutsche Borse AG
Germany	Eurex Deutschland
Germany	Frankfurt Stock Exchange (Boerse Frankfurt)
Greece	Athens Stock Exchange
Hungary	Budapest Stock Exchange
Iceland	NASDAQ OMX Iceland
Ireland	Irish Stock Exchange
Italy	Borsa Italiana
Latvia	NASDAQ OMX Riga
Lithuania	NASDAQ OMX Vilnius
Luxembourg	Bourse de Luxembourg
Malta	Malta Stock Exchange
Norway	Oslo Stock Exchange (Oslo Bors)
Poland	Warsaw Stock Exchange
Portugal	NYSE Euronext Lisbon
Romania	Bucharest Stock Exchange
Slovakia	Bratislava Stock Exchange
Spain	BME Spanish Exchanges
Sweden	NASDAQ OMX Stockholm
United Kingdom	AIM
United Kingdom	Icap Securities & Derivatives Exchange
United Kingdom	London Stock Exchange
United Kingdom	NASDAQ OMX NLX
United Kingdom	NYSE LIFFE
United Kingdom	Turquoise London Stock Exchange Group
The Netherlands	NYSE Euronext Amsterdam
Australia	Australian Securities Exchange

Canada	Toronto Stock Exchange
Canada	TSX Venture Exchange
Hong Kong	Hong Kong Exchanges and Clearing Company
Japan	Nagoya Stock Exchange
Japan	Osaka Securities Exchange
Japan	Tokyo Stock Exchange
Korea, Republic of	Korea Exchange
	Mexican Stock Exchange (Bolsa Mexicana de Valores)
Mexico	
New Zealand	New Zealand Exchange Ltd
Singapore	Singapore Exchange
South Africa	JSE Limited
Switzerland	SIX Swiss Exchange
Thailand	Stock Exchange of Thailand
United States of America	NASDAQ
United States of America	New York Stock Exchange
United States of America	NYSE MKT LLC

#### Eligible Derivatives Markets:

Austria	Vienna Stock Exchange (Wiener Boerse AG)
Belgium	NYSE Euronext Brussels
Bulgaria	Bulgarian Stock Exchange - Sofia
Croatia	Zagreb Stock Exchange
Czech Republic	Prague Stock Exchange
Denmark	NASDAQ OMX Copenhagen
Estonia	NASDAQ OMX Tallinn
Finland	NASDAQ OMX Helsinki
France	NYSE Euronext Paris
Germany	Deutsche Borse AG
Germany	Eurex Deutschland
Germany	Frankfurt Stock Exchange (Boerse Frankfurt)
Greece	Athens Stock Exchange
Hungary	Budapest Stock Exchange
Iceland	NASDAQ OMX Iceland
Ireland	Irish Stock Exchange
Italy	Borsa Italiana
Latvia	NASDAQ OMX Riga
Lithuania	NASDAQ OMX Vilnius
Luxembourg	Bourse de Luxembourg
Malta	Malta Stock Exchange
Norway	Oslo Stock Exchange (Oslo Bors)
Poland	Warsaw Stock Exchange
Portugal	NYSE Euronext Lisbon
Romania	Bucharest Stock Exchange
Slovakia	Bratislava Stock Exchange
Spain	BME Spanish Exchanges
Sweden	NASDAQ OMX Stockholm
United Kingdom	AIM
United Kingdom	Icap Securities & Derivatives Exchange
United Kingdom	London Stock Exchange
United Kingdom	NASDAQ OMX NLX
United Kingdom	NYSE LIFFE

United Kingdom	Turquoise London Stock Exchange Group
The Netherlands	NYSE Euronext Amsterdam
Australia	Australian Securities Exchange
Canada	The Montreal Exchange
Hong Kong	Hong Kong Exchanges and Clearing Company
Japan	Osaka Securities Exchange
Japan	Tokyo Stock Exchange
	Mexican Derivatives Exchange (Mercado
Mexico	Mexicano de Derivados)
South Africa	Safex
Switzerland	Eurex Zurich
United States of America	Chicago Board Options Exchange
United States of America	CME Group
United States of America	NASDAQ OMX Futures Exchange
United States of America	NASDAQ OMX PHLX
United States of America	NYSE Amex Options
United States of America	NYSE Arca



**APPENDIX III**  
**VALUATION AND PRICING**

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

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

- (b) if separate buying and selling prices are quoted, at the maximum sale price, less any expected discount (plus any dealing costs, which means any fiscal charges, commission or other charges (but excluding any preliminary charge on sale of units in a collective investment scheme) payable in the event of the Scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction); but where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Scheme, the issue price shall be taken instead of the maximum sale price; or
- (c) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a buyer's price which, in the opinion of the Manager, is fair and reasonable;

2.1.1.2 any other investment:

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

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

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

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

2.2.1.1 units or shares in a collective investment scheme:

- (a) if a single price for buying and selling units or shares is quoted, at that price (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction, any redemption charge payable on sale of units in a collective investment scheme, taking account of any expected discount, any dilution levy or SDRT provision which would be deducted in the event of a sale by the Scheme of the units in question (except that, where the Manager, or an associate of the Manager, is also the manager or authorised corporate director of the collective investment scheme whose units are held by the Scheme,

dealing costs must not include a redemption charge which would be payable in the event of a sale by the Scheme of those units)); or

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

#### 2.2.1.2 any other investment:

- (a) the best available market dealing bid price on the most appropriate market in a standard size (less any dealing costs, which means any fiscal charges, commission or other charges payable in the event of the Scheme carrying out the transaction in question, assuming that the commission and charges (other than fiscal

charges) which would be payable by the Scheme are the least that could reasonably be expected to be paid in order to carry out the transaction); or

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

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

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

- (a) if a written option, (and the premium for writing the option has become part of the scheme property) deduct, for the calculation of the issue basis, the amount of the net valuation of premium (estimated on the basis of writing an option of the same series on the best terms then available on the most appropriate market on which such options are traded, but add, in the case of the calculation of the cancellation basis, dealing costs); but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used; or

- (b) if an off-exchange future, include at the net value of closing out (in the case of the calculation of the issue basis, estimated on the basis of the amount of profit or loss receivable or incurable by the Scheme on closing out the contract and deducting minimum dealing costs in the case of profit and adding them in the case of loss; but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used); or
  - (c) if any other form of derivative transaction, include at the net value of margin on closing out (estimated on the basis of the amount of margin (whether receivable or payable by the Scheme on closing out the contract) on the best terms then available on the most appropriate market on which such contracts are traded and including minimum dealing costs so that the value is the figure as a negative sum); but if it is an OTC derivative, the valuation methods in COLL 5.2.23R shall be used.
- 4. Cash and amounts held in current and deposit accounts shall be valued at their nominal values.
- 5. In determining the value of the scheme property, all instructions given to the Trustee to issue or cancel units shall be assumed (unless the contrary is shown) to have been carried out and any cash paid or received and all required consequential action required by the Regulations or the Trust Deed shall be assumed (unless the contrary is shown) to have been taken.
- 6. Subject to paragraphs 7 and 8 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.
- 7. Futures or contracts for differences which are not yet due to be performed and unexpired written or purchased options which have not been exercised shall not be included under paragraph 6.
- 8. All agreements are to be included under paragraph 6 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
- 9. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current

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

10. Deduct an estimated amount for any liabilities payable out of the property of the Scheme and any tax thereon (treating periodic items as accruing from day to day).
11. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
12. In the case of a margined contract, deduct any amount reasonably anticipated to be paid by way of variation margin.
13. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
14. Add any other credits due to be paid into the property of the Scheme.
15. In the case of a margined contract, add any amount reasonably anticipated to be received by way of variation margin.
16. Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
17. The valuation is in the Scheme's base currency. To convert to the base currency the value of property which would otherwise be valued in another currency the Manager will either:
  - 17.1 select a rate of exchange which represents the average of the highest and lowest rates quoted at the relevant time for conversion of that currency into base currency on the market on which the manager would normally deal if it wished to make such a conversion; or
  - 17.2 invite the Trustee to agree that it is in the interests of unitholders to select a different rate, and, if the Trustee so agrees, use that other rate.

## APPENDIX IV

### INVESTMENT AND BORROWING POWERS OF THE TRUST

#### 1. General

The Scheme Property will be invested with the aim of achieving the investment objective of the Trust but subject to the limits set out in the Trust's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") and this Prospectus.

Normally, the Trust will be fully invested save for an amount to enable ready settlement of liabilities (including redemption of Units) and efficient management of the Trust both generally and in relation to its strategic objective. This amount will vary depending upon prevailing circumstances and although it would normally not exceed 10% of the total value of the Trust, there may be times when the Investment Manager considers stock markets to be overpriced or that a period of instability exists which presents unusual risks.

In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of cash or near cash instruments held would be increased. Unless market conditions were deemed unusually risky, the amount and period would not be expected to exceed 30% and six months respectively.

#### 1.1 Prudent Spread of Risk

The Manager must ensure that, taking account of the investment objective and policy of the Trust, the Scheme Property aims to provide a prudent spread of risk.

#### 1.2 Cover

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

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



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

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

### 1.3 Transferable Securities

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

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

1.3.3 In applying paragraph 1.3.2 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc) or 77 (instruments creating or acknowledging indebtedness) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

1.3.4 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.

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

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

1.3.5.2 its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem Units at the request of any qualifying Unitholder under the FCA Handbook;

1.3.5.3 reliable valuation is available for it as follows:

(a) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and

regular prices which are either market prices or prices made available by valuation systems independent from issuers;

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

1.3.5.4 appropriate information is available for it as follows:

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

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

1.3.5.5 it is negotiable; and

1.3.5.6 its risks are adequately captured by the risk management process of the Manager.

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

1.3.6.1 not to compromise the ability of the Manager to comply with its obligation to redeem Units at the request of any qualifying Unitholder; and

1.3.6.2 to be negotiable.

1.3.7 No more than 5% of the Scheme Property may be invested in warrants.

## **2. UK UCITS Schemes - General**

Subject to the investment objective and policy of the Trust and the restrictions set out in this Prospectus, the Scheme Property must, except where otherwise provided in COLL 5, only consist of transferable securities.

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

- 2.1.1 transferable securities;
- 2.1.2 approved money-market instruments;
- 2.1.3 permitted units in collective investments schemes;
- 2.1.4 permitted derivatives and forward transactions; and
- 2.1.5 permitted deposits.

### **3. Closed End Funds Constituting Transferable Securities**

3.1 A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Trust, provided it fulfils the criteria for transferable securities set out in paragraph 1.3.5 and either:

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

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

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

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

### **4. Transferable Securities Linked to Other Assets**

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

- 4.1.1 fulfils the criteria for transferable securities set out in 1.3.5 above; and
- 4.1.2 is backed by or linked to the performance of other assets, which may differ from those in which the Trust can invest.

4.2 Where an investment in 4.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

## **5. Transferable Securities Generally to be Admitted or Dealt in on an Eligible Market**

5.1 Transferable securities held within the Trust must be:

5.1.1 admitted to or dealt in on an eligible market as described in 6.3.1; or

5.1.2 dealt in on an eligible market as described in 6.3.2; or

5.1.3 admitted to or dealt in on an eligible market as described in 6.4; or

5.1.4 recently issued transferable securities provided that:

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

5.1.4.2 such admission is secured within a year of issue.

5.2 However, the Trust may invest no more than 10% of the Scheme Property in transferable securities other than those referred to in 5.1.

## **6. Eligible Markets Regime: Purpose**

6.1 To protect investors the markets on which investments of the Trust 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.

6.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

6.3 A market is eligible for the purposes of the rules if it is:

6.3.1 a regulated market as defined in the FCA Handbook; or

6.3.2 a market in the UK or an EEA State which is regulated, operates regularly and is open to the public.

6.4 A market not falling within paragraph 6.3 of this Appendix is eligible for the purposes of COLL 5 if:

6.4.1 the Manager, after consultation and notification with the Trustee, decides that market is appropriate for investment of, or dealing in, the Scheme

Property;

6.4.2 the market is included in a list in the Prospectus; and

6.4.3 the Trustee has taken reasonable care to determine that:

6.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and

6.4.3.2 all reasonable steps have been taken by the Manager in deciding whether that market is eligible.

6.5 In paragraph 6.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.

## **7. Spread: General**

7.1 This rule on spread does not apply in respect of a transferable security or an approved money-market instrument to which COLL 5.2.12R (Spread: government and public securities) applies

7.2 For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 2013/34/EU, or the statutory equivalent thereof, which forms part of UK law by virtue of the EUWA, as applicable, or in the same group in accordance with international accounting standards are regarded as a single body.

7.3 Not more than 20% in the value of the Scheme Property is to consist of deposits with a single body.

7.4 With the exception of those instruments specified in paragraph 7.4 below, not more than 5% in value of the Scheme Property is to consist of transferable securities issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.

7.5 The limit of 5% is raised to 25% in value of the Scheme Property in respect of covered bonds provided that when the Trust invests more than 5% in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

- 7.6 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.
- 7.7 The COLL Sourcebook provides that not more than 20% in value of the Scheme Property is to consist of the units of any one collective investment scheme.
- 7.8 Not more than 20% in value of the Scheme Property may consist of transferable securities issued by the same group.
- 7.9 The COLL Sourcebook provides that in applying the limits in COLL 5.2.11R(3), 7.3, 7.4 and 7.6 in relation to a single body, and subject to 7.5, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following (if applicable):
- 7.9.1 transferable securities (including covered bonds) or approved money market instruments issued by that body; or
  - 7.9.2 deposits made with that body; or
  - 7.9.3 exposures from OTC derivatives transactions made with that body;
- 8. Counterparty Risk and Issuer Concentration**
- 8.1 The Manager must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 7.6 and 7.9 above.
- 8.2 When calculating the exposure of a Trust to a counterparty in accordance with the limits in paragraph 7.6 the Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 8.3 The Manager may net the OTC derivative positions of a Trust with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Trust.
- 8.4 The netting agreements in paragraph 8.3 above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Trust may have with that same counterparty.
- 8.5 The Manager may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

- 8.6 The Manager must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 7.6 when it passes collateral to an OTC counterparty on behalf of a Trust.
- 8.7 Collateral passed in accordance with paragraph 8.6 may be taken into account on a net basis only if the Manager is able legally to enforce netting arrangements with this counterparty on behalf of that Trust.
- 8.8 The Manager must calculate the issuer concentration limits referred to in paragraph 12.6 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.
- 8.9 In relation to the exposure arising from OTC derivatives as referred to in paragraph 7.9 the Manager must include any exposure to OTC derivative counterparty risk in the calculation.

## **9. Spread: Government and Public Securities**

- 9.1 The following section applies in respect of a transferable security or an approved money-market instrument (“such securities”) that is issued by:
- (a) the UK government or its local authorities;
  - (b) an EEA State;
  - (c) a local authority of the UK or an EEA State;
  - (d) a non-EEA State other than the UK; or
  - (e) a public international body to the UK or which one or more EEA States belong.
- 9.2 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.
- 9.3 The Trust may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:
- 9.3.1 the Manager has before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the authorised fund;
  - 9.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;

- 9.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues;
- 9.4 the disclosures in COLL 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made. In giving effect to the foregoing object more than 35 % of the Scheme Property may be invested in such securities issued or guaranteed by the Government of the United Kingdom or Northern Ireland, the Scottish Administration, the Executive Committee of the Northern Ireland Assembly or the National Assembly of Wales, the Governments of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and Sweden, and the Governments of Australia, Canada, Japan, New Zealand, Switzerland or the United States of America, and securities issued by the European Central Bank.
- 9.5 Notwithstanding 7.1 and subject to 9.2 and 9.3 above, in applying the 20% limit in paragraph 7.9 with respect to a single body, such securities issued by that body shall be taken into account.

## 10. Investment in Collective Investment Schemes

- 10.1 Up to 100% of the value of the Scheme Property may be invested in units or shares in other collective investment schemes (“Second Scheme”) provided that Second Scheme satisfies all of the following conditions:
- 10.1.1 The Second Scheme must:
- 10.1.1.1 be a UK UCITS or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
  - 10.1.1.2 be a recognised scheme under the provisions of Section 272 of the Act that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided certain requirements are met); or
  - 10.1.1.3 be authorised as a non-UCITS retail scheme (provided certain requirements are met); or
  - 10.1.1.4 be authorised in another EEA State provided certain requirements are met; or
  - 10.1.1.5 be authorised by the competent authority of an OECD member country (other than an EEA State) which has:
    - (a) signed the IOSCO Multilateral Memorandum of Understanding; and



- (b) approved the Second Scheme's management company, rules and depositary/custody arrangements;

(provided certain requirements are met).

- 10.1.2 The Second Scheme must have terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 10.1.2 and paragraph 10.1.3 **and 7 (Spread General)** apply to each Trust as if it were a separate scheme.
- 10.1.3 Investment may only be made in other collective investment schemes managed by the Manager or an associate of the Manager if the Trust's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.
- 10.2 The Trust may, subject to the limits set out in 10.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the Manager of the Trust or one of its associates.
- 10.3 If a substantial proportion of a Trust's assets are invested in other collective investment schemes, the maximum level of management fees which may be charged by an investee collective investment scheme to the Trust will be 6%.

## **11. Investment in Nil and Partly Paid Securities**

- 11.1 A transferable security on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Trust, at the time when payment is required, without contravening the rules in the COLL Sourcebook for UK UCITS schemes.

## **12. Derivatives: General**

- 12.1 **The Investment Manager may employ derivatives solely for the purposes of Efficient Portfolio Management, further information on EPM is provided in paragraph 13. To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Trust may be increased where the value of the derivative instrument and the value of the security or position which it is hedging are insufficiently correlated.**
- 12.2 A transaction in derivatives or a forward transaction must not be effected for the Trust unless the transaction is of a kind specified in paragraph 14 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as

required by paragraph 24 (Cover for investment in derivatives and forward transactions) of this Appendix.

- 12.3 Where the Trust invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to COLL 5.2.11R (Spread: general) and COLL 5.2.12R (Spread: government and public securities) except for index based derivatives where the rules below apply.
- 12.4 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 12.5 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 12.5.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - 12.5.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 12.5.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 12.6 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 12.7 Where the Trust invests in an index based derivative, provided the relevant index falls within COLL 5.2.20AR (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.

### **13. Efficient Portfolio Management**

- 13.1 The Trust may use Scheme Property to enter into transactions for the purposes of EPM. Permitted EPM transactions include transactions in derivatives dealt or traded on an eligible derivatives market or over-the-counter. Where permitted, EPM techniques may also involve the Trust entering into stock lending transactions or reverse repurchase agreements. The Manager must ensure in entering into EPM

transactions that the transaction is economically appropriate to (i) the reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or (ii) the reduction of the relevant costs and/or (iii) the 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's COLL sourcebook.

- 13.2 There is no guarantee that the Trust will achieve the objective for which any EPM transaction was undertaken. To the extent that derivative instruments are utilised for hedging purposes (reduction of the risk profile of the Trust), the risk of loss to the Trust may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated. EPM transactions (save to the extent that derivatives are traded on exchange) may involve a risk that a counterparty will wholly or partially fail to honour its contractual obligations.
- 13.3 In order to mitigate that risk of counterparty default, the counterparties to these transactions may be required to provide collateral to suitably cover their obligations to the Trust. In the event of default by the counterparty, it will forfeit its collateral on the transaction. However, there is a risk that the collateral, especially where it is in the form of securities, when realised will not raise sufficient cash to settle the counterparty's liability to the Trust. Securities lending transactions may, in the event of a default by the counterparty, result in the securities lent being recovered late or only in part. This may result in loss for the Trust.
- 13.4 To assist in managing these types of risks, the Manager has a collateral management policy which sets criteria around the types of eligible collateral the Trust may accept. A copy of this is available from the Manager on request.
- 13.5 Investors should note that EPM transactions may be effected in relation to the Trust in circumstances where the Manager or Investment Manager has, either directly or indirectly, an interest which may potentially involve a conflict of their obligations to the Trust. Where a conflict cannot be avoided, the Manager and Investment Manager will have regard to their responsibility to act in the best interests of the Trust and its investors. The Manager and Investment Manager will ensure that the Trust and its investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Trust than if the potential conflict had not existed. For further information in relation to conflicts of interest, please see the 'conflicts of interest' section of this prospectus.
- 13.6 All revenues arising from EPM transactions (including stock lending and repurchase and reverse repurchase arrangements, if any) will be returned to the Trust, net of direct and indirect operational costs and fees.

#### **14. Permitted Transactions (Derivatives and Forwards)**

- 14.1 A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 18 (OTC transactions in derivatives).
- 14.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the Trust is dedicated:
  - 14.2.1 transferable securities;
  - 14.2.2 approved money-market instruments permitted under COLL 5.2.8R(3)(a) to COLL 5.2.8R(3)(d);
  - 14.2.3 deposits and permitted derivatives under this paragraph;
  - 14.2.4 collective investment scheme units permitted under paragraph 10 (Investment in collective investment schemes);
  - 14.2.5 financial indices which satisfy the criteria set out in paragraph (Financial 15 indices underlying derivatives);
  - 14.2.6 interest rates;
  - 14.2.7 foreign exchange rates; and
  - 14.2.8 currencies.
- 14.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 14.4 A transaction in a derivative must not cause the Trust to diverge from its investment objective as stated in the Trust Deed constituting the Trust and the most recently published version of this Prospectus.
- 14.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives.
- 14.6 Any forward transaction must be with an Eligible Institution or an Approved Bank.
- 14.7 A derivative includes an investment which fulfils the following criteria:
  - 14.7.1 it allows transfer of the credit risk of the underlying independently from the other risks associated with that underlying;

- 14.7.2 it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR, including cash;
  - 14.7.3 in the case of an OTC derivative, it complies with the requirements in paragraph 18; and
  - 14.7.4 its risks are adequately captured by the risk management process of the Manager and by its internal control mechanisms in the case of risk asymmetry of information between the Manager and the counterparty to the derivative resulting from the potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 14.8 The Trust may not undertake transactions in derivatives on commodities.

## **15. Financial Indices Underlying Derivatives**

- 15.1 The financial indices referred to in 14.2 are those which satisfy the following criteria:
- 15.1.1 the index is sufficiently diversified;
  - 15.1.2 the index represents an adequate benchmark for the market to which it refers; and
  - 15.1.3 the index is published in an appropriate manner.
- 15.2 A financial index is sufficiently diversified if:
- 15.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
  - 15.2.2 where it is composed of assets in which the Trust is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this section; and
  - 15.2.3 where it is composed of assets in which the Trust cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.
- 15.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 15.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;

- 15.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
  - 15.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 15.4 A financial index is published in an appropriate manner if:
- 15.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
  - 15.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 15.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to 14.2, be regarded as a combination of those underlyings.

## **16. Transactions for the Purchase of Property**

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

## **17. Requirement to Cover Sales**

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

## **18. OTC Transactions in Derivatives**

- 18.1 Any transaction in an OTC derivative under paragraph 14.1 must be:
- 18.1.1 in a future or an option or a contract for differences;

- 18.1.2 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is an Eligible Institution or an Approved Bank; or a person whose permission (including any requirements or limitations), as published in the Financial Services Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
- 18.1.3 on approved terms; the terms of the transaction in derivatives are approved only if, the Manager 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 can enter into one or more further transaction to sell, liquidate or close out that transaction at any time, at a fair value; and
- 18.1.4 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation 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:
  - 18.1.4.1 on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable; or
  - 18.1.4.2 if the value referred to in 18.1.5.1 is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- 18.1.5 subject to verifiable valuation: a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the transaction is entered into) verification of the valuation is carried out by:
  - 18.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the Manager is able to check it; or
  - 18.1.5.2 a department within the Manager which is independent from the department in charge of managing the Trust and which is adequately equipped for such a purpose.
- 18.2 For the purposes of paragraph 18.1.3, “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.

## **19. Valuation of OTC Derivatives**

19.1 For the purposes of paragraph 18.1.3 the Manager must:

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

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

19.2 Where the arrangements and procedures referred to in paragraph 19.1 above involve the performance of certain activities by third parties, the Manager must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (4) to (6) (Due diligence requirements of AFMs of UK UCITS schemes and UCITS schemes).

19.3 The arrangements and procedures referred to in 19.1 must be:

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

19.3.2 adequately documented.

## **20. Risk Management**

20.1 The Manager uses a risk management process (including a risk management policy) in accordance with COLL 6.12, as reviewed by the Trustee and filed with the FCA, enabling it to monitor and measure at any time the risk of the Trust's positions and their contribution to the overall risk profile of the Trust. The following details of the risk management process- must be regularly notified to the FCA and at least on an annual basis:

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

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

20.2 The Manager must notify the FCA in advance of any material alteration to the details above.

20.3 The Manager will provide upon the request of a Unitholder further information relating to the above.

20.4 the quantitative limits applying in the risk management of the Trust;



- 20.5 the methods used in relation to 20.1.1 ; and
- 20.6 any recent development of the risk and yields of the main categories of investment.

## **21. Stock Lending**

- 21.1 The entry into stock lending transactions or repo contracts for the account of the Trust is permitted for the generation of additional income for the benefit of the Trust, and hence for its investors.
- 21.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the “lender” to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.
- 21.3 The stock lending permitted by this section may be exercised by the Trust when it reasonably appears to the Trust to be appropriate to do so with a view to generating additional income for the Trust with an acceptable degree of risk.
- 21.4 The Trustee at the request of the Manager may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Trustee for the account of the Trust, are in a form which is acceptable to the Trustee and are in accordance with good market practice, the counterparty is an authorised person or a person authorised by a home state regulator, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Trustee, adequate and sufficiently immediate.
- 21.5 The Trustee must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Trustee. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Trustee takes reasonable care to determine that sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.
- 21.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the COLL

Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Trust.

21.7 There is no limit on the value of the Scheme Property which maybe the subject of stock lending transactions or repo contracts.

## **22. Significant Influence**

22.1 The Manager must not acquire or cause to be acquired for the Trust transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

22.1.1 immediately before the acquisition, the aggregate of any such securities held by the Trust, taken together with any such securities already held for other trusts for which it is the manager, give the Manager power significantly to influence the conduct of business of that body corporate; or

22.1.2 the acquisition gives the Manager that power.

22.2 For the purposes of paragraph 22.1 of this Appendix, the Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held for all trusts for which it is the manager, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

## **23. Concentration**

The Trust:

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

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

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

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

23.3 must not acquire more than 25% of the units in a collective investment scheme.

## **24. Derivative Exposure**

- 24.1 The Trust may invest in derivatives and forward transactions as long as the exposure to which the Trust is committed by that transaction itself is suitably covered from within the Scheme Property. Exposure will include any initial outlay in respect of that transaction.
- 24.2 Cover ensures that the Trust is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, the Trust must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Trust is committed. Paragraph 25 (Cover for investment in derivatives and forward transactions) below sets out detailed requirements for cover of the Trust.
- 24.3 A future is to be regarded as an obligation to which the Trust is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for); a written option as an obligation to which the Trust is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- 24.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

## **25. Cover for Investment in Derivatives and Forward Transactions**

- 25.1 The Trust may invest in derivatives and forward transactions as part of its investment policy provided:
- 25.1.1 its global exposure relating to derivatives and forward transactions held in the Trust does not exceed the net value of the Scheme Property; and
  - 25.1.2 its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 7 above.

## **26. Cover and Borrowing**

- 26.1 Cash obtained from borrowing, and borrowing which the Manager reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is available for cover under paragraph 25 of this Appendix as long as the normal limits on borrowing (see below) are observed.
- 26.2 Where, for the purposes of this paragraph the Trust borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or his agent or nominee), then this applies as if the borrowed currency, and not the

deposited currency, were part of the Scheme Property, and the normal limits on borrowing under paragraph 31 (Borrowing powers) of this Appendix do not apply to that borrowing.

## **27. Calculation of Global Exposure**

27.1 The Manager must calculate the global exposure of a Trust on at least a daily basis.

27.2 The Manager must calculate the global exposure of any Trust it manages either as:

27.2.1 the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 12 (Derivatives: general), which may not exceed 100% of the net value of the Scheme Property; or

27.2.2 the market risk of the Scheme Property

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

27.4 The Manager must calculate the global exposure of a Trust by using:

27.4.1 commitment approach; or

27.4.2 the value at risk approach.

27.5 The Manager must ensure that the method selected above is appropriate, taking into account:

27.5.1 the investment strategy pursued by the Trust;

27.5.2 types and complexities of the derivatives and forward transactions used; and

27.5.3 the proportion of the Scheme Property comprising derivatives and forward transactions.

27.6 Where a Trust employs techniques and instruments including repo contracts or stock lending transactions in accordance with paragraph 21 (Stock lending) in order to generate additional leverage or exposure to market risk, the authorised fund manager must take those transactions into consideration when calculating global exposure.

## **28. Cash and Near Cash**

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

28.1.1 the redemption of units; or

28.1.2 efficient management of the Trust in accordance with its investment objectives; or

28.1.3 other purposes which may reasonably be regarded as ancillary to the investment objectives of the Trust.

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

## **29. General**

29.1 Where the Trust invests in or disposes of units or shares in another collective investment scheme which is managed or operated by the Manager or an associate of the Manager, the Manager must pay to the Trust by the close of business on the fourth Business Day the amount of any preliminary charge in respect of a purchase, and in the case of a sale, any charge made for the disposal.

29.2 A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by the Trust but, in the event of a consequent breach, the Manager must then take such steps as are necessary to restore compliance with the investment limits as soon as practicable having regard to the interests of Unitholders.

29.3 It is envisaged that the fund will normally be fully invested but there may be times that it is appropriate not to be fully invested when the Manager reasonably regards this as necessary in pursuit of the investment objective and policy, redemption of units, efficient management of the fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of the fund.

## **30. Underwriting**

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

## **31. Borrowing Powers**

31.1 The Trustee may, on the instructions of the Manager and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for

the use of the Trust on terms that the borrowing is to be repayable out of the Scheme Property.

31.2 Borrowing must be on a temporary basis, must not be persistent, and in any event must not exceed three months without the prior consent of the Trustee, which may be given only on such conditions as appear appropriate to the Trustee to ensure that the borrowing does not cease to be on a temporary basis.

31.3 The Manager must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Trust.

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

## **32. Restrictions on Lending of Money**

32.1 None of the money in the Scheme Property may be lent and, for the purposes of this paragraph, money is lent by the Trust if it is paid to a person (“the payee”) on the basis that it should be repaid, whether or not by the payee.

32.2 Acquiring a debenture is not lending for the purposes of paragraph 32.1, nor is the placing of money on deposit or in a current account.

## **33. Restrictions on Lending of Property Other Than Money**

33.1 Scheme Property other than money must not be lent by way of deposit or otherwise.

33.2 Transactions permitted by paragraph 21 (Stock lending) are not to be regarded as lending for the purposes of paragraph 33.1.

33.3 The Scheme Property must not be mortgaged.

33.4 Where transactions in derivatives or forward transactions are used for the account of the Trust in accordance with COLL 5, nothing in this paragraph prevents the Trust or the Trustee at the request of the Trust: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the Manager reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Unitholders.

## **34. General Power to Accept or Underwrite Placings**

- 34.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Trust Deed. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of the Trust.
- 34.2 This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.
- 34.3 The exposure of the Trust to agreements and understandings as set out above, on any Business Day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the COLL Sourcebook.

## **35. Guarantees and Indemnities**

- 35.1 The Trustee for the account of the Trust must not provide any guarantee or indemnity in respect of the obligation of any person.
- 35.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 35.3 Paragraphs 35.1 and 35.2 do not apply to in respect of the Trust:
- 35.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with COLL 5; and
  - 35.3.2 an indemnity given to a person winding up a body corporate or other scheme in circumstances where those assets are becoming part of the Scheme Property by way of a unitisation.

## **36. Investment in Deposits**

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

## **APPENDIX V**

### **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 Fund is suitable for all investor types of all levels of knowledge and experience coming into the fund from all available distribution channels.

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

The Fund 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 VI

### 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	Pityoulish 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 Investment Funds
The Plain Andrews Unit Trust	SVS Brooks Macdonald Fund
The Securities Fund	SVS Brown Shipley Multi Asset Portfolio
Worldwide Growth Trust	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

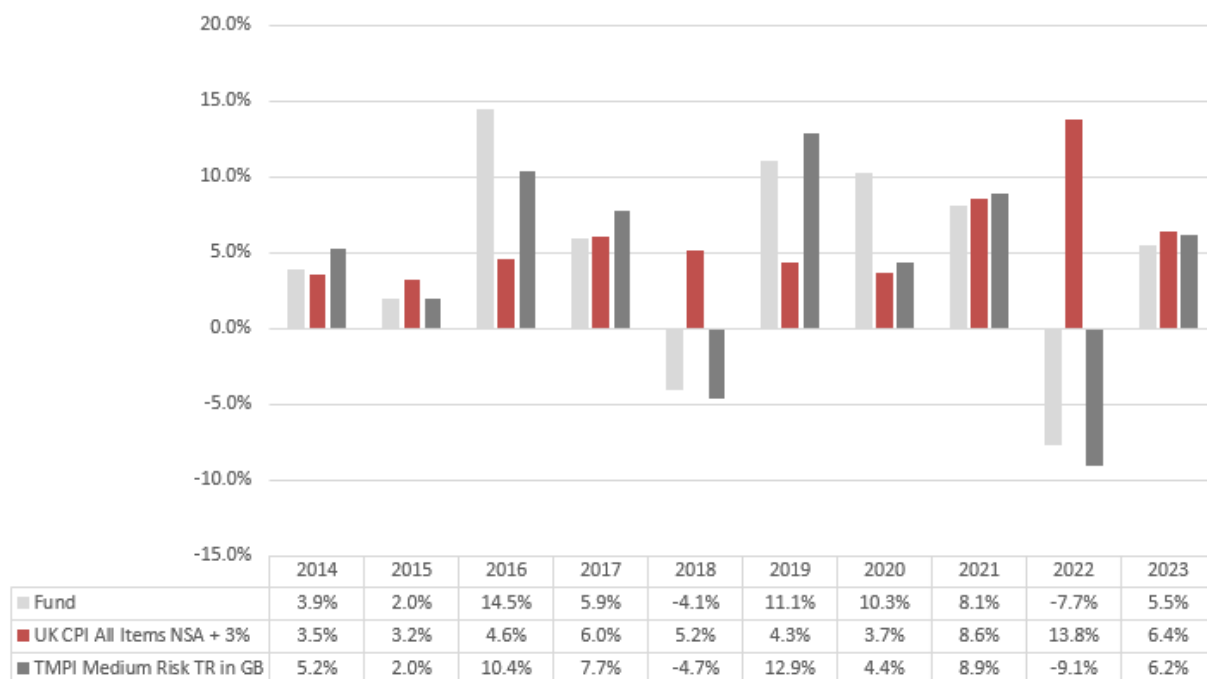
	<p>The Folla Fund The Galacum Fund The Global Balanced Strategy Fund The Gloucester Portfolio The Headspring Fund The Headway Fund The Jake Fund The Jay Fund The Kingfisher Fund The Loch Moy Fund The Magpie Fund The MF Fund The Milne Fund The Nectar Fund The Norton Fund The Princedale Fund The Rosslyn 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 VII PAST PERFORMANCE AND INVESTOR PROFILE

Please note that all performance information is at 31 December 2022. For more up-to-date performance information, please contact the Manager.

All charges and fees, except any entry, exit or switching charges, have been included within the performance calculation.

Past performance is no indication of future performance.



Source: FE fundinfo 2024

Percentage annual performance, income units, (total return), based on previous Manager's data.

**NOTE:** Past performance should not be taken as a guide to the future. Please see Appendix I for the Trust's objective and below for an explanation of investor profile.

*Please note: the source for performance data has recently been changed. This change may have resulted in variations from previously published performance figures. These variations are deemed to be insignificant both individually and cumulatively*

### Investor Profile:

The Trust is marketable to all eligible investors provided they can meet the minimum age and subscription levels. The Trust may be suitable for investors who see collective investment schemes as a convenient way of participating in investment markets. It may be suitable for investors wishing to seek to achieve defined investment objectives. Such investors must have experience with, or understand, products where the capital is at risk. Investors must be able

to accept some risk to their capital, thus the Trust may be suitable for investors who are looking to set aside the capital for at least 5 years. If you are uncertain whether this product may be suitable for you, please contact a professional adviser.

The Trust may be suitable for those investors seeking capital returns, and income yield, through a globally diversified portfolio of equities and equity related investments.

## APPENDIX VIII

### DIRECTORY

**Manager:**

Evelyn Partners Fund Solutions Limited  
(Authorised and regulated by the Financial Conduct Authority)  
45 Gresham Street  
London  
EC2V 7BG

**Trustee:**

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

**Principal Place of Business:**

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

**Investment Manager:**

Schroder & Co. Limited  
(Authorised and regulated by the Financial Conduct Authority)  
1 London Wall Place  
London  
EC2Y 5AU

**Administrator and Registrar:**

Evelyn Partners Fund Solutions Limited  
(Authorised and regulated by the Financial Conduct Authority)

**Registered Office:**

45 Gresham Street  
London  
EC2V 7BG

**Operating Address:**

177 Bothwell Street  
Glasgow  
G2 7ER

**Auditors:**

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