SVS HERITAGE INVESTMENT FUND

OPEN-ENDED INVESTMENT COMPANY

A UK UCITS Scheme with FCA Product Reference Number: 760115

# PROSPECTUS

Prepared in accordance with the Collective Investment Schemes Sourcebook
valid as at and dated 15 July 2026

Tutman Fund Solutions Limited
Authorised and Regulated by the Financial Conduct Authority

**PROSPECTUS**

**OF**

**SVS HERITAGE INVESTMENT FUND**

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

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

The Prospectus is dated and is valid as at 15 July 2026.

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

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

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

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 The Company is not bound by any out of date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus.

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

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

The shares have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia or offered or sold to US Persons. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been registered under the United States Investment Managers Act of 1940.

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## 1. Definitions

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

**Accumulation Shares** means shares (of whatever class) in a Sub-Fund as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA Regulations, net of any tax deducted or accounted for by the Sub-Fund.

**ACD** means Tutman Fund Solutions Limited, or any successor Authorised Corporate Director of the Company from time to time.

**Act** means the Financial Services and Markets Act 2000 as amended.

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

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

**Business Day** means a day (not being Saturday or Sunday or any bank holiday in England and Wales) on which banks are open for business in London.

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

**Company** means SVS Heritage Investment Fund, a UK authorised investment company with variable capital.

**Custodian** means CACEIS Bank, UK Branch.

**Dealing Day** means Monday to Friday, 9 A.M. – 5 P.M. London time, where these days are Business Days.

**Depositary** means NatWest Trustee & Depositary Services Limited, the depositary of the Company.

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

(a) they are economically appropriate in that they are realised in a cost-effective way; and

(b) they are entered into for one or more of the following specific aims:

(i) reduction of risk;

(ii) reduction of cost; and/or

(iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the FCA Regulations.

**EMT** means the European MiFID Template.

**EUWA** means the European Union (Withdrawal) Act 2018.

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

**FCA Regulations** means 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.

**FCA Rules** means the FCA's Handbook of Rules and Guidance (including the COLL Sourcebook).

**ICVC** means investment company with variable capital.

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

**Instrument** means the instrument of incorporation of the Company as amended from time to time.

**Investment Manager** means Heritage Capital Management Ltd or such successor Investment Manager(s) as may be appointed from time to time.

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

**Net Asset Value** or **NAV** means the value of the Scheme Property of the Company or of any Sub-und (as the context may require) less the liabilities of the Company (or of the Sub-Fund concerned) as calculated in accordance with the Company's Instrument.

**OEIC Regulations** means the Open-Ended Investment Companies Regulations 2001 as amended from time to time.

**OTC derivative** means over-the-counter derivative.

**Prime Broker** means a credit institution, regulated investment firm or another entity subject to prudential regulation and ongoing supervision, offering services to professional clients primarily to finance or execute transactions in financial instruments as counterparty and which may also provide other services, such as clearing and settlement of trades, custodial services, stock lending, customised technology and operational support facilities.

**Scheme Property** means the property of the Company or a Sub-Fund (as appropriate) to be given to the Depositary for safe-keeping, as required by the FCA Regulations.

**Share Class** means a particular class of shares in a Sub-Fund as described in Section 4.

**Shareholder** means a holder of shares in the Company.

**Sub-Fund or Sub-Funds** means a Sub-Fund of the Company (being part of the Scheme Property of the Company which is pooled separately) to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to such Sub-Fund.

**US Person** means US citizen (including dual citizen) or US resident alien for tax purposes, privately owned domestic corporation, domestic partnership or a domestic trust or estate.

**Valuation Point** means the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-Fund (as the case may be) for the purpose of determining the price at which shares of a class may be issued, cancelled or redeemed using the closing prices on the respective markets. The current Valuation Point is 10.00 p.m. London time on each Dealing Day, with the exception of the last Business Day prior to any bank holiday in England and Wales where the valuation may be carried out at a time agreed in advance between the ACD and the Depositary.

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

## 2. The Company

2.1 SVS Heritage Investment Fund is an investment company with variable capital, incorporated in England and Wales, whose effective date of authorisation by the FCA was 14 November 2016. Its registration number is IC001076.

2.2 FCA Product Reference Number 760115.

2.3 The Company is an ICVC.

2.4 The Head Office of the Company is at Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP and is also the address of the place in the United Kingdom for service on the Company of notices or other documents required or authorised to be served on it.

2.5 The base currency of the Company is Pounds Sterling or such other currency or currencies as may be the lawful currency of the United Kingdom from time to time.

2.6 The maximum share capital of the Company is currently £10,000,000,000 and the minimum is £100. Shares in the Company have no par value and therefore the share capital of the Company at all times equals the sum of the Net Asset Value of each of the Sub-Funds.

2.7 Information on the typical investor profile for each Sub-Fund is set out in Appendix 6.

2.8 Shareholders in the Company are not liable for the debts of the Company.

2.9 The Company has been established as a UK Undertaking for Collective Investment in Transferable Securities (**UK UCITS**) scheme. Each Sub-Fund would belong to the type of "UK UCITS scheme" if it were itself an open-ended investment company in respect of which an authorisation order made by the FCA were in force.

**3. Company Structure**

3.1 The Company is structured as an umbrella company, in that different Sub-Funds may be established from time to time by the ACD with the approval of the FCA. On the introduction of any new Sub-Fund or Share Class, a revised prospectus will be prepared setting out the relevant details of each Sub-Fund or Share Class.

3.2 As explained above the Company is a UK UCITS scheme, within the meaning of the FCA Rules.

3.3 The assets of each Sub-Fund will be treated as separate from those of every other Sub-Fund and will be invested in accordance with the investment objective and investment policy applicable to that Sub-Fund. Investment of the assets of each of the Sub-Funds must comply with the FCA Regulations and the investment objective and policy of the relevant Sub-Fund. Details of the Sub-Funds, including their investment objectives and policies, are set out in Appendix 1. A Sub-Fund may currently only invest in derivatives for Efficient Portfolio Management purposes. A Sub-Fund may only use derivatives and forward transactions for investment purposes on the giving of 60 days' notice to Shareholders.

3.4 The eligible securities markets and eligible derivatives markets on which the Sub-Funds may invest are set out in Appendix 4 and Appendix 5. A detailed statement of the general investment and borrowing restrictions in respect of each type of Sub-Fund is set out in Appendix 2.

3.5 The Sub-Funds are segregated portfolios of assets and, accordingly, the assets of a Sub-Fund belong exclusively to that Sub-Fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other Sub-Fund and shall not be available for any such purpose.

3.6 Subject to the above, each Sub-Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-Fund, and within each Sub-Fund charges will be allocated between Share Classes in accordance with the terms of issue of shares of those Share Classes.

3.7 Details of the Sub-Funds, including their investment objective and policy are set out in Appendix 1.

3.8 Please also see paragraph 32 below "Liabilities of the Company and the Sub-Funds".

3.9 Approval by the FCA in this context refers only to approval under the OEIC Regulations 2001 (as amended) and does not in any way indicate or suggest endorsement or approval of the Sub-Funds as an investment.

## 4. Shares

### Classes of Share within the Sub-Funds

4.1 Shares will be issued in larger and smaller denominations. There are 1,000 smaller denomination shares to each larger denomination share. Smaller denomination shares represent what, in other terms, might be called fractions of a larger share and have proportionate rights.

4.2 Shares have no par value and, within each Share Class in each Sub-Fund subject to their denomination, are entitled to participate equally in the profits arising in respect of, and in the proceeds of, the liquidation of the Company or termination of a relevant Sub-Fund. Shares do not carry preferential or pre-emptive rights to acquire further shares.

4.3 The Share Classes in Sub-Funds presently available are set out in the details in Appendix 1. Further Share Classes may be established from time to time by the ACD with the agreement of the Depositary and in accordance with the Instrument of Incorporation and the FCA Regulations.

4.4 The net proceeds from subscriptions to a Sub-Fund will be invested in the specific pool of assets constituting that Sub-Fund. The Company will maintain for each current Sub-Fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-Fund. To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-Fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-Funds in a manner which is fair to all Shareholders of the Company.

4.5 The minimum initial investment, subsequent investment and holding requirements for each Share Class in a Sub-Fund is set out in Appendix 1. These limits may be waived at the discretion of the ACD.

4.6 All shares issued by the Company at present will be Income Shares or Accumulation Shares in respect of each Sub-Fund. Further details of the shares presently available for each Sub-Fund, including details of their criteria for subscription and fee structure, are set out in Appendix I.

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

4.8 Shareholders are entitled (subject to certain restrictions) to Switch all or part of their shares in a Share Class or a Sub-Fund for shares of another Share Class within the same Sub-Fund or for shares of the same or another Share Class within a different Sub-Fund of the Company. Details of this switching facility and the restrictions are set out in section 17 “Switching” and section 17 “Share Class Conversions”.

## 5. Management and Administration

### 5.1 Authorised Corporate Director

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

5.1.2 Registered Office and Head Office:
Exchange Building
St John's Street
Chichester
West Sussex
PO19 1UP

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

5.1.4 The main business activities of the ACD are:

(a) acting as an authorised corporate director (and an authorised fund manager);

(b) acting as an AIFM; and

(c) fund administration.

5.1.5 The ACD is responsible for managing and administering the Company's affairs in compliance with the FCA Regulations.

5.1.6 As at the date of this Prospectus, the ACD acts as authorised fund manager or authorised corporate director of the FCA-authorised Funds set out in Appendix 9.

5.1.7 In accordance with the FCA Regulations, the ACD has delegated the provision of investment management services to Heritage Capital Management Ltd as set out below.

5.1.8 The directors of the ACD are listed in Appendix 8.

### 5.2 Terms of Appointment

5.2.1 The ACD was appointed by an agreement between the Company and the ACD (the **ACD Agreement**). The ACD Agreement provides that the appointment of the ACD is for an initial period of two years and thereafter may be terminated upon six months' written notice by either the ACD or the Company, although in certain circumstances, as set out in the ACD Agreement, it may be terminated forthwith by notice in writing by the ACD to the Company or the Depositary, or by the Depositary or the Company to the ACD. Termination cannot take effect until the FCA has approved the appointment of another authorised corporate director in place of the retiring ACD.

5.2.2 Upon termination of the ACD Agreement and the appointment of another ACD (the New ACD), the ACD may transfer any sums being held as client

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

The Shareholder will be given the opportunity, upon request, to have the proceeds returned by submitting a written request to the ACD at 177 Bothwell Street, Glasgow, G2 7ER.

5.2.3 The ACD is entitled to its pro rata fees and expenses to the date of termination and any additional expenses necessarily realised in settling or realising any outstanding obligations. No compensation for loss of office is provided for in the ACD Agreement. To the extent allowed by the FCA Regulations the ACD Agreement provides indemnities to the ACD other than for matters arising by reason of its negligence, default, breach of duty or breach of trust in the performance of its duties and obligations.

5.2.4 The ACD is under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue of shares or cancellation of shares which it has redeemed. The fees to which the ACD is entitled are set out in Sections 33 and 34. Copies of the ACD Agreement are available to Shareholders upon request.

5.2.5 The Company has no directors other than the ACD.

## 6. The Depositary

6.1 NatWest Trustee & Depositary Services Limited is the Depositary of the Company.

The Depositary 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 Depositary is NatWest Group plc, which is incorporated in Scotland. The principal business activity of the Depositary is the provision of trustee and depositary services.

6.2 Duties of the Depositary

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

6.3 Conflicts of interest

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

It is possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company or a particular Sub-Fund and/or other Funds managed by the ACD or other Funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may

arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

The Depositary operates independently from the Company, Shareholders, the ACD and its associated suppliers and the Custodian. As such, the Depositary does not anticipate any conflicts of interest with any of the aforementioned parties.

6.4 Delegation of Safekeeping Functions

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

The Depositary has delegated safekeeping of the Scheme Property to CACEIS Bank, UK Branch ("the **Custodian**"). In turn, the Custodian has delegated the custody of assets in certain markets in which each Sub-Fund may invest to various sub-delegates ("**sub-custodians**"). A list of sub-custodians is available from the ACD on request.

6.5 Updated Information

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

6.6 Terms of Appointment

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

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

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

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

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

Details of the fees payable to the Depositary are given in the section titled Depositary's Fee.

## 7. The Investment Manager

7.1 The ACD has appointed Heritage Capital Management Ltd to provide discretionary investment management and related advisory services to the ACD pursuant to an investment management agreement (the **Investment Management Agreement**). The Investment Manager has the authority to make investment decisions on behalf of the Sub-Funds and the ACD.

7.2 The Investment Management Agreement may be terminated on twelve months' written notice by the ACD or the Investment Manager. Notwithstanding this, the ACD may terminate the Investment Management Agreement with immediate effect if it is in the interests of the Shareholders.

7.3 Under the Investment Management Agreement, the ACD provides indemnities to the Investment Manager (except in the case of any matter arising as a direct result of their fraud, negligence, default or bad faith). The ACD may be entitled under the indemnities in the ACD Agreement to recover from the Company amounts paid by the ACD under the indemnities in the Investment Management Agreement.

7.4 The principal business activity of Heritage Capital Management Ltd is the provision of discretionary investment management services.

7.5 The fees and expenses of the Investment Manager will be paid by the relevant Sub-Fund. Please see Section 35 for further details.

7.6 Copies of the Investment Manager's execution policy and voting policy are available from the ACD on request.

7.7 The Investment Manager is not part of the same corporate group as the ACD.

## 8. The Auditors

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

## 9. The Administrator and Register of Shareholders

9.1 The ACD has not delegated the role of administrator of the Company. As administrator the ACD is responsible for the administration of Shareholders' accounts, liaison with Shareholders and reporting to Shareholders and processing share purchase and sale requests.

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

## 10. The Prime Broker

The Company does not currently require the services of a Prime Broker.

## 11. Conflicts of Interest

11.1 The ACD, the Depositary and the Investment Manager are, or may be, involved in other financial, investment and professional activities which may, on occasion, cause conflicts of interest with the management of the Company. In addition, the Company or a particular Sub-Fund may enter into transactions at arm's length with companies in the same group as the ACD or the Investment Manager. Copies of the ACD's and the Investment Manager's conflicts of interest policies are available from the ACD on request.

11.2 The ACD maintains a written conflict of interest policy. The ACD 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 Company or its shareholders will be prevented. Should any such situations arise the ACD will, as a last resort if the conflict cannot be avoided, disclose these to shareholders in the report and accounts or otherwise an appropriate format.

11.3 The Depositary may, from time to time, act as depositary of other companies or Funds.

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

## 12. Fair Treatment

To ensure the fair treatment of Shareholders is central to all the activities of the ACD, the ACD has implemented a Treating Customers Fairly policy, against which all its policies and procedures and those of its delegates are measured and must conform. This ensures that conflicts of interests are appropriately managed in a way that is fair to Shareholders as outlined in Section 11, that expenses are proportionate and allocated fairly (see "Fees and Expenses") that Shareholders can redeem their holdings (see "Buying Shares" and "Selling Shares") and that if Shareholders are dissatisfied with their treatment their complaints are assessed by an independent and impartial investigator (see "Complaints").

## 13. Client Money

As required by the FCA's client money rules, the ACD 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 ACD. Client money will be held in a designated client money account with the NatWest Group plc.

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

## 14. Buying, Selling and Switching Shares

The dealing office of the ACD is open from 9.00 am until 5.00 pm on each Business Day to receive requests for the purchase, redemption and switching of shares, which will be effected at prices determined at the next Valuation Point following receipt of such request. Telephone calls may be recorded for training and monitoring purposes. The ACD may also, at its discretion, introduce further methods of dealing in shares in the future.

## 15. Buying Shares

### 15.1 Procedure

15.1.1 Where the minimum investment levels allow, shares in a Sub-Fund can be purchased by sending a completed application form to the ACD, either

(a) accompanied by a cheque (up to a maximum value of £50,000), or

(b) having made a telegraphic transfer to the ACD's bank account. Application forms are available from the ACD.

The ACD will accept written instructions accompanied by a cheque or on receipt of a payment by telegraphic transfer on subsequent transactions which can be carried out by writing to the ACD's Transfer Agency at the address set out in Appendix 6. The ACD will also accept telephone purchases from FCA regulated entities for subsequent investments, which may purchase shares by telephoning the ACD on 0141 483 9700. Subsequent transactions will be processed as at the next Dealing Day. Where an instruction has been received by telephone, or where the ACD has, at its discretion, accepted an instruction prior to receiving settlement, settlement is due within four Business Days of the Valuation Point. Purchases made by telephone are subject to risk limits at the ACDs discretion, and the ACD may at its discretion reject or defer an instruction to purchase shares until it is in receipt of cleared funds for the purchase (when the purchase of shares will be placed at the next Valuation Point following receipt of cleared funds). An order for the purchase of shares will only be deemed to have been accepted by the ACD once it is in receipt of cleared funds for the application. Telephone calls may be recorded by the ACD, 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 ACD, may at its sole discretion, accept instructions to purchase shares on the basis of an authority communicated by electronic means (which will include email) and sent by the Shareholder or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

(a) prior agreement between the ACD and the person making the communication as to:

(i) the electronic media by which such communications may be delivered; and

(ii) how such communications will be identified as conveying the necessary authority; and

(b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the Shareholder.

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

15.1.3 The ACD reserves the right to charge interest at 4% per annum 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.

15.1.4 The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.

15.1.5 Any subscription monies remaining after a whole number of shares have been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

15.1.6 No interest payment will be made on client money held by the ACD, prior to investment in a Sub-Fund. Client money will be held in a designated client money account with NatWest Group plc.

15.1.7 Shareholders have the right to cancel their transactions within 14 calendar days of receipt of their contract note. If a Shareholder cancels their contract, they will receive a refund of the amount that they invested including the initial charge either in full or less a deduction to reflect any fall in share price since the date of investment. This may result in a loss on the part of the Shareholder. If Shareholders wish to exercise their right to cancel they should write to the Transfer Agency at the address set out in Appendix 6. Shareholders will not be able to exercise their cancellation rights after 14 calendar days of receipt of their contract note. Shareholders should note that in certain circumstances, there may be a delay in returning their investment.

15.2 **Documentation the purchaser will receive**

15.2.1 A contract note giving details of the shares purchased and the price used will be issued to the Shareholder (the first named, in the case of joint holders) by the end of the next Business Day following the Valuation Point by reference to which the purchase price is determined, together with a notice of the applicant's right to cancel.

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

15.3 **Minimum subscriptions and holdings**

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

15.3.2 If a holding is below the minimum holding the ACD has discretion to require redemption of the entire holding.

15.4 **In Specie Issue**

If a Shareholder requests, the ACD may, at its discretion and subject to the approval of the Investment Manager and the Depositary, arrange for the Company to accept securities in settlement of a purchase of shares in the Company. The ACD and the Depositary will only do so where satisfied that the acceptance of the assets concerned would not be likely to result in any material prejudice to the interests of Shareholders.

15.5 **Initial offer**

There will be no initial offer period. The initial price of a share is £1 (shares will not be sold or issued in any other currency). Please note that if in the reasonable opinion of the ACD, the operation of the Company (or a Sub-Fund) is not viable at any time, the ACD may, subject to compliance with the FCA Regulations and subject to the agreement of the Depositary, wind up the Company, terminate a Sub-Fund or consider any other alternative as may be appropriate in the circumstances.

**16. Selling Shares**

16.1 **Procedure**

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

16.1.2 Requests to redeem shares may be made in writing to the ACD's Transfer Agency at the address set out in Appendix 6. The ACD may also, at its

discretion and by prior agreement accept instructions to redeem shares from FCA regulated entities to the ACD by telephone on 0141 483 9700 or by fax. Telephone calls may be recorded by the ACD, 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 ACD, may at its sole discretion, accept instructions to redeem or transfer shares on the basis of an authority communicated by electronic means (which will include email) and sent by the Shareholder or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

(a) prior agreement between the ACD and the person making the communication as to:

(i) the electronic media by which such communications may be delivered; and

(ii) how such communications will be identified as conveying the necessary authority; and

(b) assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the Shareholder.

16.2 **Documents the seller will receive**

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

16.2.1 receipt by the ACD of the form of renunciation (or other sufficient written instructions) duly signed by all the relevant Shareholders and completed as to the appropriate number of shares, together with any other appropriate evidence of title; or

16.2.2 the Valuation Point following receipt by the ACD of the request to redeem.

16.3 **Minimum Redemption**

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

16.4 **In Specie Redemption**

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

16.4.2 Before the proceeds of cancellation of the shares become payable, the ACD will give written notice to the Shareholder that Scheme Property will be transferred to that Shareholder.

16.4.3 The ACD will select the property to be transferred (or sold) in consultation with the Depositary and the Investment Manager. They must ensure that the selection is made with a view to achieving no greater advantage or disadvantage to the redeeming Shareholder than to continuing Shareholders.

16.5 **Direct Issue or Cancellation of shares by the ICVC through the ACD**

The ACD may require, on agreement with the Depositary, or may permit, on the request of a Shareholder, direct issues and cancellations of shares by the Company.

**17. Switching**

17.1 If applicable, a holder of shares in a Sub-Fund or Fund may at any time switch all or some of his shares ("Old Shares") for shares of another Sub-Fund or Fund ("New Shares"). The number of New Shares issued will be determined by reference to the respective prices of New Shares and Old Shares at the valuation point applicable at the time the Old Shares are repurchased and the New Shares are issued.

17.2 Switching may be effected in writing to the ACD at 177 Bothwell Street, Glasgow, G2 7ER. The ACD may, at its sole discretion and by prior agreement, accept switching instructions by telephone from FCA regulated entities only. It is not possible to switch shares on the authority of an email. A switching shareholder must be eligible to hold the shares into which the switch is to be made. The ACD may accept requests to switch Shares by electronic communication. Electronic communication does include email. Telephone calls may be recorded by the ACD, 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.

17.3 The ACD may at its discretion charge a fee on the switching of shares between funds. At present no switching charge is applied.

17.4 If the switch would result in the Shareholder holding a number of Old Shares or New Shares of a value which is less than the minimum holding, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Old Shares to New Shares or refuse to effect any switch of the Old Shares. No switch will be made during any period when the right of Shareholders to require the redemption of their shares is

suspended (as to which see Section 23). The general provisions on selling shares shall apply equally to a switch.

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

17.6 A switch of shares in one Sub-Fund for shares in any other Sub-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.

17.7 A Shareholder who switches shares in one Sub-Fund for shares in any other Sub-Fund will not be given a right by law to withdraw from or cancel the transaction.

**18. Share Class Conversions**

18.1 If applicable, a holder of shares in a Share Class ("Old Class Shares") of a Sub-Fund may exchange all or some of his shares for shares of a different Share Class within the same Sub-Fund ("New Class Shares"). An exchange of Old Class Shares for New Class Shares will be processed as a conversion ("Share Class Conversion"). Unlike a Switch, a conversion of Old Class Shares into New Class Shares will not involve a redemption and issue of shares. This transaction will not be included in the calculations for the purposes of Income Equalisation the New Class Shares will receive the same treatment as the Old Class Shares.

18.2 The number of New Class Shares issued will be determined by a conversion factor calculated by reference to the respective prices of New Shares and Old Shares at the valuation point applicable at the time the Old Class Shares are converted to New Class Shares.

18.3 Share Class Conversions may be effected in writing to the ACD at 177 Bothwell Street, Glasgow, G2 7ER. A converting shareholder must be eligible to hold the shares into which the Share Class Conversion is to be made. It is the ACD's intention that Share Class Conversions will be processed at the next Valuation Point following receipt of the instruction, however the ACD reserves the right to defer a Share Class Conversion until no later than after the next Annual Accounting Date if it is in the interests of other Shareholders. The ACD may accept requests to convert shares by electronic communication. Electronic communication does include email.

18.4 If the Share Class Conversion would result in the Shareholder holding a number of Old Class Shares or New Class Shares of a value which is less than the minimum holding in the Share Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Old Class Shares to New Class Shares or refuse to effect any Share Class Conversion of the Old Shares.

18.5 Please note that, under current tax law, a Share Class Conversion of shares between different share classes in the same Sub-Fund will not be deemed to be a realisation for the purposes of capital gains taxation.

18.6 A shareholder who converts their shares in one share class to shares in a different share class in the same Sub-Fund will not be given a right by law to withdraw from or cancel the transaction.

## 19. Dealing Charges

### 19.1 Preliminary Charge

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

### 19.2 Redemption Charge

The ACD may make a charge on the redemption of shares (though this may be waived wholly or partially at the ACD's discretion). At present no redemption charge is levied.

The ACD may not introduce a redemption charge on shares unless, not less than 60 days before the introduction, it has given notice in writing to the then current Shareholders at their registered address of that introduction and has revised and made available the Prospectus to reflect the introduction and the date of its commencement. If charged, the redemption charge will be deducted from the price of the shares being redeemed and will be paid by the Company to the ACD.

In the event of a change to the rate or method of calculation of the redemption charge, details of the previous rate or method of calculation will be available from the ACD.

### 19.3 Switching Fee

On the switching of shares between Sub-Funds, the Instrument authorises the Company to impose a switching fee. The fee will not exceed an amount equal to the then prevailing preliminary charge for the Share Class into which shares are being switched. The switching fee is payable by the Company to the ACD. Currently no switching charge is levied.

## 20. Dilution Adjustment

20.1 The basis on which the Company's investments are valued for the purpose of calculating the buying and selling price of shares as stipulated in the FCA Rules and the Company's Instrument of Incorporation is summarised in Section 25. The total proceeds of sale of a Sub-Fund's investments may be less than, and the total purchase price of a Sub-Fund's investments may be more than, the mid-market value used in calculating the share price - for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the Shareholders' interest in a Sub-Fund. In order to mitigate this effect, called "dilution", the ACD has the power to apply a "dilution adjustment", (as defined in the FCA Rules) on the issue and/or redemption of shares in a Sub-Fund. A dilution adjustment is an adjustment to the share price. The ACD shall comply with the FCA Rules in its application of any such dilution adjustment.

20.2 The dilution adjustment for each Sub-Fund will be calculated by reference to the estimated costs of dealing in the underlying investments of that Sub-Fund, including any dealing spread, commission and transfer taxes.

20.3 The need to apply a dilution adjustment will depend on the volume of sales (where they are issued) or redemptions (where they are cancelled) of shares. The ACD may apply a dilution adjustment on the issue and redemption of such shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected, and if applying a dilution adjustment, so far as practicable, it is fair to all Shareholders and potential Shareholders. In particular, the dilution adjustment may be applied in the following circumstances:

20.3.1 where over a dealing period a Sub-Fund has experienced a large level of net issues or redemptions relative to its size. For these purposes a large level of net dealing is defined as 1% or more of the Net Asset Value of the Sub-Fund in question (as calculated at the last valuation point);

20.3.2 where the ACD considers it necessary to protect the interests of the shareholders of the Sub-Fund in question.

20.4 The ACD may alter its current dilution policy either by Shareholder consent pursuant to the passing of a resolution to that effect at a properly convened meeting of Shareholders and by amending this Prospectus or by giving Shareholders notice and amending the Prospectus at least 60 days before the change to the dilution policy is to take effect.

20.5 On the occasions that the dilution adjustment is not applied there may be an adverse impact on the total assets of the Sub-Fund in question which may otherwise constrain the future growth of the Sub-Fund. It should be noted that as dilution is directly related to the inflows and outflows of monies from the scheme it is not possible to predict accurately whether or not dilution will occur at any particular future point in time, and how frequently the ACD will need to make such a dilution adjustment, but based on historic levels of dealing in shares the ACD does not expect to charge a dilution adjustment very frequently. Based on future projections the estimated rate or amount of such levy will be up to 0.59% on sales (creations) and up to 0.36% on redemptions (liquidations).

## 21. Money Laundering

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

## 22. Restrictions and Compulsory Transfer and Redemption

22.1 The ACD may from time to time impose such restrictions or take such action as it may think necessary for the purpose of ensuring that no shares are acquired or held by any person:

22.1.1 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

22.1.2 in breach of requirement for the holding of shares as specified in this Prospectus.

In this connection, the ACD may, inter alia, reject in its discretion any application for the purchase, sale, transfer or switching of shares.

22.2 If the ACD reasonably believes that any shares are owned directly or beneficially in circumstances which:

22.2.1 constitute a breach of the law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or

22.2.2 may (or may if other shares are acquired or held in like circumstances) result in the Company incurring any liability to taxation or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory)

22.2.3 it may give notice to the holder of such shares requiring him or her to transfer them to a person who is qualified or entitled to own them, or to request the redemption of the shares by the Company.

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

22.4 In addition, where:

22.4.1 the ACD considers it is in the best interests of Shareholders; or

22.4.2 the ACD reasonably believes that the Shareholder no longer satisfies a requirement for remaining a Shareholder of the Share Class;

the ACD may convert a Shareholder's holding in one Share Class to another Share Class in the same Sub-Fund. The ACD shall give prior written notice to the Shareholder concerned of the proposed conversion or switch, including details of the new Share Class and reminding the affected Shareholder of its rights to redeem.

## 23. Suspension of Dealings in the Company

23.1 The ACD may, with the prior agreement of the Depositary, or must if the Depositary so requires, temporarily suspend the issue, cancellation, sale and redemption of shares in any or all of the Sub-Funds, if the ACD or the Depositary is of the opinion that due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Sub-Fund or Sub-Funds. The suspension will only be permitted to continue for as long as it is justified having regard to the interests of the Shareholders. On suspension, the ACD (or the Depositary if it has required the ACD to suspend dealings in shares) must immediately notify the FCA giving reasons for the action. The ACD and the Depositary must formally review the suspension at least every 28 days and inform the FCA of the result of this review with a view to ending the suspension as soon as practicable after the exceptional circumstances have ceased.

23.2 The ACD will notify all Shareholders of the suspension in writing as soon as practicable and will publish details to keep Shareholders appropriately informed about the suspension, including its likely duration.

23.3 Re-calculation of the share price for the purpose of sales and purchases will commence on the next relevant Valuation Point following the ending of the suspension.

## 24. Governing Law

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

24.2 By applying for shares in the Company, the Shareholder agrees to be bound by the Instrument and this Prospectus (as may be amended from time to time). The Company, the Instrument and this Prospectus are governed by the laws of England and Wales. The Company, the ACD and the Shareholders will be subject to the exclusive jurisdiction of the courts of England and Wales to settle any dispute or claim arising out of or in connection with a Shareholder's investment in the Company or any related matter.

24.3 According to Council Regulation 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the Brussels Regulation), a judgment given and enforceable in an EU Member State shall in principle be recognised in the other EU Member States without any special procedure being required and shall generally be enforceable in the other EU Member States on the application of any interested parties, save in certain circumstances. The Brussels Regulation has now been recast by way of the EU Regulations 1215/2012 of 12 December 2012.

## 25. Valuation of the Company

25.1 The price of a share in a Sub-Fund is calculated by reference to the Net Asset Value of the Sub-Fund to which it relates. There is only a single price for any share as determined from time to time by reference to a particular Valuation Point. The Net Asset Value per share of a Sub-Fund is currently calculated daily, with assets valued reflective of the relevant closing prices in the respective markets on each Dealing Day.

25.2 The ACD may at any time during a Business Day carry out an additional valuation at its discretion, agreed with the Depositary.

## 26. Calculation of the Net Asset Value

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

26.2 All the Scheme Property (including receivables) is to be included, subject to the following provisions:

26.3 Property which is not cash (or other assets dealt with in Section 25.3.2 below) shall be valued as follows and the asset prices used shall (subject as follows) be reflective of the relevant closing prices in the respective markets on each Dealing Day:

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

(i) if a single price for buying and selling units or shares is quoted, at that price; or

(ii) if separate buying and selling prices are quoted, at the average of the two prices providing the buying price has been reduced by any initial charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or

(iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;

(b) exchange-traded derivative contracts:

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

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

(c) over the counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;

(d) any other investment:

(i) if a single price for buying and selling the security is quoted, at that price; or

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

(iii) if, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable; and

(e) property other than that described in Sections (a) (b) (c) or (d) above: at a value which, in the opinion of the ACD, represents fair and reasonable mid-market price.

26.3.2 Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values.

26.3.3 In determining the value of the Scheme Property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received whether or not this is the case.

26.3.4 Subject to Sections 26.3.5 and 26.3.6 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all

consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

26.3.5 Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under Section 26.3.4.

26.3.6 All agreements are to be included under Section 26.3.4 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.

26.3.7 Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the Scheme Property; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.

26.3.8 Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax thereon treating periodic items as accruing from day-to-day.

26.3.9 Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.

26.3.10 Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.

26.3.11 Add any other credits or amounts due to be paid into the Scheme Property.

26.3.12 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.

26.3.13 Currencies or values in currencies other than the base currency shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.

## 27. Price per Share in each Sub-Fund and each Class

The price per share at which shares are bought, redeemed or switched is the Net Asset Value per share. Any initial charge or redemption charge (or dilution adjustment or SDRT on a specific deal, if applicable) is deducted from the proceeds and is taken from the gross subscription or redemption monies.

## 28. Pricing basis

The Company deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the sale or redemption is agreed.

## 29. Publication of Prices

Shareholders can obtain the price of their shares on www.trustnet.com or by telephoning 0141 483 9701.

## 30. Risk factors

30.1 Potential investors should consider the following risk factors before investing in the Company (or in the case of specific risks applying to specific Sub-Funds, in those Sub-Funds). Shares in a Sub-Fund should generally be regarded as a long-term investment.

30.2 The main risks associated with the investment activity of a Sub-Fund are summarised below. Potential investors should consider the following risk factors before investing in a Sub-Fund.

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

30.4 **General Risks**

30.5 There is no assurance that the investment objectives of a Sub-Fund will actually be achieved.

30.6 The price of shares in a Sub-Fund and any income from them may fall as well as rise and investors may not get back the full amount invested. Past performance is not a reliable indicator of future performance.

30.7 **Equities Risk**

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

30.8 **Warrants Risk**

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

30.9 **Bonds and Debt Instruments (including High Yielding Securities) Risk**

Where investments are in bonds or other debt instruments, the value of those investments will depend on market interest rates, the credit quality of the issuer and liquidity considerations. Investments in high yielding debt instruments may have a level of income which is relatively high (compared to investment grade debt instruments); however, the risk of depreciation and realisation of capital losses on

such debt instruments held will be significantly higher than on lower yielding debt instruments.

30.10 **Lower Rated/Unrated Securities Risk**

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

30.11 **Zero-dividend Preference Shares Risk**

Zeros are zero dividend preference shares, which are listed on the London Stock Exchange and which are issued by Split Capital Investment Trusts. Zeros take priority over all other classes of shares in the company in the event of the liquidation of the Split Capital Investment Trusts. Investors should be aware that if the assets of the investment trust fail to grow sufficiently during its lifetime, it may be unable to pay the amount promised at the winding-up date. Split Capital Investment Trusts may be "covered" when they start out (they have sufficient assets to meet the repayment of the Zeros, including any future expenses and liabilities), but there is no guarantee that this will ensure that the investments are not at risk in the event of falling markets. Split Capital Investment Trusts will also generally have a "hurdle rate", being the level of growth of the company that is needed to ensure that Zeros will be repaid. This growth rate may not be achieved, and even if the Split Capital Investment Trust has a negative hurdle rate (meaning the company can fall in value and still meet its obligations on Zeros), investors may not recover all or some of the amount invested if markets fall. In particular, Split Capital Investment Trusts may have volatile results where they have incurred borrowings or otherwise leveraged their exposure and capitalised their interest costs.

30.12 **Collective Investment Schemes Risk**

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

30.13 **Leverage Risk**

Leverage is where a Sub-Fund 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 Sub-Fund.

30.14 **Leveraged Companies Risk**

Investments may be made in companies which borrow funds. Such companies may not be subject to any limitations on the amount of their borrowings, and the amount of borrowings that they may have outstanding at any time may be large in comparison to their capital. Furthermore, where a Sub-Fund is permitted to borrow in order to make investments, Shareholders must be aware that they may suffer a greater risk resulting from the decline of the net asset value of the underlying investments made with this borrowing facility and therefore, risk exposure will be higher.

30.15 **New Issue Risk**

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

30.16 **Futures and Options Risk**

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

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

30.17 **Foreign Currency Risk**

A Sub-Fund may invest in securities denominated in a number of different currencies other than sterling in which the Company is denominated. Changes in foreign currency exchange rates may adversely affect the value of these investments and the income thereon.

30.18 **Pricing and Valuation Risk**

For quoted investments a valuation price can be obtained from an exchange or similarly verifiable source. However, investment in unquoted and/or illiquid investments which are difficult to value may increase the risk of mispricing. Furthermore, a Sub-Fund will compute Net Asset Values when some markets are closed for holidays or other reasons. In these and similar cases a verifiable source of market prices will not be available and the ACD may invoke its fair value process which will determine a fair value price for the relevant investments; this fair value process involves assumptions and subjectivity.

30.19 **Emerging Countries and Developing Markets Risk**

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

30.20 **Smaller and Unquoted Companies Risk**

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

30.21 **Investment Trust Risk**

The share prices of investment trusts and closed-ended Funds typically stand at a discount to their net asset value per share. Such discounts may persist for long periods and/or widen. The Net Asset Value will reflect the current market value of the shares of the investment trusts and closed-ended funds in which a Sub-Fund invests. The shares of certain investment trusts and closed-ended funds in which a Sub-Fund invests may be valued in a market at a premium to their own net asset value per share. In such cases the share price of such investment trusts and/or closed-ended funds may eventually decline to a discount of their net asset value per share. Investment trusts and closed-ended funds may borrow or otherwise

leverage their exposure to their investments. Investments in such companies will tend to have more volatile results than investment in companies without gearing.

30.22 **Risk to Capital**

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

30.23 **Liquidity Risk**

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

30.24 **Credit Risk**

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

30.25 **Settlement Risk**

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

30.26 **Custody Risk**

The Scheme Property is kept by the Custodian and investors are exposed to the risk of the Custodian not being able to fully meet its obligation to restitute in a short timeframe all of the Scheme Property in the case of bankruptcy of the custodian. Securities of the Company will normally be identified in the Custodian's books as belonging to the Company and segregated from other assets of the Custodian which

mitigates but does not exclude the risk of non-restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non-restitution in case of bankruptcy. The Custodian does not keep all the Scheme Property itself but uses a network of sub-custodians which are not part of the same group of companies as the Custodian. Investors are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the Custodian.

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

30.27 **Tax Risk**

Tax laws, currently in place, may change in the future which could affect Net Asset Value and therefore the Shareholder's investments. Refer to the Section headed 'Taxation' in the Prospectus for further details about the taxation of the Company.

30.28 **Inflation Risk**

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

30.29 **Political and/or Environmental Risk**

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

30.30 **Market Risk**

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

## 31. Risk Management

Upon request to the ACD a Shareholder can receive information relating to:

31.1 the quantitative limits applying in the risk management of any Sub-Fund;

31.2 the methods used in relation to 31.1; and

31.3 any recent developments of the risk and yields of the main categories of investment.

## 32. Liabilities of the Company and the Sub-Funds

Shareholders are not liable for the debts of the Company. A Shareholder is not liable to make any further payment to the Company after paying the purchase price of shares.

As explained in section 3, under the OEIC Regulations, each Sub-Fund is a segregated portfolio of assets and those assets can only be used to meet the

liabilities of, or claims against, that Sub-Fund. Whilst the provisions of the OEIC Regulations provide for segregated liability between Sub-Funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would give effect to the segregated liability and cross-investment provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Sub-Fund will always be completely insulated from the liabilities of another Sub-Fund of the Company in every circumstance.

## 33. Fees and Expenses

General

33.1 The Company or each Sub-Fund (as the case may be) may pay out of the Scheme Property charges and expenses incurred by the Company, which will include the following expenses:

33.1.1 the fees and expenses payable to the ACD and to the Investment Manager;

33.1.2 (broker's commission, fiscal charges (including stamp duty and/or stamp duty reserve tax)) and other disbursements which are necessarily incurred in effecting transactions for a Sub-Fund and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

33.1.3 fees and expenses in respect of establishing and maintaining the register of Shareholders and any sub-register of Shareholders (including the fees and expenses payable in respect of any external registrar, where one is appointed);

33.1.4 any costs incurred in or about the listing of shares in the Company on any stock exchange, and the creation, conversion and cancellation of shares;

33.1.5 any costs incurred in producing and dispatching any payments made by the Company, or the yearly and half-yearly reports of the Company, or the Prospectus;

33.1.6 any fees, expenses or disbursements of any legal or other professional adviser of the Company, including those incurred on the establishment of the Company;

33.1.7 any fees, expenses or disbursements in relation to the establishment of the Company, including without limitation FCA fees and the fees of any adviser in relation to the establishment of the Company;

33.1.8 any costs incurred in taking out and maintaining any insurance policy in relation to the Company;

33.1.9 any costs incurred in respect of meetings of Shareholders convened for any purpose including those convened on a requisition by Shareholders not including the ACD or an associate of the ACD;

33.1.10 liabilities on unitisation, amalgamation or reconstruction including certain liabilities arising after transfer of property to the Company in

consideration for the issue of shares as more fully detailed in the FCA Regulations;

33.1.11 interest on borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;

33.1.12 taxation and duties payable in respect of the property of the Company or the issue or redemption of shares;

33.1.13 the audit fees of the Auditors (including VAT) and any expenses of the Auditors;

33.1.14 the fees of the FCA, in accordance with the chapter of the FCA Rules entitled "Fees Manual", together with any corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which shares in the Company are or may be marketed;

33.1.15 the Depositary's fees and expenses, as detailed in Section 36 below;

33.1.16 any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company and any expenses incurred in distributing information regarding the prices of shares to Shareholders;

33.1.17 any fees or expenses incurred in the modification of the Prospectus and/or Instrument and/or the Key Investor Information Document, to the extent permitted by the FCA Rules;

33.1.18 any expenses incurred in the printing and preparation (but not the dissemination) of the Key Investor Information Document;

33.1.19 any fees or expenses incurred in the winding-up of the Company, including (but not limited to) the performance of any action detailed in Section 42;

33.1.20 upon the retirement of the ACD, any reasonable fees or expenses incurred by the ACD in arranging for the transfer of the administration of the Company together with all books, records and other data as directed by the Company; and

33.1.21 any fees or expenses incurred in sourcing external VAR calculations or global exposure calculations (if Commitment Approach adopted) where these are required;

33.1.22 any fees or expenses incurred in obtaining external independent valuations of specific financial instruments for which independent valuations are not readily available, e.g. "over the counter" (**OTC**) derivatives and structured products

33.1.23 any payments otherwise due by virtue of the FCA Regulations.

33.2 Value Added Tax, or similar tax relating to any charge or expense, may also be payable on these charges where appropriate.

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

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

**34. Charges payable to the ACD**

34.1 In payment for carrying out its duties and responsibilities the ACD is entitled to take out of the Company an annual management charge.

34.2 The annual management charge is calculated and accrued on a daily basis by reference to the Net Asset Value of each Sub-Fund on the previous Dealing Day up until the last Business Day of each month. The amount due for each month is required to be paid as soon as practicable after the month-end. The current management charges are set out in Appendix 1.

34.3 The ACD is also entitled to reimbursement of all reasonable, properly vouched, out of pocket expenses incurred in the performance of its duties, including stamp duty, on transactions in shares and expenses incurred in effecting regulatory changes to the Company.

34.4 The ACD may not introduce a new category of remuneration for its services unless the introduction has been approved by an extraordinary resolution of Shareholders in the Company.

34.5 The ACD may not increase the current rate or amount of its remuneration payable out of the Scheme Property or the preliminary charge unless, not less than 60 days before the introduction or increase, the ACD gives notice in writing of the introduction or increase and the date of its commencement to all Shareholders at their registered address and has revised and made available the Prospectus to reflect the introduction or new rate and the date of its commencement.

34.6 A Registrar fee of £10 per transaction and £10 per shareholder per annum is also payable.

34.7 The Thesis Group 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.

34.8 Details of the Thesis Group remuneration policy are available on the website https://www.tutman.co.uk/remuneration-policy/. A paper copy of the remuneration policy can be obtained free of charge by telephoning 0141 483 9701.

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

## 35. Investment Manager's Fees

The fees and expenses of the Investment Manager will be paid by the relevant Sub-Fund as set out in Appendix 1. The investment management fee is calculated and accrued on a daily basis by reference to the Net Asset Value of each Sub-Fund on the previous Dealing Day up until the last Business Day of each month. The amount due for each month is required to be paid as soon as practicable after the month-end.

## 36. Depositary's Fees

36.1 The Depositary receives for its own account a periodic fee which is calculated and accrued on a daily basis by reference to the Net Asset Value of each Sub-Fund on the previous Dealing Day up until the last Business Day of each month. It is payable within seven days after the last Business Day in each month. The first accrual is calculated by reference to the first Valuation Point of the Company. The fee is payable out of the Scheme Property. The rate of the periodic fee is agreed between the ACD and the Depositary and is subject to a current minimum of £7,500.

36.2 Specifically, the Company will pay:

36.2.1 0.0275% per annum plus VAT on Scheme Property below £50,000,000;

36.2.2 0.025% per annum plus VAT on Scheme Property between £50,000,000 and £100,000,000; and

36.2.3 0.02% per annum plus VAT on Scheme Property above £100,000,000.

but always subject to a minimum of £7,500 per annum.

36.3 These rates can be varied from time to time in accordance with the FCA Regulations.

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

36.5 In addition to the periodic fee referred to above, the Depositary shall also be entitled to be paid transaction and custody charges in relation to transaction handling and safe-keeping of the Scheme Property as follows:

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

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

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

36.8 The Depositary will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Instrument, the FCA Rules, the OEIC Regulations or by the general law.

36.9 On a winding up of the Company, the termination of a Sub-Fund or the redemption of a class of shares, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations. No compensation for loss of office is provided for in the agreement with the Depositary.

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

36.11 In each such case such expenses and disbursements will also be payable if incurred by any person (including the ACD or any associate or nominee of the Depositary or of the ACD) who has had the relevant duty delegated to it pursuant to the FCA Regulations by the Depositary.

## 37. Allocation of Fees and Expenses between Sub-Funds

37.1 All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Sub-Fund in respect of which they were incurred. This includes any charges and expenses incurred in relation to the Register of Shareholders, except that these will be allocated and charged to each class of shares on a basis agreed between the ACD and the Depositary.

37.2 Where an expense is not considered to be attributable to any one Sub-Fund, the expense will normally be allocated to all Sub-Funds pro rata to the value of the Net Asset Value of the Sub-Funds, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

37.3 Where income is insufficient to pay charges the residual amount is taken from capital.

## 38. Shareholder Meetings and Voting Rights

### 38.1 Annual General Meeting

The Company will not hold annual general meetings.

### 38.2 Requisitions of Meetings

38.2.1 The ACD may requisition a general meeting at any time.

38.2.2 Shareholders may also requisition a general meeting of the Company. A requisition by Shareholders must state the objects of the meeting, be

dated, be signed by Shareholders who, at the date of the requisition, are registered as holding not less than one-tenth in value of all shares then in issue and the requisition must be deposited at the head office of the Company. The ACD must convene a general meeting no later than eight weeks after receipt of such requisition.

38.3 **Notice of Quorum**

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

38.4 **Voting Rights**

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

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

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

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

38.4.5 The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the FCA Rules) of the ACD is entitled to vote at any meeting of the Company except in respect of shares in a Sub-Fund which the ACD or associate holds on behalf of or jointly with a person who, if the registered Shareholder, would be entitled to vote and from whom the ACD or associate has received voting instructions. Where every Shareholder within a Sub-Fund is prohibited under COLL 4.4.8R (4) from voting, a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 75% of the shares of a Sub-Fund in issue.

38.4.6 Shareholders in this context means Shareholders on the date seven Business Days before the notice of the relevant meeting was deemed to have been served but excludes holders who are known to the ACD not to be Shareholders at the time of the meeting.

## 39. Class Meetings

The above provisions, unless the context otherwise requires, apply to Share Class meetings and Sub-Fund meetings as they apply to general meetings of Shareholders. However, an extraordinary resolution will be required to sanction a variation of class rights where the change is deemed "Fundamental" by the ACD in accordance with COLL 4.3.4 under the FCA Rules.

## 40. Taxation

### 40.1 General

**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 Sub-Fund and to individual and corporate investors who are the absolute beneficial owners of a holding in the Sub-Fund which is held as an investment. The summary's applicability to, and the tax treatment of, investors will depend upon the particular circumstances of each investor (and it will not apply to persons, such as certain institutional investors, who are subject to a special tax regime). It should not be treated as legal or tax advice. Accordingly, if investors are in any doubt as to their taxation position, they should consult their professional adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.**

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

### 40.2 Taxation of an Equity Sub-Fund

40.2.1 Tax on capital gains

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

**Tax on income**

An Equity Sub-Fund 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 ACD and to the Depositary). Dividends and similar income distributions from UK and non-UK resident

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

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

Dividend income received from certain countries are likely to be elected to be treated as taxable income in the UK in order to obtain a beneficial rate of withholding tax in the source country.

Profits from loan relationships are treated as taxable income, as for a Bond Sub-Fund.

40.2.2 **Taxation of a Bond Sub-Fund**

40.2.3 Taxation of Capital Gains

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

**Tax on Income**

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

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

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

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

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

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

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

**Taxation of a Shareholders – Equity Sub-Fund**

**Income distributions**

Accumulations and distributions of income ('distributions') comprise income for UK tax purposes.

UK resident individuals and (the trustees of) certain trusts liable to UK income tax will be taxable on accumulations and distributions of income.

Distributions to Shareholders within the charge to corporation tax are deemed to comprise two elements:

- where an Equity Sub-Fund's gross income is not wholly derived from UK dividend income, part of any distribution will be deemed to be reclassified as an annual payment received by such Shareholders after deduction of income tax at the basic rate, currently 20% ("deemed tax deducted"). Such Shareholders will be subject to corporation tax on the grossed-up amount of the annual payments but will be entitled to the repayable deemed tax deducted; and

- the remainder, is exempt from UK corporation tax.

Details of the proportions of distributions comprising exempt income and annual payments will be shown on the tax voucher of the Equity Sub-Fund concerned.

These rules do not apply or are modified in relation to life insurance companies, in particular those with pensions and ISA business, life reinsurance business or overseas life assurance business.

**Capital gains**

Shareholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including redemption, of Shares. Individuals and certain trusts generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of Shares. The resulting gains will be taxable at the capital gains tax rate, and may be reduced by capital losses brought forward from previous tax years or losses in the year, and by annual exemptions. Exempt Shareholders, which include UK charities, UK approved pension trusts, ISAs (and their individual investors), would not normally be liable to capital gains tax on their disposal of Shares.

Shareholders within the charge to corporation tax are taxed on the capital gain made computed on the basis of the rules described above. They are, however, entitled to indexation allowance on the basic cost to the date of disposal. In certain cases, the "loan relationships" provisions mentioned below in relation to Bond Sub-Funds could apply.

Special rules apply to life insurance companies who beneficially own shares.

**Inheritance tax**

A gift by shareholders of his shareholders in the Company or the death of Shareholders may give rise to a liability to inheritance tax, except where the Shareholders is neither domiciled in the UK, nor deemed to be domiciled there under special rules relating to long residence or previous domicile in the UK. For these purposes, a transfer of a Shareholding at less than the full market value may be treated as a gift.

**Taxation of a Shareholders – Bond Sub-Fund**

**Income Distributions: Interest Distributions**

Accumulations and distributions of income ('distributions') comprise income for UK tax purposes. Shareholders will be taxable on the amount distributed.

**Capital gains**

Shareholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including redemption, of shares. Individuals and certain trusts generally compute their gains by deducting from the net sale proceeds the capital gains base cost in respect of shares and will be taxable at the capital gains tax. The gain may be reduced by capital losses brought forward from previous tax years or losses in the year, and by annual exemptions. Exempt shareholders, which include UK charities, UK approved pension Funds, ISAs (and their individual investors), would not normally be expected to be liable to capital gains tax on their disposal of shares.

In respect of shareholders subject to corporation tax, holdings in a Sub-Fund will be treated as holdings of loan relationships and recognised using a fair value basis of accounting (which entails movements in the value of the holdings being brought into account in each accounting period as loan relationship credits or debits). No indexation allowance or taper relief is available.

**Inheritance tax**

A gift by a Shareholders of his shareholding in the Company or the death of a Shareholders may give rise to a liability to inheritance tax, except where the Shareholders is neither domiciled in the UK, nor deemed to be domiciled there under special rules relating to long residence or previous domicile in the UK. For these purposes, a transfer of a Shareholding at less than the full market value may be treated as a gift.

## 41. Income equalisation

41.1 Income equalisation, as explained below, may apply in relation to a Sub-Fund, as detailed in Appendix 1.

41.2 Part of the purchase price of a share reflects the relevant share of accrued income received or to be received by a Sub-Fund. This capital sum is returned to a Shareholder with the first allocation of income in respect of a share issued during an accounting period.

41.3 The amount of income equalisation is either:

41.3.1 the actual amount of income included in the issue price of that share; or

41.3.2 calculated by dividing the aggregate of the amounts of income included in the price of shares issued or sold to Shareholders in an annual or interim accounting period by the number of those shares and applying the resultant average to each of the shares in question.

41.4 The ACD currently uses the method outlined in Section 41.3.2 to apply income equalisation.

**Automatic Exchange of Financial Account Information**

41.5 US Foreign Account Tax Compliant Act (FATCA)

The US Foreign Account Tax Compliance Act (**FATCA**) is designed to help the Internal Revenue Service (the **IRS**) combat US tax evasion. It requires financial institutions, such as the Fund, 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 Fund to US withholding taxes on certain US-sourced income and gains. Under an intergovernmental agreement between the US and the United Kingdom, the Fund may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports US taxpayer information directly to HMRC.

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

41.6 Common Reporting Standard

The Common Reporting Standard (**CRS**) is the reporting standard approved and developed by the Organisation of Economic Co-operation and Development (OECD) in 2014, and came into force with effect from 1st January 2016. This requires financial institutions such as the Trust, to report non-UK resident investors, other than US Persons, to other agreed jurisdictions on an annual basis. The objective of this reporting is the same as the FATCA regulations but on a worldwide basis and is based on **Residency** rather than citizenship as with the US model, and will encompass natural persons and legal entities.

41.7 Stamp duty reserve tax

41.8 On 30 March 2014, Schedule 19 Stamp Duty Reserve Tax (SDRT) ceased to be chargeable on dealings in shares in 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 Sub-Fund's Scheme Property and charged to capital.

However it should be noted that in the unlikely event of either of (i) third party transfer of shares or (ii) non-pro rata in specie redemptions, occurring within the Sub-Fund, SDRT may still be triggered and where applicable be charged to the investor.

**42. Winding up of the Company**

42.1 The Company or a Sub-Fund shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the FCA Regulations. A Sub-Fund may otherwise only be wound up under the FCA Regulations.

42.2 Where the Company is to be wound up or a Sub-Fund is to be terminated under the FCA Regulations, such winding up may only be commenced following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company or the Sub-Fund as the case may be) either that the Company or the Sub-Fund will be able to meet its liabilities within 12 months of the date of the statement or that the Company or the Sub-Fund will be unable to do so. The Company may not be wound up or a Sub-Fund terminated under the FCA Regulations if there is a vacancy in the position of ACD at the relevant time.

42.3 The Company may be wound up or a Sub-Fund must be terminated under the FCA Regulations:

42.3.1 if an extraordinary resolution to that effect is passed by Shareholders; or

42.3.2 if the period (if any) fixed for the duration of the Company or a particular Sub-Fund by the Instrument expires, or an event (if any) occurs on the occurrence of which the Instrument provides that the Company or a particular Sub-Fund is to be wound up (for example, if the share capital of the Company is below its prescribed minimum or (in relation to any Sub-Fund) the Net Asset Value of the Sub-Fund is below £5 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-Fund); or

42.3.3 on the date of effect stated in any agreement by the FCA to a request by the ACD for the revocation of the authorisation order in respect of the Company or for the termination of the relevant Sub-Fund; or

42.3.4 on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any Scheme Property.

42.4 On the occurrence of any of the above:

42.4.1 the parts of the FCA Regulations and the Instrument relating to pricing and dealing and investment and borrowing will cease to apply to the Company or the relevant Sub-Fund;

42.4.2 the Company will cease to issue and cancel shares in the Company or the relevant Sub-Fund and the ACD shall cease to sell or redeem shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-Fund (except in respect of final cancellation);

42.4.3 no transfer of a share shall be registered and no other change to the register shall be made without the sanction of the ACD;

42.4.4 where the Company is being wound up or a Sub-Fund terminated, the Company or the Sub-Fund shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company or the termination of the Sub-Fund;

42.4.5 the corporate status and powers of the Company and, subject to the provisions of Sections 42.4.1 to 42.4.4 above, the powers of the ACD shall remain until the Company is dissolved.

42.5 The ACD shall, as soon as practicable after the winding up of the Company or the Sub-Fund, arrange for all shares in issue to be cancelled, realise the assets and meet the liabilities of the Company or the Sub-Fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, arrange for the Depositary to make one or more interim distributions out of the proceeds remaining (if any) to Shareholders proportionately to their rights to participate in the Scheme Property. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-Fund to be discharged, the ACD shall arrange for the Depositary to also make a final distribution to Shareholders (if any Scheme Property remains to be distributed) on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to the rights of their respective shares to participate in the Scheme Property at the commencement of the winding up or termination.

42.6 As soon as reasonably practicable after completion of the winding up of the Company or the particular Sub-Fund, the Depositary shall notify the FCA and, at the same time, the ACD or the Depositary will request the FCA to revoke the relevant authorisation order.

42.7 On completion of a winding up of the Company or the termination of a Sub-Fund, the Company will be dissolved or the Sub-Fund will be terminated and any money (including unclaimed distributions) standing to the account of the Company or the Sub-Fund, will be paid into court within one month of dissolution.

42.8 Following the completion of the winding up of either the Company or a Sub-Fund, the ACD must prepare a final account showing how the winding up took place and how the Scheme Property was distributed. The auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. This final account and the auditors' report must be sent to the FCA, to each Shareholder within four months of the completion of the winding up.

## 43. General Information

### 43.1 Accounting Periods

The annual accounting period of the Company ends each year on 31 December (the first annual accounting period will end on 31 December 2017) (the accounting reference date). The interim accounting period of the Company ends each year on 30 June (the first interim accounting period ended on 30 June 2017).

43.2 **Income Allocations**

43.2.1 Allocations of income are made on a half-yearly basis in respect of the income available for allocation in each accounting period.

43.2.2 Distributions of income in respect of Income Shares are paid by BACS, in accordance with Section 43.2.3, on or before the annual income allocation date of the last day of February (commencing on the last day of February 2018) or the interim allocation date of 30 August (commencing 30 August 2017).

43.2.3 The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-Fund in respect of that period, and deducting the charges and expenses of the relevant Sub-Fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the Depositary as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, transfers between the income and capital account and any other adjustments which the ACD considers appropriate after consulting the auditors. The ACD may, at its discretion, adjust distributions in order to smooth the amount of interim and final distributions within any particular accounting period.

43.2.4 The Authorised Corporate Director and the Depositary have agreed a de minimis amount of £20 in respect of distribution of income payments made by cheque.

43.2.5 If a distribution remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Sub-Fund (or, if that no longer exists, to the Company).

43.2.6 Income will be distributed as a dividend payment where the Sub-Fund is deemed to be an Equity Sub- Fund or as an interest payment where the Sub-Fund is deemed to be a Bond Sub-Fund over the relevant accounting period (please see Section 40 (Taxation) for further details). The treatment of income anticipated by the ACD is given in Appendix 1, although Shareholders are advised the treatment of income will depend on the composition of assets over the accounting period. Income can only be distributed as an interest payment if the relevant Sub-Fund has held the minimum Qualifying Investments over the accounting period. Details of the treatment of income for taxation purposes over an accounting period will be given in a tax voucher sent to all Shareholders when the income is allocated.

43.3 **Annual and half-yearly reports**

43.3.1 An Annual report of the Company will be published within four months of each annual accounting period and a half-yearly report will be published within two months of each interim accounting period. The annual and half-yearly reports are available upon request.

The first report will be for the period from launch to 30 June 2017.

43.4 **Documents of the Company**

43.4.1 The following documents may be inspected free of charge between 9.00 a.m. and 5.00 p.m. every Business Day at the offices of the ACD at Exchange Building, St John's Street, Chichester, West Sussex, PO19 1UP:

(a) the most recent annual and half-yearly reports of the Company;

(b) the Prospectus; and

(c) the Instrument (and any amending instrument).

43.4.2 Upon request, shareholders may also obtain information supplementary to the Prospectus relating to:

(a) the quantitative limits applying to the risk management of any Sub-Fund;

(b) the methods used in relation to (a); and

(c) any recent development of the risk and yields of the main categories of investment.

43.4.3 The ACD may make a charge at its discretion for copies of the Instrument; however, the reports and the Prospectus are available free of charge.

43.4.4 Copies of the ACD agreement or any contract of service between the Company and its directors can be obtained free of charge on request from the ACD.

43.5 **Notices**

43.5.1 Notices and Documents will be sent by post to the Shareholder's registered address.

43.5.2 Notwithstanding the above, where shares are jointly held by two or more persons, in accordance with the FCA Regulations certain documents may be sent by post only to the first named holder at his or her registered address.

43.6 **Telephone Recording**

Please note that the ACD 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 ACD can identify the call. If you ask the ACD to send you a recording of a particular call, the ACD may ask for further information to help identify the exact call to which your request relates.

43.7 **Complaints**

43.7.1 Complaints concerning the operation or marketing of the Company should be referred to the compliance officer of the ACD at Exchange Building,

St John's Street, Chichester, West Sussex, PO19 1UP or alternatively via email at info@tutman.co.uk.

43.7.2 If the complaint is not dealt with satisfactorily then it can be made direct to The Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR, telephone number 0800 023 4567.

43.7.3 A copy of the ACD's complaints handling procedure is available on request.

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

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

43.8 **Best Execution**

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

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

43.9 **Inducements and Soft Commission**

43.9.1 When executing orders, or placing orders with other entities for execution, that relate to financial instruments for, or on behalf of, the Sub-Funds, an Investment Manager or the ACD (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.

43.9.2 The Investment Manager or ACD will return to each relevant Sub-Fund 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 that Sub-Fund, and disclose in the annual report the fees, commissions or any monetary benefits transferred to them.

43.9.3 However, the Investment Manager or ACD may accept without disclosure minor non-monetary benefits that are capable of enhancing the quality of service provided to the Sub-Fund; 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 each Sub-Fund.

43.10 **Genuine Diversity of Ownership (GDO)**

43.10.1 Shares in, and information on, the Sub-funds 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.

43.11 **Compensation**

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

## Appendix 1

Investment objective, policy and other details of the Company

Investment of the assets of a Sub-Fund must comply with the FCA Regulations and its own investment objective and policy. Details of the investment objective and policy are set out overleaf together with other information including available Share Classes, charges, minimum investment levels and distribution dates. A detailed statement of the investment and borrowing restrictions applicable to a Sub-Fund is contained in Appendix 2. Lists of the eligible securities and derivatives markets on which a Sub-Fund may invest are contained in Appendix 4 and Appendix 5.

Changes to the investment objective and policy of a Sub-Fund will normally require approval by Shareholders at a general meeting of a Sub-Fund if the change alters the nature or risk profile of the Sub-Fund, or on giving 60 days' notice to Shareholders where these do not alter the nature or risk profile of the Sub-Fund. In exceptional circumstances, changes may be made to the investment objective and policy of the Sub-Fund with no minimum period of notice where these are for clarification purposes only. In all cases, changes may only be made to the investment objective and policy of a Sub-Fund following notification to the FCA pursuant to the Act and confirmation from the FCA that these changes will not affect the ongoing authorisation of the Company.

**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 a Sub-Fund (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 for each Sub-Fund listed below can be provided free of charge on request.

## 1. Investment Objective and Policy

### SVS Heritage Balanced Portfolio Fund

The objective of the SVS Heritage Balanced Portfolio Fund is to achieve a total investment return (comprising of a balance of capital growth and income) over the long term (at least 5 years).

The SVS Heritage Balanced Portfolio Fund is a multi-asset fund, meaning that it will have exposure to a range of different asset classes. At any one time, the Fund will be invested in any combination of the following: equities, preference shares (including zero-dividend preference shares), cash, investment trusts, real estate investment trusts and fixed interest securities including corporate, government and convertible bonds. The Fund may also hold near cash instruments, money market instruments, warrants, exchange traded funds and other collective investment schemes.

The allocation between the assets in which the Fund invests will be actively managed, with the allocation to shares dependant on market conditions but always remaining within a 20%-80% range. The investment manager is not constrained by any particular asset allocation in respect of geography, industry or sector.

| | |
|---|---|
| Benchmark | Shareholders may also compare the performance of the Sub-Fund against UK Consumer Price Index.<br><br>The ACD has selected this comparator benchmark to reflect expected outcomes.<br><br>The benchmark is not a target for the Sub-Fund, nor is the Sub-Fund constrained by the benchmark. |
| FCA Product Reference number | 764376 |
| Classes of shares available | Class A Accumulation<br><br>Class A Income |
| Currency of denomination | Pounds Sterling |
| Minimum initial investment* | £10,000 |
| Minimum subsequent investment | £1,000 |
| Minimum withdrawal | £1,000 |
| Minimum holding | £10,000 |
| ACD's preliminary charge | 5% |

| | |
|---|---|
| Redemption charge | Nil |
| Charge for investment research | Nil |
| Annual management charge | 0.15%, with a minimum fee of £45,000, plus a fixed fee of £5,000 |
| Investment management fee | 1% |
| Annual accounting date | 31 December |
| Interim accounting date | 30 June |
| Annual income allocation date | last day of February |
| Interim income allocation dates | 30 August |
| Invest in Eligible Markets | See Appendix 4 & 5 |
| Income Equalisation | Permitted |
| Charges taken from income or capital | Income |
| Income to be distributed as a dividend or interest? | The Company may distribute income in the form of a dividend or interest depending on the composition of the assets held over the accounting period. |

**Minimum initial investment amounts may be waived by the ACD at its discretion.*

**2. Investor Profile**

Whether an investment in a Sub-Fund is appropriate will depend on the investor's own requirements and attitude to risk.

SVS Heritage Investment Fund is designed for retail investors who:

- wish to achieve capital growth;
- can meet the minimum investment levels (currently the minimum initial investment is £10,000 which may be waived at the discretion of the ACD);
- are able to take the risk of losing part or all of their investment capital;
- who understand and are willing to take the risks involved in investing in the Sub-Fund (as detailed under "Risk Factors" set out in Section 30 of the Prospectus).

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

## Appendix 2

Investment and borrowing powers of the Company

### 1. Investment and borrowing powers of the Company

These restrictions apply to each Sub-Fund.

1.1 Investment restrictions

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

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

1.2 The investment objective and policy of each Sub-Fund are subject to the limits on investment under chapter 5 of the FCA Regulations applicable to UK UCITS schemes, which are summarised below. The ACD must ensure that, taking account of the investment objective and the investment policy of each Sub-Fund, the Sub-Fund's investments provide a prudent spread of risk.

### 2. Transferable securities and money market instruments

2.1 Types of transferable security

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

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

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

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

2.2 Criteria for investment in transferable securities

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

(a) the potential loss which the Sub-Fund may incur with respect to holding the transferable security is limited to the amount paid for it;

(b) its liquidity does not compromise the ACD's ability to comply with its obligations to redeem shares at the request of any qualifying Shareholder;

(c) reliable valuation is available for it as follows:

(i) in the case of a transferable security admitted to or dealt in on an eligible market (see further paragraph 2.11 below for an explanation of eligible market) where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;

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

(d) appropriate information is available for it as follows:

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

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

(e) it is negotiable; and

(f) its risks are adequately captured by the risk management process of the ACD.

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

(a) not to compromise the ability of the ACD to comply with its obligations to redeem shares at the request of any qualifying Shareholder; and

(b) to be negotiable.

2.3 Closed-ended funds constituting transferable securities

A unit in a closed-ended fund shall be taken to be a transferable security for the purposes of investment by a Sub-Fund, provided it fulfils the criteria for transferable securities set out in paragraph 2.2 above and either:

2.3.1 where the closed-ended fund is constituted as an investment company or a unit trust:

(a) it is subject to corporate governance mechanisms applied to companies; and

(b) 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

2.3.2 where the closed-ended fund is constituted under the law of contract:

(a) it is subject to corporate governance mechanisms equivalent to those applied to companies; and

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

2.4 Transferable securities linked to other assets

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

(a) fulfils the criteria for transferable securities set out in paragraph 2.2 above; and

(b) is backed by or linked to the performance of other assets which may differ from those in which the Sub-Fund can invest.

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

2.5 Approved money market instruments

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

2.6 A money market instrument shall be regarded as normally dealt in on the money market if it:

2.6.1 has a maturity at issuance of up to and including 397 days;

2.6.2 has a residual maturity of up to and including 397 days;

2.6.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or

2.6.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in (a) or (b) or is subject to yield adjustments as set out in (c).

2.7 A money market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the ACD to redeem units at the request of any qualifying Shareholder.

2.8 A money market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuation systems, which fulfil the following criteria, are available:

2.8.1 enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and

2.8.2 based either on market data or on valuation models including systems based on amortised costs.

2.9 A money market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the ACD that would lead to a different determination.

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

2.10.1 Transferable securities and money market instruments held within a Sub-Fund must be:

(a) admitted to or dealt in on an eligible market (as described in paragraph 2.11); or

(b) for an approved money market instrument not admitted to or dealt in on an eligible market within paragraph 2.11; or

(c) recently issued transferable securities provided that:

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

(ii) such admission is secured within a year of issue.

2.10.2 A Sub-Fund may invest up to 10% of its Scheme Property in investments in transferable securities or money market instruments other than those referred to in paragraph 2.10.1 above.

2.10.3 However, the ability to hold up to 10% of the Scheme Property investments in ineligible assets under paragraph 2.10.2 above is subject to the following limitations:

(a) for a qualifying money market fund (as defined in the FCA Regulations), the 10% restriction is limited to high quality money market instruments with a maturity or residual maturity of not

more than 397 days or regular yield adjustments consistent with such a maturity, and with a weighted average maturity of no more than 60 days;

(b) for a short term money market fund or a money market fund (as such terms are defined in the FCA Regulations), the 10% restriction is limited to high quality approved money market instruments as determined under the FCA Regulations at COLL 5.9.6R.

2.11 Eligible markets regime

2.11.1 To protect investors the markets in which investments of a Sub-Fund are dealt in or traded on should be of an adequate quality (eligible) at the time of acquisition of the investment and until it is sold. Where a market ceases to be eligible investments on that market cease to be approved securities. The 10% restriction in paragraphs 2.10.2 and 2.10.3 above on investment in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

2.11.2 A market is eligible for the purposes of the FCA Rules if it is:

(a) a regulated market (as defined in the FCA Rules);

(b) a market in the UK or an EEA state which is regulated, operates regularly and is open to the public; or

(c) any market within 2.11.3 below.

2.11.3 A market not falling within paragraph 2.11.2 is eligible for the purposes of the FCA Rules if:

(a) the ACD after consultation with and notification to the Depositary decides that market is appropriate for investment of, or dealing in the Scheme Property;

(b) the market is included in a list in the Prospectus; and

(c) the Depositary has taken reasonable care to determine that adequate custody arrangements can be provided for the investment dealt in on that market; and all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

2.11.4 In paragraph 2.11.3(a) a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulating organisation by an overseas regulator, is open to the public, is adequately liquid, and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

2.11.5 The eligible securities and derivatives markets for a Sub-Fund are set out in Appendix 4 and Appendix 5. New eligible securities markets may be added to the existing list in accordance with the FCA Regulations governing approvals and notifications.

2.12 Money market instruments with a regulated issuer

2.12.1 In addition to instruments admitted to or dealt in on an eligible market, a Sub-Fund may invest in an approved money-market instrument provided it fulfils the following requirements:

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

(b) the instrument is issued or guaranteed in accordance with paragraph 2.13.

2.12.2 The issue or the issuer of a money market instrument other than one dealt in on an eligible market, shall be regarded as regulated for the purposes of protecting investors and savings if:

(a) the instrument is an approved money market instrument;

(b) appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit rates risks related to investments in it) in accordance with paragraph 2.14 below; and

(c) the instrument is freely transferable.

2.13 Issuers and guarantors of money market instruments

2.13.1 A Sub-Fund may invest in an approved money market instrument if it is:

(a) issued or guaranteed by any one of the following:

(i) a central authority of the UK or an EEA state or if the EEA state is a federal state, one of the members making up the federation;

(ii) a regional or local authority of the UK or an EEA state;

(iii) the Bank of England, the European Central Bank or a central bank of an EEA state;

(iv) the EU or the European Investment Bank;

(v) a non-EEA state, or in the case of a federal state one of the members making up the federation; or

(vi) a public international body to which the UK or one or more EEA states belong;

(b) issued by a body, any securities of which are dealt in on an eligible market; or

(c) issued or guaranteed by an establishment which is:

(i) subject to prudential supervision in accordance with criteria defined by UK or EU law; or

(ii) an establishment which is subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.

2.13.2 An establishment shall be considered to satisfy the requirement in paragraph 2.13.1(c)(ii) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

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

(b) it is located in an OECD country belonging to the Group of Ten;

(c) it has at least one investment grade rating;

(d) on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by the UK or EU law.

2.14 Appropriate information for money market instruments

2.14.1 In the case of an approved money market instrument within paragraph 2.13.1(b) or issued by a body referred to in the FCA Regulations at COLL 5.2.10EG; or which is issued by an authority within paragraph 2.13.1(a)(ii) or a public international body within paragraph 2.13.1(a)(vi), but is not guaranteed by a central authority within paragraph 2.13.1(a)(i), the following information must be available:

(a) information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;

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

(c) available and reliable statistics on the issue or the issuance programme.

2.14.2 In the case of an approved money market instrument issued or guaranteed by an establishment within paragraph 2.13.1(c) the following information must be available:

(a) information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;

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

(c) available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.

2.14.3 In the case of an approved money market instrument within paragraph 2.13.1(a)(i), (iv) or (v) or which is issued by an authority within paragraph

2.13.1(a)(ii) or a public international body within paragraph 2.13.1(a)(vi) and is guaranteed by a central authority within paragraph 2.13.1(a)(i) information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

**3. Spread limits**

3.1 This Section 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. Please see Section 4 below. For the purpose of this paragraph a "single body" bears the meaning as set out in the FCA Regulations.

3.2 Not more than 20% in value of the Scheme Property can consist of deposits with a single body.

3.3 Not more than 5% in value of the Scheme Property can consist of transferable securities or approved money market instruments issued by any single body. This limit 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 purpose of applying the limit of 40%.

3.4 This limit is raised to 25% in respect of covered bonds, provided that where more than 5% of the Scheme Property is invested in covered bonds issued by a single body, the total value of covered bonds held must not exceed 80% of the value of the Scheme Property.

3.5 In applying the higher limits mentioned in paragraphs 3.3 and 3.4 certificates representing certain securities are to be treated as equivalent to the underlying security.

3.6 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property (which is raised to 10% when the counterparty is an approved bank).

3.7 Not more than 20% in value of the Scheme Property can consist of transferable securities and approved money market instruments issued by the same group.

3.8 Not more than 20% in value of the Scheme Property can consist of the units of any one collective investment scheme.

3.9 In applying the limits in 3.2, 3.3, 3.5 and 3.6 in relation to a single body, and subject to 3.4, not more than 20% in value of the Scheme Property can consist of any combination of two or more of the following:

3.9.1 transferable securities (including covered bonds) or approved money market instruments issued by that body; or

3.9.2 deposits made with that body; or

3.9.3 exposures from OTC derivatives transactions made with that body;

3.10 The ACD must ensure that counterparty risk arising from an OTC derivative transaction is subject to the limits set out in paragraphs 3.6 and 3.9.

3.11 When calculating the exposure of a Sub-Fund to a counterparty in accordance with the limits in paragraph 3.6, the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

3.12 The ACD may net the OTC derivative positions of a UCITS scheme with the same counterparty, provided:

3.12.1 it is able legally to enforce netting agreements with the counterparty on behalf of the Sub-Fund; and

3.12.2 the netting agreements in (a) do not apply to any other exposures the Sub-Fund may have with that same counterparty.

3.13 The ACD may reduce the exposure of the Sub-Fund's investments to a counterparty to an OTC derivative transaction 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.

3.14 The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 3.16 when it passes collateral to the counterparty to an OTC derivative transaction on behalf of the Sub-Fund.

3.15 Collateral passed in accordance with paragraph 3.14 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of the Sub-Fund.

3.16 The ACD must calculate the issuer concentration limits referred to paragraph 3.6 on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.

3.17 In relation to exposures arising from OTC derivative transactions, as referred to in paragraph 3.9, the ACD must include in the calculation any counterparty risk relating to the OTC derivative transactions.

**4. Government and Public Securities**

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

(a) the UK government or its local authorities;

(b) an EEA State;

(c) a local authority of an EEA State;

(d) a non-EEA State; or

(e) a public international body to which the UK or one or more EEA States belong.

4.2 Where no more than 35% in value of the Scheme Property is invested in government and public securities issued by any one body, there is no limit on the amount which may be invested in such securities in any one issue.

4.3 The Sub-Fund may invest more than 35% of the Scheme Property in government and public securities issued by or on behalf of or guaranteed by a single named issuer

which may be one of the following: the governments of the United Kingdom and of a member state of the European Union or EEA (i.e. Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden); or by or on behalf of the Governments of Australia, Canada, Japan, New Zealand, Switzerland or the United States of America.

4.4 The ACD has consulted with the Depositary and considers that the issuers named in 4.3 above are ones which are appropriate in accordance with the investment objectives of the Sub-Funds set out in Appendix 1. If more than 35% in value of the Scheme Property of the Sub-Fund is invested in government and public securities issued by any one issuer, no more than 30% in value of the Scheme Property of the Sub-Fund may consist of such securities of any one issue and the Scheme Property must include at least six different issues whether of that issuer or another issuer, and the disclosures in COLL 3.2.6R(8) and COLL 4.2.5R(3)(i) have been made.

4.5 Notwithstanding 3.1, and subject to 4.4, in applying the 20% limit in 3.9 with respect to a single body, such securities issued by that body shall be taken into account.

**5. Collective Investment Schemes**

5.1 None of the Sub-Funds will invest more than 10% in value of their scheme property in units in other schemes. Investment may be made: (i) in another collective investment scheme managed by the ACD or an associate of the ACD; and/or (ii) in another Sub-Fund of the Company; subject to the rules contained in the FAC Regulations.

5.2 The scheme property of a Sub-Fund may be invested in units in collective investment schemes if they are schemes which: (i) (a) are a UK UCITS or satisfy the conditions necessary for them to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or (b) are recognised under the provisions of section 272 of the Act (Schemes authorised in designated countries or territories); or (c) are authorised as non-UCITS retail schemes (provided certain requirements are met); or (d) are authorised in an EEA State (provided certain requirements are met) or e) is authorised by the competent authority of an OECD member country (other than an EEA state) which has:

-signed the IOSCO Multilateral Memorandum of Understanding; and

-approved the scheme's management company, rules and depositary/custody arrangements, provided certain requirements .

(ii) comply with the rules relating to investment in other group schemes contained in the FCA Regulations and (iii) are themselves schemes which have terms which prohibit more than 10% of their assets consisting of units in other collective investment schemes.

5.3 Investment may be made in other collective investment schemes managed by the ACD or an Associate of the ACD, subject to the requirements of the FCA regulations.

**6. Derivatives: General**

**6.1 A Sub-Fund may use, under certain conditions, options and futures on indices and interest rates, for the purposes of Efficient Portfolio Management. The use of derivatives for Efficient Portfolio Management is not intended to increase the risk profile of a Sub-Fund. The Sub-Fund may use derivatives and forward transactions for investment purposes on giving 60 days' notice to shareholders. The use of derivatives for investment purposes may involve additional risks for shareholders. Also, a Sub-Fund may hedge market and currency risks using futures, options and forward exchange contracts. Transactions in futures carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the investor. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions make it impossible to execute such orders. Transactions in options also carry a high degree of risk. Selling (writing) an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or acquire or deliver the underlying interest. If the option is "covered" by the seller holding a corresponding position in the underlying interest or a future on another option, the risk may be reduced. Please also see "Risk Factors" above.**

6.2 The Company may make use of a variety of derivative instruments in accordance with the FCA Regulations.

6.3 A transaction in derivatives or a forward transaction cannot be effected for the a Sub-Fund unless:

6.3.1 it is a permitted derivatives and forward transaction (broadly a derivative must be effected on or under the rules of any eligible derivatives and have underlying consisting of any or all of the following; transferable securities, approved money market instruments, deposits, permitted derivatives, permitted collective investment schemes, permitted financial indices, interest rates, foreign exchange rates, currencies); and

6.3.2 it is covered as required by the FCA Regulations at COLL 5.3.3AR.

6.4 The exposure to the underlying assets must not exceed the limits in paragraphs 3 or 4 of this Appendix, save as provided for in 6.8.

6.5 Where a transferable security or approved money market instrument embeds a derivative this must be taken into account for the purposes of complying with these investment restrictions.

6.6 A transferable security or an approved money market instrument will embed a derivative if it contains a component which fulfils the following criteria:

6.6.1 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 standalone derivative;

6.6.2 the economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

6.6.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money market instrument.

6.7 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.

6.8 If a Sub-Fund invests in an index based derivative provided the relevant index falls within the FCA Regulations at 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 paragraphs 3 and 4 above, provided the ACD takes account of paragraph 1.2 in relation to the requirements for a prudent spread of risk.

6.9 A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-Fund may be entered into only if:

6.9.1 that property can be held for the account of the Sub-Fund; and

6.9.2 the ACD, having taken reasonable care, determines that delivery of the property under the transaction will not occur or will not lead to a breach of the FCA Rules.

6.10 No agreement by or on behalf of a Sub-Fund to dispose of property or rights (except for a deposit) may be made unless:

6.10.1 the obligation to make the disposal and any other similar obligation could immediately be honoured by a Sub-Fund by delivery of property or the assignment of rights; and

6.10.2 the property and rights at paragraph 6.10.1 are owned by the Sub-Fund at the time of the agreement.

**7. Permitted Transactions (Derivatives and Forwards)**

7.1 A transaction in a derivative must:

7.1.1 be in an approved derivative; or

7.1.2 be an OTC derivative which complies with paragraph 7.7; and.

7.2 In addition:

7.2.1 the underlying must consist of any or all of the following to which the scheme is dedicated: transferable securities; approved money-market instruments; permitted deposits; permitted derivatives; permitted

collective investment scheme units; certain financial indices; interest rates; foreign exchange rates and currencies;

7.2.2 the exposure to the underlying must not exceed the limits set out at paragraph 3.

7.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A derivatives transaction must not cause the a Sub-Fund to diverge from its investment objectives as stated in the Instrument and the most recently published prospectus and must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money market instruments, collective investment scheme units or derivatives.

7.4 Any forward transaction must be with an eligible institution or an approved bank.

7.5 A Sub-Fund may not undertake transactions in derivatives of commodities.

7.6 A derivative includes an instrument which fulfils the following criteria:

7.6.1 it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;

7.6.2 it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6A R (UCITS schemes: permitted types of scheme property) including cash;

7.6.3 in the case of an OTC derivative, it complies with the requirements in COLL 5.2.23 R (OTC transactions in derivatives);

7.6.4 its risks are adequately captured by the risk management process of the ACD, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.

7.7 OTC transactions under paragraph 7.1.2 must be:

7.7.1 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:

(a) an eligible institution or an approved bank; or

(b) a person whose permission (including any requirements or limitations), as published in the FCA Register, or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;

7.7.2 on approved terms; the terms of the transaction in derivatives are approved only if the ACD:

(a) 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

(b) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value;

7.7.3 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the ACD having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:

(a) on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or

(b) if the value referred to in paragraph (a) above is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

7.7.4 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:

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

(b) a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.

**8. Financial Indices underlying derivatives**

8.1 The financial indices referred to in paragraph 8.2 are those where the index is sufficiently diversified, it represents an adequate benchmark for the market to which it refers, and the index is published in an appropriate manner.

8.2 A financial index is sufficiently diversified if:

8.2.1 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;

8.2.2 where it is composed of assets in which a Sub-Fund is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix; and

8.2.3 where it is composed of assets in which a Sub-Fund cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix.

8.3 A financial index represents an adequate benchmark for the market to which it refers if:

8.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;

8.3.2 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

8.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.

8.4 A financial index is published in an appropriate manner if:

8.4.1 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

8.4.2 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.

8.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 7.2 be regarded as a combination of those underlyings.

8.6 If the composition of an index is not sufficiently diversified in order to avoid undue concentration, its underlying assets should be combined with the other assets of a Sub-Fund when assessing compliance with the requirements on cover for transactions in derivatives and forward transactions set out in paragraph 10.1 and paragraph 3 of this Appendix.

8.7 In order to avoid undue concentration, where derivatives on an index composed of assets in which a UCITS scheme cannot invest are used to track or gain high exposure to the index, the index should be at least diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this section.

8.8 If derivatives on that index are used for risk-diversification purposes, provided that the exposure of a Sub-Fund to that index complies with the 5%, 10% and 40% ratios as set out in paragraph 3.3, there is no need to look at the underlying components of that index to ensure that it is sufficiently diversified.

**9. Deposits**

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

**10. Cover for transactions in derivatives and forward transactions**

10.1 The ACD must ensure that a Sub-Fund's global exposure relating to derivatives and forwards transactions held in the Sub-Fund may not exceed the net value of the Scheme Property.

10.2 The ACD must calculate a Sub-Fund's global exposure on at least a daily basis. For the purposes of this paragraph, exposure must be calculated taking into account

the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

**11. Immovable Property**

The Company will not have any interest in any immovable property or tangible movable property.

**12. Significant influence**

12.1 The Company must not acquire transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

12.1.1 immediately before the acquisition, the aggregate of any such securities held by the Company gives the Company power significantly to influence the conduct of business of that body corporate; or

12.1.2 the acquisition gives the Company that power.

12.2 For the purpose of 12.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

**13. Concentration limits**

13.1 The Company:

13.1.1 must not acquire transferable securities (other than debt securities) which do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and represent more than 10% of those securities issued by that body corporate;

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

13.1.3 must not acquire more than 10% of the approved money market instruments issued by any single body.

13.2 However, the Company need not comply with the limits in paragraphs 13.1.2 and **Error! Reference source not found.** above if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

**14. General**

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

14.2 Cash or near cash may be retained in the Scheme Property to enable the pursuit of the investment objective; or for redemption of shares in a Sub-Fund; or efficient management of the Sub-Fund in accordance with its investment objective or for a

purpose which may reasonably be regarded as ancillary to the investment objective of the Sub-Fund.

14.3 The Company or the Depositary on behalf of the Company must not provide any guarantee or indemnity in respect of the obligation of any person and none of the property of the Company may be used to discharge any obligation arising under a guarantee or indirectly with respect to the obligation of any person.

14.4 Paragraph 14.3 does not apply to guarantees or indemnities specified in COLL 5.5.9(3)R.

**15. Stocklending**

The Company may not enter into stocklending transactions.

**16. Borrowing and lending powers**

16.1 The Company may, subject to the FCA Regulations, borrow money from an eligible institution or an Approved Bank for the use of the Company on the terms that the borrowing is to be repayable out of the Scheme Property.

16.2 A Sub-Fund may not lend (by way of deposit or otherwise) or mortgage the property of a Sub-Fund.

16.3 None of the money in the property of a Sub-Fund may be lent. However, providing an officer of the Company with money to meet expenditure does not constitute lending for the purposes of this prohibition.

16.4 Neither acquiring a debenture nor placing money on deposit in a current account constitutes lending.

16.5 Where transactions in derivatives or forward transactions are used for the account of a Sub-Fund in accordance with the FCA Rules, nothing in this paragraph prevents a Sub-Fund or the Depositary at the request of the Sub-Fund from:

16.5.1 lending, depositing, pledging or charging scheme property for margin requirements; or

16.5.2 transferring scheme property under the terms of an agreement in relation to margin requirements, provided that the ACD reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to shareholders.

16.6 Borrowing must be on a temporary basis and not persistent and against these criteria the ACD must have regard to:

16.6.1 the duration of any period of borrowing, and

16.6.2 the number of occasions on which resort is had to borrowing in any period.

16.7 No period of borrowing should exceed three months without the prior consent of the Depositary which may only be given on such conditions as appear appropriate

to the Depositary to ensure that borrowing does not cease to be on a temporary basis only.

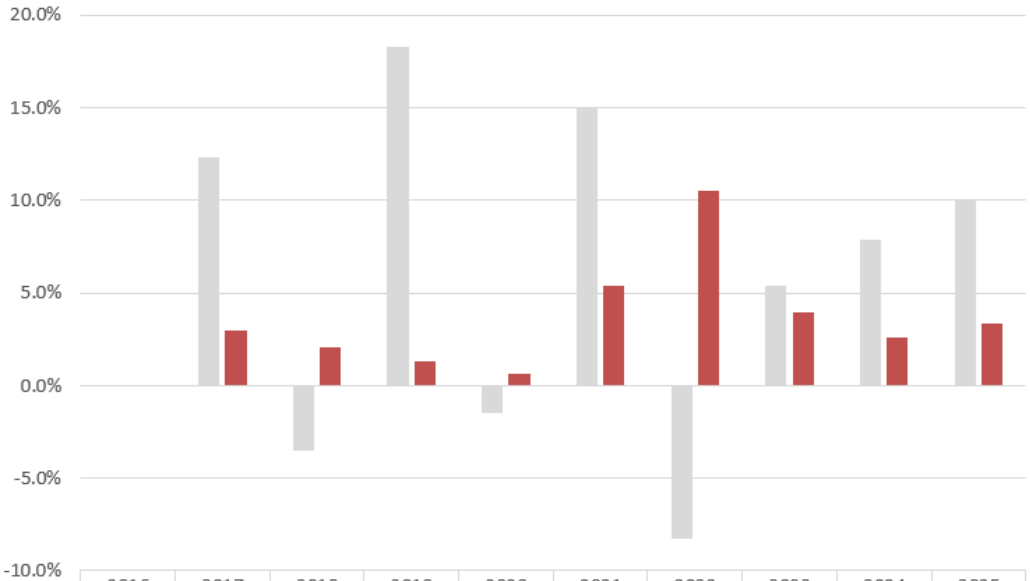
16.8 The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property of a Sub-Fund. This limit applies not only to conventional borrowing, but to any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.

16.9 These borrowing restrictions do not apply to "back to back" borrowing to be cover for transactions in derivatives and forward transactions.

16.10 A Sub-Fund must not issue a debenture unless it acknowledges or creates a borrowing which complies with this paragraph.

**Appendix 3**
Historical Performance Data

SVS Heritage Balanced Portfolio Fund




| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Fund | | 12.3% | -3.5% | 18.3% | -1.5% | 15.0% | -8.3% | 5.4% | 7.9% | 10.0% |
| UK Consumer Price Index | | 2.9% | 2.1% | 1.3% | 0.7% | 5.4% | 10.5% | 3.9% | 2.6% | 3.3% |

Source: FE Fundinfo 2026

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

Past performance is not necessarily a guide to future performance. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

## Appendix 4

Eligible Securities Markets

The Company may deal through securities markets established in the UK or EEA states on which transferable securities admitted to official listing in these states are dealt in or traded. In addition, up to 10% in value of the Company may be invested in transferable securities which are not approved securities.

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

| | |
|---|---|
| Australia | Australian Securities Exchange |
| Bermuda | Bermuda Stock Exchange |
| Canada | Toronto Stock Exchange |
| Canada | TSX Venture Exchange |
| China | Shanghai Stock Exchange |
| China | Shenzhen Stock Exchange |
| Hong Kong | Hong Kong Exchanges and Clearing Company |
| India | BSE Limited |
| Indonesia | Indonesia Stock Exchange |
| Israel | Tel Aviv Stock Exchange |
| Japan | Osaka Securities Exchange |
| Japan | Tokyo Stock Exchange |
| Korea, Republic of | Korea Exchange |
| Malaysia | Bursa Malaysia |
| New Zealand | New Zealand Exchange Ltd |
| Peru | Lima Stock Exchange (Bolsa de Valores de Lima) |
| Philippines | Philippine Stock Exchange |
| Singapore | Singapore Exchange |
| South Africa | JSE Limited |
| Switzerland | SIX Swiss Exchange |
| Taiwan | Taiwan Stock Exchange |
| Thailand | Stock Exchange of Thailand |
| Turkey | Borsa Istanbul |
| United States of America | NASDAQ |
| United States of America | New York Stock Exchange |
| United States of America | NYSE Arca |
| United States of America | NYSE LIFFE US |

**Appendix 5**

Eligible Derivatives Markets

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

## Appendix 6
Typical Investor Profile(s)

Below is an indication of the target market of the Sub-Funds as required under MiFID II regulations. 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 Sub-Fund please seek advice from your professional adviser.

This Sub-Fund is suitable for all investor types of all levels of knowledge and experience coming into the Sub-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 Sub-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 7** Directory

### The Company and Head Office

SVS Heritage Investment Fund
Exchange Building
St John's Street
Chichester
West Sussex
PO19 1UP

### Authorised Corporate Director

Tutman Fund Solutions Limited
Exchange Building
St John's Street
Chichester
West Sussex
PO19 1UP

### Investment Manager

Heritage Capital Management Ltd
Broadway House
Tothill Street
London
SW1H 9NQ

### Transfer Agency

Tutman Fund Solutions Limited
177 Bothwell Street
Glasgow
G2 7ER

Dealing only: 0141 483 9700
Registration and Enquiries: 0141 483 9701
Email: TADealing@tutman.co.uk

### Depositary

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

Principal Place of Business:
NatWest Trustee & Depositary Services Limited
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh
EH12 1HQ

**Auditor**

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

## Appendix 8

List of Directors of Tutman Fund Solutions Limited

| | |
|---|---|
| Nicola Palios | Non-Executive Chair |
| David Tyerman | Chief Executive Officer |
| Stephen Mugford | Finance Director |
| Jenny Shanley | Director Fund Administration |
| Carol Lawson | Independent Non-Executive Director |
| Sally Macdonald | Independent Non-Executive Director |
| Linda Robinson | Independent Non-Executive Director |
| Caroline Willson | Independent Non-Executive Director |

Nicola Palios, David Tyerman and Stephen Mugford are also directors of Thesis Unit Trust Management Limited and members of the governing body of TUTMAN LLP, both authorised fund managers within the same group as the ACD, performing senior management functions. They hold directorships of other companies within the Thesis group and perform senior management functions within Thesis Asset Management Limited, which may act as an investment manager for some authorised funds operated by the ACD from time to time.

Jenny Shanley is not engaged in other business activities that are of significance to the Company.

Carol Lawson and Caroline Willson are also independent non-executive directors of Thesis Unit Trust Management Limited and members of the governing body of TUTMAN LLP, both authorised fund managers within the same group as the ACD. They are not engaged in other business activities that are of significance to the Company.

Sally Macdonald and Linda Robinson are also independent non-executive directors of Thesis Unit Trust Management Limited, an authorised fund manager within the same group as the ACD. They are not engaged in other business activities that are of significance to the Company.

**Appendix 9**

List of Authorised Funds for which Tutman Fund Solutions Limited acts as authorised Fund manager or authorised corporate director

| Authorised Unit Trusts | Investment Companies with Variable Capital |
|---|---|
| Dragon Trust | Aystwick Fund |
| Eagle Fund | Bute Fund |
| Evelyn Witch General Trust | Earlstone Fund |
| Langham Trust | Evelyn Partners Funds |
| Magnum Trust | Evelyn Partners Investment Funds ICVC |
| Marathon Trust | Forest Fund ICVC |
| Orchard Fund | Gallatin Fund |
| Ourax Unit Trust | Ganymede Fund |
| Spenser Fund | GFS Investments Fund |
| SVS DW Asia Income & Growth Fund | Glairnrox Fund |
| SVS Dowgate Wealth UK New Economies Fund | Gryphon Investment Funds |
| SVS Sanlam European Equity Fund | Hercules Managed Funds |
| SVS Sanlam Fixed Interest Fund | Issodola Fund |
| SVS Sanlam North American Equity Fund | JC Investments Fund |
| The Acorn Trust | Kanthaka Fund |
| The Alkerton Trust | Moorgate Funds ICVC |
| The Barro II Trust | New Square Investment Funds |
| The Capital Balanced Fund | Peleides Fund |
| The Dream Trust | Pendennis Fund ICVC |
| The Enterprise Trust | Pharaoh Fund |
| The Global Opportunities Fund | Pityoulish Investments Fund |
| The Ilex Fund | Quercus Fund |
| The Jetwave Trust | Sardasca Fund |
| The Lancaster Trust | Sherwood Fund |
| The Millennium Fund | Smithfield Funds |
| The Plain Andrews Unit Trust | Starhunter Investments Fund |
| The Securities Fund | Stratford Place Fund |
| Worldwide Growth Trust | Sussex Fund |
| | SVS AllianceBernstein UK OEIC |
| | SVS Aubrey Capital Management Investment Funds |
| | SVS Baker Steel Global Investors OEIC |
| | SVS Baker Steel Gold and Precious Metals Fund |
| | SVS Brooks Macdonald Fund |
| | SVS Brown Shipley Multi Asset Portfolio |
| | SVS Cornelian Investment Funds |
| | SVS Dowgate Cape Wrath Focus Fund |
| | 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 Auk Fund |

| | |
|---|---|
| | The Aurinko Fund<br>The Blu-Frog Investment Fund<br>The Brighton Rock Fund<br>The Cheviot Fund<br>The Daisybelle Fund<br>The Dinky Fund<br>The Dunninger Fund<br>The Folla Fund<br>The Galacum Fund<br>The Global Balanced Strategy Fund<br>The Gloucester Portfolio<br>The Headspring Fund<br>The Headway Fund<br>The Jake Fund<br>The Jay Fund<br>The Kingfisher Fund<br>The Loch Moy Fund<br>The Magpie Fund<br>The MF Fund<br>The Milne Fund<br>The Nectar Fund<br>The Norton Fund<br>The Princedale Fund<br>The Rosslyn Fund<br>The SBB Fund<br>The Staffordshire Portfolio<br>The Stellar Fund<br>The SVS Levitas Funds<br>The SVS Meadowside Fund<br>The Touchstone Investment Fund<br>The Tully Fund<br>The Westhill Investment Fund<br>TS Campana Fund<br>Vagabond Investment Fund<br>White Oak Fund<br>Windrush Fund |