

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

Valu-Trac Investment Management Limited, the authorised corporate director 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 Collective Investment Schemes Sourcebook to be included in it. Valu-Trac Investment Management Limited accepts responsibility accordingly.

**PROSPECTUS**

**OF**

**VT Tatton Oak ICVC**

**(An open-ended investment company  
incorporated with limited liability and  
registered in England and Wales  
under registered number IC000737)**

**(A Non-UCITS Retail Scheme)**

This document constitutes the Prospectus for **VT Tatton Oak ICVC** which has been prepared in accordance with the Collective Investment Schemes Sourcebook.

This Prospectus is dated, and is valid as at 31 October 2018.

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

## CONTENTS

Clause		Page
1	DEFINITIONS .....	3
2	DETAILS OF THE COMPANY .....	9
3	BUYING, REDEEMING AND SWITCHING SHARES .....	14
4	VALUATION OF THE COMPANY .....	27
5	RISK FACTORS .....	32
6	MANAGEMENT AND ADMINISTRATION.....	39
7	FEES AND EXPENSES .....	45
8	SHAREHOLDER MEETINGS AND VOTING RIGHTS.....	50
9	TAXATION .....	53
10	WINDING UP OF THE COMPANY OR TERMINATION OF A FUND .....	57
11	GENERAL INFORMATION.....	60
	APPENDIX I.....	71
	APPENDIX II .....	107
	APPENDIX III .....	108
	APPENDIX IV.....	128
	APPENDIX V.....	132
	APPENDIX VI.....	143

No person has been authorised by the Company to give any information or to make any representations in connection with the offering of Shares other than those contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been made by the Company or the ACD. The delivery of this Prospectus (whether or not accompanied by any reports) or the issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof.

The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Distributors and other intermediaries which offer, recommend or sell shares in the Funds must comply with all laws, regulations and regulatory requirements as may be applicable to them. Also, such Distributors and other intermediaries must consider such information about the Funds and its share classes as is made available by the Authorised Corporate Director for the purposes of the EU's Product Governance regime. Distributors and intermediaries may obtain further information by contacting the ACD.

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

The provisions of the Instrument of Incorporation are binding on each of the Shareholders and a copy of the Instrument of Incorporation is available on request.

This Prospectus has been issued for the purpose of section 21 of the Financial Services and Markets Act 2000 by Valu-Trac Investment Management Limited.

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

This Prospectus is based on information, law and practice at the date hereof. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with Valu-Trac Investment Management Limited that this is the most recently published prospectus.

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

Except for the information about itself as Depositary contained in this Prospectus, the Depositary is not a person responsible for the information contained in this Prospectus and accordingly does not accept any responsibility therefor under the COLL Sourcebook or otherwise.

The ACD shall not divulge any confidential information concerning investors unless required to do so by law or regulation or as set out in this Prospectus or the ACD's Privacy Policy (available at [www.valu-trac.com](http://www.valu-trac.com) or otherwise on request). Shareholders and potential investors acknowledge that their personal data as well as confidential information contained in the application form and arising from the business relationship with the ACD may be stored, modified, processed or used in any other way by the ACD, its agents, delegates, sub-delegates and certain third parties in any country in which the ACD conducts business or has a service provider (even in countries that do not provide the same statutory protection towards investors' personal data deemed equivalent to those prevailing in the European Union) for the purpose of administering and developing the business relationship with the investor. Subject to applicable law, investors may have rights in respect of their personal data, including a right to access and rectification of their personal data and, in some circumstances, a right to object to the processing of their personal data. Further details are set out in the ACD's Privacy Policy.

The ACD may transfer your personal information to countries located outside of the European Economic Area (the "EEA"). This may happen when the ACD's servers, suppliers and/or service providers are based outside of the EEA. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the EEA. In these instances the ACD will take steps to ensure that your privacy rights are respected. Details relevant to you may be provided upon request.

### **International Tax Reporting**

In order to fulfil our legal obligations in accordance with the requirements of FATCA and other intergovernmental arrangements such as the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015, the Company is required to obtain confirmation of the tax residency of Shareholders to comply with certain reporting requirements. We may ask for evidence of the tax identification number, and country and date of birth of individual Shareholders, or for the Global Intermediary Identification number (GIIN) of corporate Shareholders. If certain conditions apply, information about your shareholding may be passed to HM Revenue & Customs ("HMRC") in order to be passed on to other tax authorities, where the UK has an agreement with that country. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

## 1. DEFINITIONS

<b>"ACD" or "VT"</b>	Valu-Trac Investment Management Limited, the authorised corporate director of the Company;
<b>"ACD Agreement"</b>	an agreement between the Company and the ACD;
<b>"Administrator"</b>	Valu-Trac Investment Management Limited, or such other entity as is appointed to act as administrator to the Company from time to time;
<b>"AIFM"</b>	means the legal person appointed on behalf of the Company and which (through this appointment) is responsible for managing the Company in accordance with the AIFM Directive and The Alternative Investment Fund Managers Regulations 2013, which is at the date of this prospectus, the ACD;
<b>"AIFM Directive"</b>	the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2004/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and any other implementing legislation at a UK or EU level;
<b>"Approved Bank"</b>	(in relation to a bank account opened by the Company):  (a) if the account is opened at a branch in the United Kingdom:  (i) the Bank of England; or  (ii) the central bank of a member state of the OECD; or  (iii) a bank; or  (iv) a building society; or

- (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
- (b) if the account is opened elsewhere:
  - (i) a bank in (a); or
  - (ii) a credit institution established in an EEA State other than in the United Kingdom and duly authorised by the relevant Home State Regulator; or
  - (iii) a bank which is regulated in the Isle of Man or the Channel Islands; or
  - (iv) a bank supervised by the South African Reserve Bank;

as such definition may be updated in the glossary of definitions in the FCA Handbook from time to time;

<b>“Auditor”</b>	Johnston Carmichael LLP, or such other entity as is appointed to act as auditor to the Company from time to time;
<b>“Class” or “Classes”</b>	in relation to Shares, means (according to the context) all of the Shares related to a single Fund or a particular class or classes of Share related to a single Fund;
<b>“COLL”</b>	refers to the appropriate chapter or rule in the COLL Sourcebook;
<b>“the COLL Sourcebook”</b>	the Collective Investment Schemes Sourcebook issued by the FCA as amended or replaced from time to time;
<b>“Company”</b>	VT Tatton Oak ICVC;
<b>“Conversion”</b>	the conversion of Shares in one Class in a Fund to Shares of another Class in the same

Fund and "Convert" shall be construed accordingly;

**"Custodian"**

RBC Investor Services Trust, UK Branch, or such other entity as is appointed to act as custodian;

**"Cut Off Point"**

the point prior to which orders to buy, sell or switch Shares must be received by the ACD in order for them to be actioned at the next Valuation Point and details of which are set out for each Fund (if relevant) in Appendix I;

**"Dealing Day"**

Monday to Friday except for (unless the ACD otherwise decides) a bank or public holiday in England and Wales and any other days declared by the ACD to be a non-Dealing Day);

**"Depository"**

NatWest Trustee and Depository Services Limited, or such other entity as is appointed to act as depository of the Company;

**"Director" or "Directors"**

the directors of the Company from time to time (including the ACD);

**"EEA State"**

a member state of the European Union and any other state which is within the European Economic Area;

**"Efficient Portfolio Management" or "EPM"**

as defined in paragraph 9 of Appendix III;

**"Eligible Institution"**

one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook;

**"FATCA"**

The provisions, enacted in the US, commonly known as the Foreign Account Tax Compliance Act (as amended, consolidated or supplemented from time to time) including any regulations issued pursuant to it;

**"the FCA"**

means the Financial Conduct Authority or any

	other successor entity from time to time;
<b>"the FCA Handbook"</b>	the FCA Handbook of Rules and Guidance, as amended from time to time;
<b>"FCA PRN"</b>	the FCA's product reference number for the Company of one of its sub-funds;
<b>"Fund" or "Funds"</b>	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;
<b>"FUND Sourcebook"</b>	the Investment Fund Sourcebook issued by the FCA as amended or replaced from time to time;
<b>"Instrument of Incorporation"</b>	the instrument of incorporation of the Company as amended from time to time;
<b>"Investment Manager"</b>	Tatton Investment Management, the investment manager to the ACD in respect of the Company;
<b>"ISA"</b>	an individual savings account under The Individual Savings Account Regulations 1998 (as amended);
<b>"Leverage"</b>	means any method by which the exposure of a Fund is increased, whether through borrowing of cash or transferrable securities or leverage embedded in derivative positions or by any other means;
<b>"Net Asset Value" or "NAV"</b>	the value of the Scheme Property of the Company or of any Fund (as the context may require) less the liabilities of the Company (or of the Fund concerned) as calculated in accordance with the Instrument of Incorporation;
<b>"Non-UCITS Retail Scheme" or</b>	a type of collective investment scheme such

<b>"NURS"</b>	as the Company which is authorised by the FCA and therefore meets the standards set by the FCA to enable the Company to be marketed to the public within the UK, but which does not comply with the conditions necessary for it to benefit from European passporting rights under the UCITS Directive;
<b>"OEIC Regulations"</b>	the Open-Ended Investment Companies Regulations 2001 as amended or replaced from time to time;
<b>"Overlay Funds"</b>	meaning the following sub-funds of the Company only: VT Defensive Portfolio Overlay Fund; VT Cautious Portfolio Overlay Fund; VT Balanced Portfolio Overlay Fund; VT Active Portfolio Overlay Fund; and VT Aggressive Portfolio Overlay Fund;
<b>"PRN"</b>	FCA Product Reference Number;
<b>"Professional Liability Risks"</b>	shall have the meaning given to it in IPRU(INV) 11.3.12 EU of the FCA Handbook;
<b>"Register"</b>	the register of Shareholders of the Company;
<b>"Registrar"</b>	Valu-Trac Investment Management Limited, or such other entity as is appointed to act as registrar to the Company from time to time;
<b>"Regulated Activities Order"</b>	the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) as amended from time to time;
<b>"Regulations"</b>	the OEIC Regulations, and the FCA Handbook (including the COLL Sourcebook and FUND Sourcebook, as relevant);
<b>"Scheme Property"</b>	the scheme property of the Company required under the COLL Sourcebook and FUND Sourcebook to be given for safekeeping to the Depositary;
<b>"Share" or "Shares"</b>	a share or shares in the Company (including larger denomination shares, and smaller

	denomination shares equivalent to one ten thousandth of a larger denomination share);
<b>"Shareholder"</b>	a holder of registered Shares in the Company;
<b>"Specified US Person"</b>	a Shareholder who falls within the definition of "Specified U.S. Person" for the purposes of FATCA;
<b>"Switch"</b>	the exchange where permissible of Shares of one Fund for Shares of another Fund and "Switching" shall be construed accordingly;
<b>"UCITS Directive"</b>	the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investments in transferable securities (UCITS) (No. 2009/65/EC) (as amended from time to time);
<b>"US Persons"</b>	a person who falls within the definition of "US Person" as defined in rule 902 of regulation S of the United States Securities Act 1933;
<b>"Valuation Point"</b>	the point, 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 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. For details of the Valuation Point of a Fund please see Appendix I;
<b>"VAT"</b>	UK value added tax.

## **2. DETAILS OF THE COMPANY**

### **2.1 General**

VT Tatton Oak ICVC (the Company) is an investment company with variable capital incorporated in England and Wales under registered number IC000737 and authorised by the FCA with effect from 13<sup>th</sup> March 2009. The FCA PRN is 494501. The Company has an unlimited duration.

Shareholders are not liable for the debts of the Company.

The ACD is also the authorised corporate director of certain other open-ended investment companies and authorised fund manager of certain authorised unit trusts details of which are set out in Appendix IV.

#### **2.1.1 Head Office and principal place of business**

The head office of the Company is at:

Level 13 Broadgate Tower, 20 Primrose Street, London, EC2A 2EW and its principal place of business is at Mains of Orton, Orton, Moray, IV32 7QE.

#### **2.1.2 Address for Service**

The head office is the address of the place in the UK for service on the Company of notices or other documents required or authorised to be served on it.

#### **2.1.3 Base Currency**

The base currency of the Company and each Fund is Pounds Sterling.

#### **2.1.4 Share Capital**

Maximum £100,000,000,000

Minimum £1

Shares have no par value. The share capital of the Company at all times equals the sum of the Net Asset Values of each of the Funds.

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

Each of the Funds of the Company is designed and managed to support longer-term investment and active trading is discouraged. Short-term or excessive trading into and

out of a Fund may harm performance by disrupting portfolio management strategies and by increasing expenses. The ACD may at its discretion refuse to accept applications for, or for the Conversion or Switching of, Shares, especially where transactions are deemed disruptive, particularly from possible market timers or investors who, in its opinion, have a pattern of short-term or excessive trading or whose trading has been or may be disruptive to the Fund(s). For these purposes, the ACD may consider an investor's trading history in the Fund(s) or other funds managed by ACD and accounts under common ownership or control.

## **2.2 The Structure of the Company**

### **2.2.1 The Funds**

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

The Company is a Non-UCITS Retail Scheme (NURS).

The assets of each Fund will be treated as separate from those of every other Fund and will be invested in accordance with the investment objective and investment policy applicable to that Fund. Investment of the assets of each of the Funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Fund. Details of the Funds, including their investment objectives and policies, are set out in Appendix I.

Any proposals to change a Fund's investment objective or investment policy will typically be treated by the ACD (with the agreement of the Depositary) as a "fundamental event" requiring prior approval of the majority of Shareholders in the Fund (see section 8 "Shareholder Meetings and Voting Rights" for further details). However, Shareholders should be aware that the ACD may change a Fund's investment objective and/or its investment policy without first obtaining Shareholder consent to the extent necessary to satisfy any changes to the Regulations. In these circumstances, Shareholders shall be given as much notice as is practicable in the circumstances.

The requirement for a Shareholder meeting depends on the proposed change to the Company. Changes to the Company may fall within one of the following three categories:

- "Fundamental events" which change the purpose or nature of the Company or the basis on which the investor invested, for example changes to an investment objective, its risk profile or something that would cause material prejudice to the investors would require

investor approval. Fundamental changes require prior approval at a meeting of Shareholders;

- "Significant events" are those which would materially affect an investor's investment, affect a Shareholder's ability to exercise his rights in relation to this investment, result in material increased payments out of the Company, or could reasonably be expected to cause investors to reconsider their participation in the Company. Those should be notified pre-event to the investors and in sufficient time to enable them to leave the Company, if they wish, before the change takes effect. 60 days' minimum notice is required for these changes; and
- "Notifiable events" for which the ACD would decide when and how Shareholders should be notified, depending on the type of event. In these cases notification could be before or after the event. This may take the form of the sending of an immediate notification to shareholders or the information being included in the next report of the Company.

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

Each Fund has a specific portfolio to which that Fund's assets and liabilities are attributable. So far as the Shareholders are concerned, each Fund is treated as a separate entity. A Shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the Shares.

Investors should note that the Company's Funds are segregated portfolios of assets and, accordingly, the assets of a Fund belong exclusively to that 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 or any other Fund, and shall not be available for any such purpose.

While the provisions of the OEIC Regulations provide for segregated liability between the Funds, the concept of segregated liability is relatively new and these provisions have yet to be tested by the Courts. Consequently, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to the OEIC Regulations. It is therefore not free from doubt that the assets of a Fund will always be "ring-fenced" from the liabilities of other Funds of the Company.

In certain circumstances the Company may sue and be sued in respect of a particular Fund and may exercise rights of set-off in relation to that Fund.

Subject to the above, each Fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Fund, and within each Fund charges will be allocated between Classes in accordance with the terms of issue of Shares of those Classes. Any assets, liabilities, expenses, costs or charges not attributable to a particular Fund may be allocated by the ACD in a manner which it believes is fair to the Shareholders generally. This will normally be pro rata to the Net Asset Value of the relevant Funds.

### 2.2.2 **Shares**

Classes of Shares within the Funds

Shares will be issued in larger and smaller denominations. There are 10,000 smaller denomination Shares to each larger Share. Smaller denomination Shares represent what, in other terms, might be called fractions of a larger Share and have proportionate rights.

Shares have no par value and, within each Class in each 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 Fund. Shares do not carry preferential or pre-emptive rights to acquire further Shares.

Further Classes of Share may be established from time to time by the ACD with the approval of the FCA, the agreement of the Depositary and in accordance with the Instrument of Incorporation. On the introduction of any new Fund or Class, either a revised prospectus or a supplemental prospectus will be prepared, setting out the details of each Fund or Class.

The base currency for each new Class of Shares will be determined at the date of creation and set out in the prospectus issued in respect of the new Class of Shares.

The net proceeds from subscriptions to a Fund will be invested in the specific pool of assets constituting that Fund. To the extent that any Scheme Property of the Company, 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 Fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Funds in a manner which is fair to all Shareholders of the Company.

Shares in the Company are not currently listed on any investment exchange.

Details of which of the Share Classes are presently available in each Fund are set out in Appendix I.

A Regular Savings Plan is available for certain Funds. Details of the relevant Funds are set out in Appendix I.

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

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

The Instrument of Incorporation allows income and accumulation Shares to be issued. Income Shares are Shares in respect of which income allocated to them is distributed periodically to the relevant Shareholders. Accumulation Shares are Shares whereby income is credited periodically to capital. In accordance with relevant tax law, distribution or allocation of income is made gross without any tax being deducted or accounted for by the Company. Full details concerning taxation may be found in section 9.

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

Shareholders are entitled (subject to certain restrictions) to Convert all or part of their Shares in a Class for Shares of another Class within the same Fund or to Switch Shares for another the same or another Class within a different Fund of the Company. Details of this Conversion and Switching facility and the restrictions are set out in paragraph 3.3 "Conversion and Switching".

### **3. BUYING, REDEEMING, CONVERTING AND SWITCHING SHARES**

The dealing office of the ACD is normally open from 9am to 5pm (London time) on each Dealing Day to receive requests for the purchase, sale, Conversion and Switching of Shares. The ACD may vary these times at its discretion.

Requests to deal in Shares may be made by sending clear written instructions (or an application form) to the ACD or at the ACD's discretion by telephoning 01343 880 344 (or through such other number as published from time to time). The initial investment must, at the discretion of the ACD, be accompanied by an application form.

In addition, the ACD may from time to time make arrangements to allow Shares to be bought or sold on-line or through other communication media (electronic or otherwise).

Telephone calls and electronic communications may be recorded. The ACD will keep a copy of telephone calls and electronic communications. A copy of the record is available from the ACD on request. The records will be kept for up to five years and where requested by the FCA, for up to seven years. The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

In respect of some Funds, deals must be received before the relevant Cut Off Point in order to be dealt with at the next Valuation Point. Deals received after the Cut Off Point will be dealt with at the Valuation Point or the next following Dealing Day. For details of the Valuation Point and, where relevant, the Cut Off Point of a Fund, please see Appendix I.

The ACD will make use of the revised 'delivery versus payment' (DvP) exemption as set out in the FCA Rules, which provides for a one business day window during which money held for the purposes of settling a transaction in Shares is not treated as 'client money'. Specifically, under the DvP exemption, money received by the ACD from an investor, or money due to be paid to an investor by the ACD, need not be treated as client money if: (i) the ACD receives the money from an investor for the subscription of Shares and the money is passed to the Depositary for the purpose of creating Shares in the Company by close of business on the business day following receipt of money from the investor; or (ii) the ACD holds the money in the course of redeeming Shares provided that the proceeds of that redemption are paid to an investor by close of business on the business day following receipt from the Depositary.

Accordingly under the exemption when investors are buying Shares the ACD will protect investor money in a client money account if it does not pass the shareholder's money onto the Depositary by the close of the business day following receipt. Similarly when shareholders sell shares in the Company, the ACD will protect their money in a client money account if it does not pass their money to them by the close of the business day following receipt from the Depositary.

## **3.1 Buying Shares**

### **3.1.1 Procedure**

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. Where permitted by the rules in the FCA Handbook, an intermediary who recommends an investment in the Company to Shareholders may be entitled to receive commission from the ACD, which may include ongoing commission based on the value of Shares held by a Shareholder. For details of dealing charges see paragraph 3.6 below. Application forms may be obtained from the ACD. Valid applications to purchase Shares in a Fund (received before the Cut Off Point, if appropriate) will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the application, except in the case where dealing in a Fund has been suspended as set out in paragraph 3.12.

The ACD, at its discretion, has the right to cancel a purchase deal if settlement is materially overdue and any loss arising on such cancellation shall be the liability of the applicant. For postal applications payment in full must accompany the instruction. At the ACD's discretion, payment for large purchases of Shares may be made by bank transfer.

A purchase of Shares in writing or by telephone or any other communication media made available is a legally binding contract. Applications to purchase Shares, once made are, except in the case where cancellation rights are applied, irrevocable. However, subject to its obligations under the Regulations, 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.

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. A smaller denomination Share is equivalent to one ten thousandth of a larger denomination Share.

Applicants who have received advice may have the right to cancel their application to buy Shares at any time during the 14 days after the date on which they receive a cancellation notice from the ACD. If an applicant decides to cancel the contract, and the value of the investment has fallen at the time the ACD receives the completed cancellation notice, they will not receive a full refund as an amount equal to any fall in value will be deducted from the sum originally invested. Investors who invest through the Regular Savings Plan will be entitled to receive back the full amount they invested if they cancel.

The ACD may extend cancellation rights to other investors but is under no obligation to do so.

The UK has implemented the Foreign Account Tax Compliant Act (FATCA) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information through the International Tax Compliance Regulations 2015. As a result of UK legislation, the Company may be required to obtain confirmation of certain information from shareholders and (where applicable) their beneficial owners, such as where you are resident for tax purposes, your tax identification number, and your place and date of birth, and your tax status classification and place of incorporation if you are a corporate body. Under certain circumstances (including where you do not supply us with the information we request), we will be obliged to report your personal details as well as the details of your Investment to HMRC. This information may then be passed to other tax authorities. Any shareholder that fails to provide the required information may be subject to a compulsory redemption of their Shares and/or monetary penalties.

By signing the application form to subscribe for Shares in the Company, each Shareholder is agreeing to provide such information upon request from the Company or its delegate.

**Please note that the Company may treat Shareholders as a Specified U.S. Person where the ACD is unable to establish that this is not the case.**

Shareholders who are concerned about their position are encouraged to consult with their own tax advisers regarding the possible implications of FATCA on their interest in the Company.

### 3.1.2 **Documents the buyer will receive**

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

Settlement is due within four business days of the Valuation Point. 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. If settlement is not made within a reasonable period, then the ACD has the right to cancel any Shares issued in respect of the application.

Share certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry on the Register. Statements in respect of

periodic distributions on Shares will show the number of Shares held by the recipient.

The Company has the power to issue bearer Shares but there are no present plans to do so.

### 3.1.3 **Regular Savings Plan**

The ACD may make available certain Classes of Shares of any Fund through the Regular Savings Plan (details of current Classes of Shares and Funds which are available are shown in Appendix I). To invest in this way, Shareholders must complete and return to the ACD the relevant plan application form and standing order form before contributions may begin. Monthly contributions may be increased, decreased (subject to maintaining the minimum level of contribution) or stopped at any time by notifying such party as the ACD may direct. If, however, payments are not made into the Regular Savings Plan for more than ten months and the Shareholder holds less than the minimum holding for that Class, then the ACD reserves the right to redeem that Shareholder's entire holding in that Class. Confirmations will not be issued to Shareholders investing through a Regular Savings Plan, however statements detailing all Share transactions will be sent out to all monthly savers at least on a six month basis.

Contributions to the Plan will normally be collected on a monthly basis usually on the tenth of each month (or the next following Dealing Day) with Shares being allocated at the Share price ruling at the next following Valuation Point (subject to any applicable initial charge).

For Shares purchased through the Regular Savings Plan, the minimum monthly investment is stated in Appendix I.

### 3.1.4 **Minimum subscriptions and holdings**

The minimum initial subscription, subsequent subscription and holding levels for each Class of Share in a Fund are set out in Appendix I.

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

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

## **3.2 Redeeming Shares**

### **3.2.1 Procedure**

Every Shareholder is entitled on any Dealing Day to redeem its Shares.

Valid instructions to the ACD to redeem Shares in a Fund (received before the Cut Off Point, if appropriate) will be processed at the Share price calculated, based on the Net Asset Value per Share, at the next Valuation Point following receipt of the instruction, except in the case where dealing in a Fund has been suspended as set out in paragraph 3.12.

A redemption instruction in respect of Shares in writing or by telephone or any other communication media made available is a legally binding contract. However, an instruction to the ACD to redeem Shares, although irrevocable, may not be settled by either the Company or the ACD if the redemption represents Shares where the money due on the earlier purchase of those Shares has not yet been received or if insufficient documentation or anti-money laundering information has been received by the ACD.

For details of dealing charges see paragraph 3.6 below.

### **3.2.2 Documents a redeeming Shareholder will receive**

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

Payment of redemption proceeds will normally be made to the first named Shareholder (at their risk), via bank transfer in accordance with any instruction received (the ACD may recover any bank charge levied on such transfers). Instructions to make payments to third parties (other than intermediaries associated with the redemption) will not normally be accepted.

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

### 3.2.3 **Minimum redemption**

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

### 3.2.4 **Regular Withdrawal Facility**

The ACD offers a Regular Withdrawal Facility. For further details on this facility and on which Funds and which Share Classes it is available, please see details in Appendix I.

## 3.3 **Conversion and Switching**

Subject to any restrictions on the eligibility of investors for a particular Share Class, a Shareholder in a Fund may at any time:

- (i) Convert all or some of his Shares of one Class in a Fund for Shares in another Class in the same Fund; or
- (ii) Switch all or some of his Shares in one Fund for Shares in another Fund in the Company.

## 3.4 **Conversions**

Conversions will be effected by the ACD recording the change of Share Class on the Register of the Company.

If a Shareholder wishes to Convert Shares he should apply to the ACD in the same manner as for a sale as set out below.

Conversions may not be effected at the next Valuation Point and may be held over and processed with Conversion instructions given by other Shareholders. If you would like information about when your Conversion will be processed please contact the ACD on 01343 880 344.

Conversions will not generally be treated as a disposal for capital gains tax purposes.

There is no fee on Conversions.

The number of Shares to be issued in the new Class will be calculated relative to the price of the Shares being converted .

### 3.5 Switches

Subject to paragraph 3.3 and the qualifications below, a Shareholder may at any time Switch all or some of his Shares of one Class in a Fund (**Original Shares**) for a number of Shares of another Fund ("**New Shares**").

The number of New Shares issued will be determined by reference to the respective prices of New Shares and Original Shares at the Valuation Point applicable at the time the Original Shares are redeemed and the New Shares are issued.

The ACD may at its discretion make a charge on the Switching or Conversion of Shares between Funds or Classes. Any such charge on Switching does not constitute a separate charge payable by a Shareholder, but is rather the application of any redemption charge on the Original Shares and any initial charge on the New Shares, subject to certain waivers. For details of the charges on Switching currently payable, please see paragraph 3.6.3 "Charges on Switching and Conversion".

If a partial Switch would result in the Shareholder holding a number of Original Shares or New Shares of a value which is less than the minimum holding in the Class concerned, the ACD may, if it thinks fit, convert the whole of the applicant's holding of Original Shares to New Shares (and make a charge on Switching on such Conversion) or refuse to effect any Switch of the Original Shares. Save as otherwise specifically set out, the general provisions on procedures relating to redemption will apply equally to a Switch. Written instructions must be received by the ACD before the Valuation Point on a Dealing Day in the Fund or Funds concerned to be dealt with at the prices at the Valuation Point on that Dealing Day or at such other Valuation Point as the ACD at the request of the Shareholder giving the relevant instruction may agree. Switching requests received after a Valuation Point will be held over until the next day which is a Dealing Day in each of the relevant Fund or Funds.

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

**Please note that under UK tax law a Switch of Shares in one Fund for Shares in any other Fund is treated as a redemption of the Original Shares and a purchase of New Shares and will, for persons subject to taxation, be a realisation of the Original Shares for the purposes of capital gains taxation, which may give rise to a liability to tax, depending upon the Shareholder's circumstances. However, as noted above, a conversion of Shares in one Class for Shares in another Class in relation to the same Sub-fund will not normally be treated as a realisation for UK tax purposes.**

**A Shareholder who Switches Shares in one Fund for Shares in any other Fund (or who Converts between Classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.**

### **3.6 Dealing Charges**

The price per Share at which Shares are bought, redeemed, Converted or Switched is the Net Asset Value per Share. Any initial charge, or redemption charge is deducted from the Gross subscription or the proceeds of the redemption monies.

#### **3.6.1 Initial Charge**

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

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

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

Where permitted to do so under the rules in the FCA Handbook, the ACD may pay a commission to relevant intermediaries either out of the initial charge or out of other of its own resources.

#### **3.6.2 Redemption Charge**

The ACD may make a charge on the redemption of Shares in each Class. Please see Appendix I for details of which Funds apply a redemption charge.

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

There is currently no charge for redeeming Shares in any of the Classes.

#### **3.6.3 Charges on Switching and Conversion**

On the Switching of Shares between Funds or the Converting of Shares between Classes in the Company the Instrument of Incorporation authorises the Company to impose a charge. If a redemption charge is payable in respect of the Original Shares, this may become payable instead of, or as well as, the then prevailing initial charge for the New Shares. The charge on Switching is payable by the Shareholder to the ACD.

There is currently no charge for Switching or Converting between Funds or for Converting Shares in one Class of a Fund for Shares in another Class of the same Fund.

#### 3.6.4 **Dilution Levy**

The actual cost of purchasing, selling or switching underlying investments in a Fund may deviate from the mid-market value used in calculating its Share price, due to dealing charges, taxes, and any spread between buying and selling prices of the Fund's underlying investments. These dealing costs could have an adverse effect on the value of a Fund, known as "dilution". In order to mitigate the effect of dilution the Regulations allow the ACD to make a dilution levy on the purchase, redemption or switch of Shares in a Fund. A dilution levy is a separate charge of such amount or at such rate as is determined by the ACD to be made for the purpose of reducing the effect of dilution. This amount is not retained by the ACD, but is paid into the relevant Fund.

The dilution levy is calculated by reference to the costs of dealing in the underlying investments of the relevant Fund, including any dealing spreads, commission and transfer taxes.

The need to charge a dilution levy will depend on the volume of purchases and redemptions. It is not possible to predict accurately whether dilution would occur at any point in time.

The ACD's policy is that it may require a dilution levy on the purchase and redemption of Shares if, in its opinion, the existing Shareholders (for purchases) or remaining Shareholders (for redemptions) might otherwise be adversely affected. For example, the dilution levy may be charged in the following circumstances: where the Scheme Property of a Fund is in continual decline; on a Fund experiencing large levels of net purchases relative to its size; on "large deals" (typically being a purchase or redemption of Shares to a size exceeding 3% of the Net Asset Value of the relevant Fund); in any case where the ACD is of the opinion that the interests of existing or remaining Shareholders require the imposition of a dilution levy.

This policy is intended to mitigate the dilutive effect of Shareholder transactions on the future growth of the Company.

Based on future projections and on its experience of managing the Company the ACD is unlikely to impose a dilution levy unless it considers that the dealing costs relating to a Shareholder transaction are significant and will have a material impact on the relevant Sub-fund.

It is not possible to predict accurately whether dilution would occur at any point in time. The level of dilution is not fixed and may change from time to

time to reflect the underlying market conditions and the composition of the portfolio. If a dilution levy is required then, based on future projections, the estimated rate or amount of such levy will ordinarily be up to 0.75%.

The ACD, in its absolute discretion, may waive or reduce the dilution levy. The ACD may alter its current dilution policy in accordance with the procedure set out in the Regulations.

On the occasions that the dilution levy is not applied, there may be an adverse impact on the total assets of the relevant Sub-fund which may otherwise constrain the future growth of that Sub-fund. It should be noted that, as dilution is directly related to the inflows and outflows of monies from the Company, it is not possible to predict accurately the exact amount of such a charge in advance on a particular transaction.

### **3.7 Money laundering**

As a result of legislation in force in the UK to prevent money laundering, the ACD is responsible for compliance with anti-money laundering regulations. In order to implement these regulations, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Shares. This may involve an electronic check of information. Until satisfactory proof of identity is provided, the ACD reserves the right to refuse to issue Shares, pay the proceeds of a redemption of Shares, or pay income on Shares to the investor. In the case of a purchase of Shares where the applicant is not willing to provide the information requested within a reasonable period, the ACD also reserves the right to sell the Shares purchased and return the proceeds to the account from which the subscription was made. These proceeds may be less than the original investment. The ACD can use credit reference agencies (who will record that an enquiry has been made) and/or may check electronic databases. In the case of bodies corporate trusts and other legal arrangements, it is also required to establish the identity of any trustees or other controllers who have greater than 25% control of the body corporate or property of the trust that are not named on the application. In addition, it is also required to establish the identity of any individuals who have specified beneficial interest in the Shares. In the case of individuals it is required to establish the identity of any individuals who have a specified beneficial interest in the Shares that are not named on the application. The applicant retains legal title to the Shares and instructions will only be accepted from the applicant. The beneficial owner details are required for anti-money laundering purposes only. The ACD reserves the right to refuse any application to investment without providing any justification for doing so.

### **3.8 Transfers**

Shareholders are entitled to transfer their Shares to another person or body. All transfers must be in writing in the form of an instrument of transfer approved by the

ACD for this purpose. Completed instruments of transfer must be returned to the ACD in order for the transfer to be registered by the ACD. At present, transfer of title by electronic communication is not accepted.

### **3.9 Restrictions and Compulsory Transfer and Redemption**

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

If it comes to the notice of the ACD that any Shares ("affected Shares"):

- (a) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory; or
- (b) would result in the Company incurring any liability to taxation which the Company would not be able to recoup itself or suffering any other adverse consequence (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory);
- (c) are held in any manner by virtue of which the Shareholder or Shareholders in question is/are not qualified to hold such Shares or if it reasonably believes this to be the case or the holding of such shares might cause the Company or its shareholders a pecuniary or administrative disadvantage or other adverse consequence which the Company might not otherwise incur or suffer; or
- (d) are owned by a Shareholder who is registered in a jurisdiction (where the Fund is not registered or recognised by the relevant competent authority) whereby communication with that Shareholder by the ACD, on behalf of the Fund, might constitute a breach of the regulations in that jurisdiction (unless specific action is taken by the ACD to prevent such a communication constituting a breach),

or if the ACD is not satisfied that any Shares may not give rise to a situation discussed in (a) to (d) above, the ACD may give notice to the Shareholder(s) of the affected Shares requiring the transfer of such Shares to a person who is qualified or entitled to own them or that a request in writing be given for the redemption of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is

served does not within thirty days after the date of such notice transfer his affected Shares to a person qualified to own them or submit a written request for their redemption to the ACD or establish to the satisfaction of the ACD (whose judgement is final and binding) that he or the beneficial owner is qualified and entitled to own the affected Shares, he shall be deemed upon the expiry of that 30 day period to have given a request in writing for the redemption or cancellation (at the discretion of the ACD) of all the affected Shares.

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

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

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

The ACD may arrange for the Company to issue Shares in exchange for assets other than cash, but will only do so where the Depositary has taken reasonable care to determine that the Company's acquisition of those assets in exchange for the Shares concerned is not likely to result in any material prejudice to the interests of Shareholders. Where the ACD considers the deal to be substantial in relation to the total size of the Fund it may require the investor to contribute in specie. The ACD may consider a deal in this context to be substantial if the relevant Shares constitute 5% (or a lesser or higher percentage if considered appropriate) of those in issue in the relevant Fund.

The ACD will ensure that the beneficial interest in the assets is transferred to the Company with effect from the issue of the Shares.

The ACD will not issue Shares in any Fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Fund.

### **3.11 In specie redemptions**

If a Shareholder requests the redemption of Shares the ACD may, where it considers the deal to be substantial in relation to the total size of the Fund concerned or in some way detrimental to the Fund, arrange, having given prior notice in writing to the Shareholder, that, in place of payment for the Shares in cash, the Company transfers property or, if required by the Shareholder, the net proceeds of sale of the relevant property, to the Shareholder. Before the redemption proceeds of the Shares become payable, the ACD must give written notice to the Shareholder that the relevant property or the proceeds of sale of the relevant property will be transferred to that Shareholder

so that the Shareholder can require the net proceeds of redemption rather than the relevant property if he so desires.

For this purpose, the ACD may consider a deal to be substantial if the relevant Shares constitute 5% (or a lesser or higher percentage if considered appropriate) of those in issue in the relevant Fund.

The Depositary must take reasonable care to ensure that the property concerned would not be likely to result in any material prejudice to the interests of Shareholders.

The ACD will select the property to be transferred or sold in consultation with the Depositary.

### **3.12 Suspension of dealings in the Company or a Fund**

The ACD may, with the prior agreement of the Depositary, and must without delay if the Depositary so requires temporarily suspend the issue, cancellation, sale and redemption of Shares in any or all of the Funds where due to exceptional circumstances it is in the interests of all the Shareholders in the relevant Fund or Funds.

The ACD and the Depositary must ensure that the suspension is only allowed to continue for as long as is justified having regard to the interests of Shareholders.

The ACD or the Depositary (as appropriate) will immediately inform the FCA of the suspension and the reasons for it, and will follow this up as soon as practicable with written confirmation of the suspension and the reasons for it to the FCA and the regulator in each EEA state where the relevant Fund is offered for sale.

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

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

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

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

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

### **3.13 Governing law**

The Company, the Instrument of Incorporation, this Prospectus and any matters arising out of or in connection with a Shareholder's investment in the Company and the establishment, management and administration of the Company shall be governed by and construed in accordance with the laws of England and Wales. The rights of the Shareholders and the construction and effect of the provisions of the Instrument of Incorporation and this Prospectus shall be subject to the exclusive jurisdiction of the courts of England and Wales.

## **4. VALUATION OF THE COMPANY**

### **4.1 General**

There is only a single price for Shares. The price of a Share is calculated by reference to the Net Asset Value of the Fund to which it relates. The Net Asset Value per Share of a Fund is currently calculated on each Dealing Day at the Valuation Point of the Fund. For details of the Valuation Point of a Fund please see Appendix I.

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

The ACD will, upon completion of each valuation, notify the Depositary of the price of Shares, of each Class of each Fund and the amount of any dilution adjustment made in respect of any purchase or redemption of Shares.

A request for dealing in Shares must be received by the Valuation Point on a particular Dealing Day in order to be processed on that Dealing Day. A dealing request received after this time will be held over and processed on the next Dealing Day, using the Net Asset Value per Share calculated as at the Valuation Point on that next Dealing Day.

## 4.2 Calculation of the Net Asset Value

The value of the property of the Company or of a Fund (as the case may be) shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions:

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

4.2.2 Scheme Property which is not cash (or other assets dealt with in paragraphs 4.2.2.6 or 4.2.3 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

4.2.2.1 units or shares in a collective investment scheme:

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

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

(c) 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 or if the most recent price available does not reflect the ACD's best estimate of the value of the units or shares, at a value which, in the opinion of the ACD, is fair and reasonable.

4.2.2.2 exchange-traded derivative contracts:

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

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

4.2.2.3 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.

4.2.2.4 any other investment:

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

- (b) if separate buying and redemption prices are quoted, at the average of the two prices; or
  - (c) 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 or if the most recent price available does not reflect the ACD's best estimate of the value of the security, at a value which in the opinion of the ACD, is fair and reasonable.
- 4.2.2.5 Scheme Property other than that described in paragraphs 4.2.2.1, 4.2.2.2, 4.2.2.3 and 4.2.2.4 above, at a value which, in the opinion of the ACD, is fair and reasonable.
- 4.2.2.6 cash and amounts held in current and deposit accounts and in other time related deposits shall be valued at their nominal values.
- 4.2.3 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 and all consequential action required by the Regulations or the Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.
- 4.2.4 Subject to paragraphs 4.2.5 and 4.2.6 below, agreements for the unconditional sale or purchase of Scheme 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 if, in the opinion of the ACD, their omission will not materially affect the final net asset amount.
- 4.2.5 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 paragraph 4.2.4.
- 4.2.6 All agreements are to be included under paragraph 4.2.4 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.
- 4.2.7 An estimated amount for anticipated tax liabilities at that point in time including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, and any foreign taxes or duties will be deducted.
- 4.2.8 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) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, and stamp duty will be deducted.

- 4.2.9 The principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings will be deducted.
- 4.2.10 An estimated amount for accrued claims for tax of whatever nature which may be recoverable will be added.
- 4.2.11 Any other credits or amounts due to be paid into the Scheme Property will be added.
- 4.2.12 Currencies or values in currencies other than Sterling shall be converted at the relevant Valuation Point at a rate of exchange that is not likely to result in any material prejudice to the interests of Shareholders or potential Shareholders.
- 4.2.13 A sum representing any interest or any income accrued due or deemed to have accrued but not received will be added.

#### **4.3 Price per Share in each Fund and each Class**

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share. There will be a single price per Share. Any initial charge, or redemption charge is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

Each allocation of income made in respect of any Fund at a time when more than one Class is in issue in respect of that Fund shall be done by reference to the relevant Shareholder's proportionate interest in the income property of the Fund in question calculated in accordance with the Instrument of Incorporation.

#### **4.4 Fair Value Pricing**

Where the ACD has reasonable grounds to believe that:

- 4.4.1.1 no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- 4.4.1.2 the most recent price available does not reflect the ACD's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point,

it can value an investment at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price).

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

- 4.4.2.1 no recent trade in the security concerned; or
  - 4.4.2.2 suspension of dealings in an underlying collective investment scheme; or
  - 4.4.2.3 the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.
- 4.4.3 In determining whether to use such a fair value price, the ACD will include in their consideration but need not be limited to:
- 4.4.3.1 the type of authorised fund concerned;
  - 4.4.3.2 the securities involved;
  - 4.4.3.3 whether the underlying collective investment schemes may already have applied fair value pricing;
  - 4.4.3.4 the basis and reliability of the alternative price used; and
  - 4.4.3.5 the ACD's policy on the valuation of Scheme Property as disclosed in this Prospectus.

#### **4.5 Pricing basis**

The ACD deals on a forward pricing basis. A forward price is the price calculated at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.

#### **4.6 Publication of Prices**

The prices of all Share Classes are available on the ACD's website at: [www.valu-trac.com](http://www.valu-trac.com). The prices of Shares may also be obtained by calling 01343 880 344 during the ACD's normal business hours.

As the ACD deals on a forward pricing basis, the price that appears in these sources will not necessarily be the same as the one at which investors can currently deal. The ACD may also, at its sole discretion, decide to publish certain Share prices on third party websites or in publications but the ACD does not accept responsibility for the accuracy of the prices published in, or for the non-publication of prices by, these sources for reasons beyond the control of the ACD.

## **5. RISK FACTORS**

Potential investors should consider the below risk factors before investing in the Company (or, in the case of specific risks applying to specific Funds, in those Funds). This list must not be taken to be comprehensive as there may be new risks that arise in the future which could not have been anticipated in advance. Also, the risk factors listed will apply to different Funds to different degrees, and for a given Fund this degree could increase or reduce through time.

### **5.1 Market risk**

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in the value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount they invest in the Company. There is no certainty that the investment objective of any Fund will actually be achieved and no warranty or representation is given to this effect. Past performance is no guide to the future.

### **5.2 Effect of initial charge or redemption charge**

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

In particular, where a redemption charge is payable, investors should note that the percentage rate at which the redemption charge is calculated is based on the market value rather than the initial value of the Shares. If the market value of the Shares has increased the redemption charge will show a corresponding increase.

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

### **5.3 Dilution adjustment**

Investors should note that in certain circumstances a dilution adjustment may be applied to the price payable on the purchase or redemption of their Shares (see "Dilution Adjustment" at paragraph 3.6.4). Where dilution adjustment is not applied the Fund in question may incur dilution which may constrain capital growth.

### **5.4 Charges to capital**

Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee and other expenses may be charged against capital instead of against income. This treatment of the ACD's fee and other expenses will increase the amount of income (which may be taxable) available for distribution to Shareholders in the Fund concerned but may constrain capital growth. Currently none

of the Funds, other than the VT Tatton Oak Distribution Fund, charge the annual management charge and other expenses against capital but deduct from income instead. The VT Tatton Oak Distribution Fund charges the ACD fee and other expenses against capital.

### **5.5 Suspension of dealings in Shares**

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of Switching) may be suspended (see "Suspension of dealings in the Company or a Fund" at Paragraph 3.12).

### **5.6 Pricing and liquidity**

Where a Fund has exposure to alternative asset classes there is a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to a lack of liquidity in the relevant market. As a result, at times, the ACD may have to delay acting on instructions to sell investments, and the proceeds on redemption may be materially less than the value implied by the Fund's price.

### **5.7 Currency exchange rates**

Currency fluctuations may adversely affect the value of a Fund's investments and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in Shares.

Exchange rate changes may also cause the value of underlying overseas investments of a Fund and any income from them to go down as well as up.

### **5.8 Emerging markets**

Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets.

The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

The following is a brief summary of some of the more common risks associated with emerging markets investment:

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

**Lack of liquidity** – The accumulation and disposal of holdings may be more expensive, time consuming and generally more difficult than in more developed markets. Also, due to the lack of liquidity, volatility may be higher. Many emerging markets are small, have low trading volumes, low liquidity and significant price volatility.

**Currency fluctuations** – Significant changes in the currencies of the countries in which investments are made in respect of the currency of denomination of the relevant Fund may occur following the investment of the Company in these currencies. These changes may impact the total return of the Fund to a significant degree. In respect of currencies of certain emerging countries, it is not possible to undertake currency hedging techniques.

**Settlement and custody risks** – Settlement and custody systems in emerging markets are not as well developed as those in developed markets. Standards may not be as high and supervisory and regulatory authorities not as sophisticated. As a result there may be risks that settlement may be delayed and that cash or securities could be disadvantaged.

**Investment and remittance restrictions** – In some cases, emerging markets may restrict the access of foreign investors to securities. As a result, certain equity securities may not always be available to a Fund because the maximum permitted number of or investment by foreign shareholders has been reached. In addition, the outward remittance by foreign investors of their share of Net profits, capital and dividends may be restricted or require governmental approval. The Company will only invest in markets in which it believes these restrictions to be acceptable. However, there can be no guarantee that additional restrictions will not be imposed.

**Accounting** – Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to companies in emerging markets differ from those applicable in more developed markets in respect of the nature, quality and timeliness of the information disclosed to investors and, accordingly, investment possibilities may be difficult to properly assess.

## **5.9 Smaller companies**

Funds investing in smaller companies invest in transferable securities which may be less liquid than the securities of larger companies, as a result of inadequate trading volume or restrictions on trading. Securities in smaller companies may possess greater potential for capital appreciation, but also involve risks, such as limited product lines, markets and financial or managerial resources and trading in such securities may be subject to more abrupt price movements than trading in the securities of larger companies.

### **5.10 Sub investment grade bonds**

The Funds may hold sub-investment grade bonds. Such bonds have a lower credit rating than investment grade bonds and carry a higher degree of risk.

### **5.11 Overseas bonds and currencies**

From time to time, a Fund may invest in overseas bonds and currencies. These markets may respond to different influences to those that affect the underlying funds and accordingly carry a higher degree of risk.

### **5.12 Performance risk**

There will be a variation in performance between Funds with similar objectives due to the different assets selected. The degree of investment risk depends on the risk profile of the Fund chosen.

### **5.13 Inflation Risk**

Inflation will, over time, reduce the value of your investments in real terms.

### **5.14 Counterparty Risk**

When a Fund enters into a derivative contract it will be exposed to the credit of the other party (usually referred to as 'counterparty') and their ability to wholly or partly satisfy the terms of the contract.

In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and may incur significant losses. The ACD may use one or more counterparties to undertake derivative transactions on behalf of a Fund and may be required to pledge a Fund's assets as collateral against these transactions. There may be a risk that a counterparty will be unable to meet its obligations with regards to the return of the collateral and may not meet other payments due to a Fund which will affect the potential return to Shareholders.

### **5.15 Derivatives and volatility**

Derivative instruments may be used in the Funds for the purposes of Efficient Portfolio Management (EPM). **The use of derivatives for EPM should not lead to an increase in risk to the Fund.**

### **5.16 Non-UCITS Retail Schemes (NURS)**

The Company and the Funds are classed as NURS for the purposes of the rules in the FCA Handbook. Such funds can have wider investment and borrowing powers than UCITS schemes with higher investment limits in various areas. They can also invest to a greater extent in areas such as property and unregulated schemes and have the

option to borrow on a permanent basis. Such additional powers can increase potential reward, but may also increase risk.

### **5.17 Investing in other collective investment schemes**

Each Fund may invest in other regulated collective investment schemes. As an investor in another collective investment scheme, a Fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including management, performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Fund bears directly with its own operations.

### **5.18 Unregulated Collective Investment Schemes**

A Fund may invest, in total no more than 20% of the Scheme Property, in unregulated collective investment schemes which are generally considered to be a higher risk than investment in regulated schemes. An unregulated collective investment scheme is unlikely to be subject to regulations which govern how they are managed. For example, they can utilise higher risk investment techniques, they may borrow to invest, they can suspend calculation of net asset value preventing redemption or otherwise limit redemption, they may not adhere to internationally recognised accounting standards and functions such as pricing and custody may not be subject to any rules.

A Fund may also invest in unregulated collective investment schemes which are valued less frequently than the investing Fund. As a result, there is a risk that any market movements will not be reflected in the daily price of the Fund and that investors may miss out on unrealised profits from underlying investments.

### **5.19 Exchange Traded Funds (“ETFs”)**

The Funds may invest in Exchange Traded Funds. Exchange Traded Funds represent a basket of securities that are traded on an exchange and may not necessarily trade at the Net asset value of their underlying holdings. As a result, they may trade at a price that is above or below the value of the underlying portfolio.

### **5.20 Tax risk**

The rates of, and any relief from, taxation may change over time. Tax information is set out later in this document. If you have any doubts about your tax position, you should seek professional advice.

### **5.21 Regular Savings Plan**

If a Shareholder is making regular monthly investments in a Fund with a view to saving for a specific objective, they should regularly review whether these savings will be sufficient to achieve their objective. Shareholders may not achieve their objective if

they do not continue to invest regularly with a sufficient amount or if the investment does not appreciate sufficiently.

## **5.22 Cancellation Rights**

Where cancellation rights are applicable, if Shareholders choose to exercise their cancellation rights and the value of the investment falls before notice of cancellation is received by the ACD in writing, a full refund of the original investment may not be provided but rather the original amount less the fall in value.

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

In a referendum held on 23 June 2016, the UK voted to leave the European Union (informally known as "Brexit"). The formal process of implementing this decision exists in Article 50 of the Lisbon Treaty.

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

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

## **5.24 Cyber Security Risk**

As the use of technology has become more prevalent in the course of business, funds have become more susceptible to operational and financial risks associated with cyber security, including: theft, loss, misuse, improper release, corruption and destruction of, or unauthorised access to, confidential or highly restricted data relating to the Company and the Shareholders and compromises or failures to systems, networks, devices and applications relating to the operations of the Company and its service providers. Cyber security risks may result in financial losses to the Company and the Shareholders; the inability of the Company to transact business with the Shareholders; delays or mistakes in the calculation of the Net Asset Value or other materials provided to Shareholders; the inability to process transactions with Shareholders or the parties; violations of privacy and other laws,; regulatory fines, penalties and reputational damage; and compliance and remediation costs, legal fees and other expenses. The Company's service providers (including but not limited to the ACD and the Depositary and their agents), financial intermediaries, companies in which a Fund invests and parties with which the Company engages in portfolio or other transactions also may be adversely impacted by cyber security risks in their own business, which could result in losses to the Company or the Shareholders. While measures have been developed which are designed to reduce the risks associated with cyber security, there is no guarantee that those measures will be effective, particularly

since the Company does not directly control the cyber security defences or plans of its service providers, financial intermediaries and companies in which the Fund invests or with which it does business.

## **5.25 Leverage**

Leverage of the Company's assets is limited to the permanent borrowing referred to in section 24 (Borrowing powers and Leverage) of Appendix III (Investment and Borrowing Powers of the Company).

**6. MANAGEMENT AND ADMINISTRATION**

**6.1 Regulatory Status**

The ACD, the Depositary, the Custodian, and the Investment Manager are authorised and regulated by the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN.

**6.2 Authorised Corporate Director**

**6.2.1 General**

The ACD and AIFM of the Company is Valu-Trac Investment Management Limited which is a private company limited by shares incorporated in England and Wales on 3 October 1989 with company number 02428648.

The directors of the ACD are:

- R Peter W Millar
- Anne Laing
- Martin Henderson
- Douglas Halley
- Michael Barron

The directors of the ACD and their significant business activities (if any) not connected with the business of the ACD are as set out in Appendix IV.

<b>Registered Office:</b>	Level 13 Broadgate Tower, 20 Primrose Street, London, EC2A 2EW
<b>Principal Place of Business</b>	Mains of Orton, Orton, Moray, IV32 7QE
<b>Share Capital:</b>	£1,673,295 ordinary shares of £1 each issued and paid up .
<b>Ultimate Holding Company:</b>	Valu-Trac Limited, a company incorporated in Bermuda.

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

It has therefore delegated to the Investment Manager the function of managing and acting as the investment advisers for the investment and reinvestment of the assets of the Funds (as further explained in paragraph 6.4 below).

#### 6.2.2 **Terms of Appointment:**

The appointment of the ACD has been made under an agreement between the Company and the ACD, as amended from time to time (the "**ACD Agreement**").

Pursuant to the ACD Agreement, the ACD manages and administers the affairs of the Company in accordance with the Regulations, the Instrument of Incorporation and this Prospectus. The ACD Agreement incorporates detailed provisions relating to the ACD's responsibilities. It also excludes the ACD from liability to the Company or any Shareholder for any error of judgment or loss suffered in connection with the subject matter of the ACD Agreement, unless arising as a direct consequence of recklessness, fraud, bad faith, wilful default or negligence in the performance or non-performance of its obligations and functions under the ACD Agreement. Any liability for defaults of a person to whom it has delegated certain functions is also limited to the extent permitted by the Regulations.

The Company has agreed to indemnify the ACD to the extent permitted by the COLL Sourcebook (for itself and its delegates) against claims and expenses that arise in respect of their duties, except where there is fault on its or their part of the kind referred to above.

Details of the fees payable to the ACD are set out in the paragraph headed "Charges payable to the ACD" below.

The ACD (or its associates or any affected person) is also under no obligation to account to the Depositary, the Company or the Shareholders for any profit it makes on the issue or re-issue or cancellation of Shares which it has redeemed. The ACD may carry out or arrange for the carrying out of stock lending transactions in respect of the Funds. The ACD reserves the right to receive a fee in relation to stock lending, subject to giving Shareholders 60 days' written notice of the details of such fees.

The ACD Agreement will continue unless and until terminated by resolution of the Company in general meeting on 6 months' prior notice to the ACD, or earlier on certain types of breaches or the insolvency of a party.

The Company has no directors other than the ACD. The ACD is the authorised corporate director of certain open-ended investment companies details of which are set out in Appendix IV.

## **6.3 The Depositary**

### **6.3.1 General**

NatWest Trustee and 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 The Royal Bank of Scotland Group plc, which is incorporated in Scotland. The principal business activity of the Depositary is the provision of trustee and depositary services. The Depositary is authorised and regulated by the FCA. It is authorised to carry on investment business in the United Kingdom by virtue of its authorisation and regulation by the regulator.

#### *Duties of the Depositary*

The Depositary is responsible for the safekeeping of property of the Company, 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 Company document.

#### *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 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 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.

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

### *Delegation*

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

The Depositary has delegated safekeeping of the Company property to RBC Investor Services Trust (UK Branch) ("the Custodian"). In turn, the Custodian has delegated the custody of assets in certain markets in which the Company may invest to various sub-delegates ("sub-custodians").

### *Additional Information*

Up-to-date information regarding the Depositary, its duties, its conflicts of interest and the delegation of its safekeeping functions (including the list showing the identity of each delegate and sub-delegate) will be made available to shareholders on request

#### **6.3.2 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 Company will indemnify the Depositary 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 6 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.

## **6.4** Details of the fees payable to the Depositary are given in paragraph 7.6 below. . **The Investment Manager**

### **6.4.1 General**

The ACD has appointed Tatton Investment Management Limited (the "Investment Manager"), as the investment adviser to the ACD in relation to the Funds. The Investment Manager is authorised and regulated by the FCA. The Investment Manager's principal activity is the provision of investment management services.

The Investment Manager's registered office is at Paradigm House, Brooke Court, Wilmslow, Cheshire, SK9 3ND.

Tatton Investment Management Limited partner with highly experienced and globally recognised experts in strategic asset allocation for risk profiled investment portfolios.

### **6.4.2 Terms of Appointment:**

Under the terms of an agreement between Tatton and the ACD (in this paragraph, the "**Investment Management Agreement**"), Tatton has the authority of the ACD to make decisions on behalf of the ACD in respect of the investments of the Funds, subject always to the provisions of the Instrument, the Prospectus, the Regulations, and the investment objectives and policies of the Funds. Tatton is also authorised to deal on behalf of the Funds. Subject to instances where the Investment Management Agreement may be terminated with immediate effect in the interests of the shareholders, the Investment Management Agreement may be terminated by either party giving the other at least 6 months' written notice.

Under the terms of the Investment Management Agreement, Tatton may delegate to any person the performance of its duties and services required to be performed by it under the Investment Management Agreement.

## **6.5 The Registrar and Administrator**

### **6.5.1 General**

The ACD also acts as registrar and administrator to the Company.

### 6.5.2 Register of Shareholders

The Register of Shareholders will be maintained by the ACD at the address of its registered office as noted above, and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent.

The plan register (being a record of persons who subscribe for Shares through ISA plans) can be inspected at the office of the ACD.

## 6.6 The Auditors

The auditor of the Company is Johnston Carmichael LLP, whose address is Commerce House, South Street, Elgin, IV30 1JE.

### 6.7 The Auditors are responsible for auditing the annual accounts of the Company and expressing an opinion on certain matters relating to the Company in the annual report including whether its accounts have been prepared in accordance with applicable accounting standards, the Regulations and the Instrument of Incorporation. **Conflicts of Interest**

The ACD, Investment Manager and the Depositary 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 particular, subject to compliance with the COLL Sourcebook and FUND Sourcebook, the ACD and the Investment Manager may, from time to time, act as managers to other funds or sub-funds which follow similar investment objectives to those of the Funds. It is therefore possible that the ACD and/or Investment Manager and/or Depositary may in the course of their business have potential conflicts of interest with the Company or a particular Fund. The ACD and/or Investment Manager and/or Depositary will, however, have regard in such event to the ACD's obligations under the ACD Agreement and, in particular, to its obligation to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when undertaking any investment business where potential conflicts of interest may arise.

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

The Investment Managers may manage other accounts/portfolios with similar investment objectives to the Funds.

## **7. FEES AND EXPENSES**

### **7.1 General**

The fees, costs and expenses relating to the the offer of Shares, the preparation and printing of this Prospectus and the fees of the professional advisers to the Company in connection with the offer will be borne by the Company.

Each Fund formed after this Prospectus is superseded may bear its own direct establishment costs.

The Company may pay out of the property of the Company any liabilities arising on the unitisation, amalgamation or reconstruction of the Company or of any Fund.

All fees, costs, charges or expenses payable by a Shareholder or out of the property of the Company or each Fund (as the case may be) are set out in this section 7. The Company or each Fund (as the case may be) may, so far as the COLL Sourcebook allows, also pay out of the property of the Company or each Fund (as the case may be) all relevant fees, costs, charges and expenses incurred by the Company or each Fund (as the case may be), which will include the following:

- 7.1.1 The charges and expenses payable to the ACD (which will include the fees and expenses payable to the Depositary, the Investment Manager;
- 7.1.2 fees and expenses in respect of establishing and maintaining the Register of Shareholders (and any plan sub-register) and related functions;
- 7.1.3 transaction costs (including, without limitation, fees and/or expenses incurred in acquiring, registering and disposing of investments);
- 7.1.4 expenses incurred in producing, distributing and dispatching income and other payments to Shareholders;
- 7.1.5 fees in respect of the publication and circulation of details of the Net Asset Value and prices;
- 7.1.6 the fees and expenses of the auditors and tax, legal and other professional advisers of the Company;
- 7.1.7 the costs of convening and holding Shareholder meetings (including meetings of Shareholders in any particular Fund, or any particular Class within a Fund);
- 7.1.8 costs incurred in taking out and maintaining any insurance policy in relation to the Company and/or its Directors;
- 7.1.9 expenses incurred in company secretarial duties, including the cost of minute books and other documentation required to be maintained by the Company;

- 7.1.10 payments, costs or any other administrative expenses in relation to the preparation of and dissemination of literature required or necessary for the purpose of complying with the Regulations or any other applicable law or regulation (excluding the cost of disseminating the simplified prospectus or equivalent successor documentation);
- 7.1.11 tax and duties payable by the Company;
- 7.1.12 interest on and charges incurred in borrowings;
- 7.1.13 any amount payable by the Company under any indemnity provisions contained in the Instrument of Incorporation or any agreement with any functionary of the Company;
- 7.1.14 fees of the FCA under the Financial Services and Markets Act 2000 and the corresponding periodic fees of any regulatory authority in a country or territory outside the United Kingdom in which Shares are or may lawfully be marketed;
- 7.1.15 fees and expenses associated with administration of the Funds and pricing of the Shares;
- 7.1.16 any payments otherwise due by virtue of changes to the Regulations;
- 7.1.17 costs in respect of communications with investors;
- 7.1.18 fees of any paying, representative or other agents of the Company or the ACD;
- 7.1.19 any costs in modifying the ACD Agreement and any other relevant document required under the Regulations; and
- 7.1.20 the fees of any stock lending agent and the fees of the ACD for arranging any stock lending, subject to giving Shareholders 60 days' prior written notice of the details of these fees.
- 7.1.21 in respect of the Overlay Funds only – the Overlay Funds may from time to time invest in share classes of collective investment schemes ("CIS") that have very low or zero charges. Such a CIS may have an agreement with the management company of the CIS whereby the annual management charge is agreed and paid directly by the unitholder to the management company of the CIS and not deducted from the investment, in which case the charges and expenses payable to the management company of such CIS will be borne by the relevant Overlay Fund.

VAT may be payable on these charges.

It is not currently proposed to seek a listing for the Shares on any stock exchange, but if a listing is sought in the future the fees connected with the listing will be payable by the Company.

Expenses are allocated between capital and income in accordance with the COLL Sourcebook.

## **7.2 Costs relating to EPM**

Certain direct and indirect operational costs and/or fees may arise from time to time as a result of Efficient Portfolio Management techniques being used for the benefit of the Company and/or the Funds. These costs and/or fees are regarded as transaction costs and, therefore, would fall within 7.1.3 above. Further details on the payment of costs and/or fees relating to Efficient Portfolio Management techniques will be set out in the Annual Report.

## **7.3 Charges payable to the ACD**

In payment for carrying out its duties and responsibilities the ACD is entitled to take an annual management charge out of each Fund. The annual management charge is calculated and accrued on a daily basis by reference to the Net Asset Value of the Fund on the previous Dealing Day and the amount due for each month is payable on the last working day of the month. The current annual management charge for each Fund (expressed as a percentage per annum of the Net Asset Value of each Fund) is set out in Appendix I.

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

VAT may be payable on these charges.

Where the investment objective of a Fund is to treat the generation of income as a higher priority than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fees may be charged against capital instead of against income as set out in Appendix I. This will only be done with the approval of the Depositary. This treatment of the ACD's fee will increase the amount of income (which may be taxable) available for distribution to Shareholders in the Fund concerned, but may constrain capital growth.

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

## **7.4 Increase in the charges payable to the ACD**

Any increase of the annual management charge by the ACD will be carried out in accordance with the Regulations.

## 7.5 Depositary's fees and expenses

The Depositary receives for its own account, a periodic fee which will accrue and is due monthly on the last Valuation Point in each calendar month in respect of that day and the period since the last Valuation Point in the preceding month and is payable within seven days after the last Valuation Point in each month. The fee is calculated by reference to the value of the Fund on the last Valuation Point of the preceding month. The rate of the periodic fee shall be as agreed between the ACD and the Depositary from time to time and is currently based on the value of each Sub-Fund:

- Up to £100 million – 2 bps per annum
- £100 million to £200 million – 1.75 bps per annum
- thereafter – 1.5 bps per annum

(plus VAT) subject to a minimum of £15,000 (plus VAT) per annum per Fund.

These rates can be varied from time to time in accordance with the OEIC Regulations and the FCA Rules.

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 safekeeping of the Scheme Property as follows:

Item	Range
Custody charges:	0.0% to 0.12%

Transaction charges: £0 to £40 per transaction

(Charges for principal investment markets are as follows: UK – Custody: 0.004% (0.009% for CIS); Transaction: £4 per transaction (£6 for CIS))

Transaction and custody 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, the Depositary and the Custodian.

**Currently the Depositary's periodic fee above is paid by the ACD from the ACD fee however the ACD has discretion to vary this practice at any time in accordance with the Regulations.**

Where relevant, the Depositary may make a charge for (or otherwise benefit from)

providing services in relation to: distributions, the provision of banking services, holding money on deposit, lending money or engaging in stock lending or derivative transactions in relation to the Company and may purchase or sell or deal in the purchase or sale of Scheme Property, provided always that the services concerned and any such dealing are in accordance with the provisions of the OEIC Regulations and the FCA Handbook.

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 of Incorporation, the OEIC Regulations, the Rules or the general law.

On a winding up of the Company, termination of a Fund or the redemption of all outstanding Shares of a Class the Depositary is entitled to its pro rata fees and expenses to the date of such winding up, termination or redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.

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

Any of the Depositary's fees, charges and expenses described above may be payable to 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 by the Depositary pursuant to the FCA Rules.

## **7.6 Investment Manager's Fees**

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

## **7.7 Allocation of fees and expenses between Funds**

All the above fees, duties and charges (other than those borne by the ACD) will be charged to the Fund in respect of which they were incurred. Where an expense is not considered to be attributable to any one Fund, the expense will normally be allocated to all Funds pro rata to the value of the Net Asset Value of the Funds, although the ACD has discretion to allocate these fees and expenses in a manner which it considers fair to Shareholders generally.

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

### **8.1 Class and Fund Meetings**

The Company has dispensed with the need to hold Annual General Meetings.

The provisions below, unless the context otherwise requires, apply to Class meetings and meetings of Funds as they apply to general meetings of the Company, but by reference to Shares of the Class or Fund concerned and the Shareholders and value and prices of such Shares.

### **8.2 Requisitions of Meetings**

The ACD may requisition a general meeting at any time.

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.

### **8.3 Notice and Quorum**

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

### **8.4 Voting Rights**

At a general meeting, 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.

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 of all the Shares in issue at the date seven days before the notice of meeting is sent out.

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.

In the case of joint Shareholders, the vote of the senior who votes, whether in person or by proxy, must be accepted to the exclusion of the votes of the other joint Shareholders.

For this purpose, seniority must be determined by the order in which the names stand in the Register.

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

The ACD may not be counted in the quorum for a meeting and neither the ACD nor any associate (as defined in the COLL Sourcebook) of the ACD is entitled to vote at any meeting of the Company except in respect of Shares 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 all the Shares in a Fund are registered to, or held by, the ACD or its associates and they are therefore prohibited from voting and a resolution (including an extraordinary resolution) is required to conduct business at a meeting, it shall not be necessary to convene such a meeting and a resolution may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing 50% or more, or for an extraordinary resolution 75% or more, of the Shares in issue.

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

## **9. TAXATION**

### **9.1 General**

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, which are subject to change. It summarises the tax position of the Funds and of investors who are United Kingdom resident (except where indicated) and hold Shares as investments. Prospective investors who are in any doubt about their tax position, or who may be subject to tax in a jurisdiction other than the United Kingdom, are recommended to take professional advice.

### **9.2 The Funds**

Each Fund is treated as a separate entity for United Kingdom tax purposes.

The Funds are generally exempt from United Kingdom tax on capital gains realised on the disposal of investments (including interest-paying securities and derivatives but excluding on non-reporting offshore funds) held within them.

Dividends from United Kingdom and non-United Kingdom companies are received by a Fund with a tax credit and no further tax is payable by the Fund on that income. The Funds will each be subject to corporation tax at 20% on most other types of income but after deducting allowable management expenses and the Gross amount of any interest distributions. Where a Fund suffers foreign tax on income received, this may normally be treated as an expense or deducted from any United Kingdom tax payable on that income.

The charging of Stamp duty reserve tax ("SDRT") (at a rate of 0.5%) on the redemption of shares has now been abolished except from in relation to non-pro rata in specie redemptions.

### **9.3 Shareholders**

#### **9.3.1 Income - Equity Funds**

Funds which are so called "Equity" Funds for the purposes of tax will pay any distributable income as dividend distributions, (which will be automatically retained in the Fund in the case of accumulation Shares). Details of whether a particular Fund is an "Equity" Fund or a "Bond" Fund for tax purposes are set out in Appendix I.

#### ***UK resident individual Shareholders***

When the Company makes a dividend distribution a UK resident individual Shareholder may be liable to tax on such distribution.

For UK resident individuals, no income tax is payable in respect of the first £2,000 of dividend income received from all sources in the tax year (although such income will still count towards the basic, higher and additional rate thresholds).

Individuals should note that if the receipt of dividend income takes them from one band/tier of UK personal taxation to another, the tax due on the excess dividend income over the annual allowance will be at the rates applicable to the new band/tier.

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from income tax on dividend distributions in respect of Shares.

***Corporate Shareholders within the scope of corporation tax***

A dividend distribution made by the Company in respect of income Shares (or deemed to be made in respect of accumulation Shares) to a corporate Shareholder within the charge of corporation tax in respect of its investment in the Company will be split into franked and unfranked parts according to the underlying gross income of the Company. Very broadly, the unfranked part corresponds to such part of the Company's gross income as does not derive from franked investment income, The franked part will be treated in the same way as exempt dividend income received by a UK resident corporate Shareholder. The unfranked part will be treated as an annual payment received after deduction of income tax at the basic rate, (currently 20%) from a corresponding gross amount and the corporate shareholder will be liable to tax on the it accordingly, but with the benefit of credit for, or (subject to any applicable restrictions) repayment of the income tax deducted at source.

**Non-UK resident Shareholders**

Dividend distributions will be made gross to shareholders who are not UK resident. Non-resident Shareholders who are individuals are not liable to UK income tax on the dividend distribution. Non-UK resident Shareholders are recommended to seek professional advice as to the tax consequences of receiving a dividend distribution under the law of the jurisdiction of their residence.

Non-resident trusts may be chargeable to UK income tax on distributions made by the Company and are recommended to seek professional advice.

**9.3.2 Income - Bond Funds**

Funds which are so called "Bond" Funds for the purposes of tax currently pay interest distributions (which will be automatically retained in the case of accumulation Shares). Details of whether a particular Fund is an "Equity" Fund or a "Bond" Fund for tax purposes are set out in Appendix I.

With effect from 6 April 2017, interest distributions be paid gross to Shareholders (with no income tax deducted from the payment).

UK resident individual Shareholders will (subject to any available allowance) be subject to income tax at the relevant rate on any interest distributions (or deemed distribution from accumulation Shares) from any Fund of the Company.

A UK resident individual Shareholder may be entitled to a personal savings allowance in each tax year (the amount of the allowance, if any, depends on whether the taxpayer is a basic, higher or additional rate taxpayer).

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from income tax on interest distributions in respect of such Shares.

A corporate Shareholder within the charge to UK corporation tax in respect of a shareholding will be subject to corporation tax on any interest distributions (or deemed distribution from accumulation Shares) from any Fund of the Company.

Non-United Kingdom resident Shareholders may be entitled to a refund from HM Revenue & Customs of the tax deducted from their interest distributions (or a proportion of it). This will depend on their personal circumstances and the terms of any double taxation agreement between their country of residence and the United Kingdom.

Currently no Bond Funds are available within the Company.

### 9.3.3 **Reporting requirements**

The Company may be required to report details of interest distributions paid to United Kingdom residents.

The Company may also report information about Shareholders to HMRC in compliance with its domestic (and any overseas) obligations relating to FATCA. For more information, see section 3.1.1 above.

### 9.3.4 **Income equalisation**

The first income allocation received by an investor after buying Shares may include an amount of income equalisation. This is effectively a repayment of the income equalisation paid by the investor as part of the purchase price. It is a return of capital, and is not taxable. Rather it should be deducted from the acquisition cost of the Shares for capital gains tax purposes. Equalisation will be applied on all of the Funds.

### 9.3.5 **Capital Gains**

#### ***UK resident individual Shareholders***

An individual Shareholder will be liable to capital gains tax on any chargeable gain accruing on the disposal or deemed disposal (including redemption, switches and certain conversions) of Shares in the Company. Capital gains tax is generally charged at rates of 10% and 20%, dependent on an individual's total amount of taxable income and gains within a tax year. An individual Shareholder may also be entitled to set all or part of any gains against their annual capital gains tax exemption.

A UK resident individual Shareholder who holds their Shares in an ISA will be exempt from capital gains tax on any gain accruing on the disposal or deemed disposal of Shares.

Individual Shareholders will find further information in HM Revenue and Customs Help Sheets for the capital gains tax pages of their tax returns.

#### ***Corporate Shareholders within the scope of corporation tax***

Subject to the possible application of the rules treating a shareholding in the Company as a loan relationship, a corporate Shareholder within the charge to corporation tax in respect of its investment in the Company will be liable to corporation tax on any chargeable gain accruing to it on the disposal or deemed disposal (including redemption, switches and certain conversions) of its Shares in the Company. An indexation allowance may be available to reduce or eliminate such a gain but not to create or increase an allowable loss.

### **9.4 Inheritance Tax**

A gift by an individual Shareholder who is domiciled (or deemed domiciled) in the UK for inheritance tax purposes of their Shares in the Company or the death of such a Shareholder may give rise to a liability to inheritance tax. For these purposes, a transfer of Shares at less than the full market value may be treated as a gift.

### **9.5 Stamp Duty Reserve Tax (SDRT)**

Investors will be liable to SDRT at 0.5% on acquiring Shares from a third party (that is other than on an issue of Shares by the Company). SDRT may also apply in cases where an investor redeems Shares in consideration of a transfer of assets of the Company other than cash (i.e. an in specie redemption) where that consideration is non-pro rata (i.e. not in proportion to the total assets of the Company).

## **9.6 OECD Common Reporting Standard (CRS)**

To satisfy the requirement for the automatic exchange of financial information between tax authorities worldwide, CRS countries must obtain information from relevant clients and exchange that information with the tax authorities of other CRS countries. In the UK the CRS system was mandated by 'The International Tax Compliance Regulations 2015'.

As of 1 January 2016, the ACD is required to compile information about all accounts in existence as of 31 December 2015, and all new accounts opened on or after 1 January 2016, and from 2017 report the information to HM Revenue and Customs.

## **9.7 FATCA**

The Foreign Account Tax Compliance Act (FATCA) is a piece of legislation introduced by the United States Government to help counter US tax evasion by encouraging more effective reporting of information.

In the United Kingdom, the principles of FATCA have been brought into local law. This means the ACD will need to provide information on US accounts to the local tax authority, HM Revenue and Customs (HMRC).

For further information on FATCA please refer to the International Tax Reporting section on page 1 of this Prospectus.

## **10. WINDING UP OF THE COMPANY OR TERMINATION OF A FUND**

The Company will not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under the COLL Sourcebook. A Fund may only be terminated under the COLL Sourcebook.

Where the Company is to be wound up or a Fund is to be terminated under the COLL Sourcebook, such winding up or termination 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) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under the COLL Sourcebook if there is a vacancy in the position of ACD at the relevant time.

The Company may be wound up or a Fund must be terminated under the COLL Sourcebook:

- 10.1** if an extraordinary resolution to that effect is passed by Shareholders; or
- 10.2** when the period (if any) fixed for the duration of the Company or a particular Fund by the Instrument of Incorporation expires, or any event occurs on the occurrence of which the Instrument of Incorporation provides that the Company or a particular Fund is to be wound up or terminated (as appropriate) (for example, if the share capital of the Company or (in relation to any Fund) the Net Asset Value of the Fund is below £10 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 Fund); or
- 10.3** on the date 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 Fund; or
- 10.4** on the effective date of a duly approved scheme of arrangement which is to result in the Company ceasing to hold any Scheme Property.

On the occurrence of any of the above:

- 10.5** COLL 6.2 (Dealing), COLL 6.3 (Valuation and Pricing) and COLL 5 (Investment and borrowing powers) will cease to apply to the Company or the relevant Fund;
- 10.6** the Company will cease to issue and cancel Shares in the Company or the relevant 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 Fund;
- 10.7** no transfer of a Share shall be registered and no other change to the Register of Shareholders shall be made without the sanction of the ACD;
- 10.8** where the Company is being wound up, the Company shall cease to carry on its business except in so far as it is beneficial for the winding up of the Company;
- 10.9** the corporate status and powers of the Company and subject to 10.5 to 10.8 above, the powers of the Depositary shall continue until the Company is dissolved.
- 10.10** The ACD shall, as soon as practicable after the Company or the Fund falls to be wound up or terminated (as appropriate), realise the assets and meet the liabilities of the Company and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up or termination, arrange for the Depositary to make one or more interim distributions out of the proceeds to Shareholders proportionately to their rights to participate in the property of the Company or the Fund. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the property to be realised and all of the liabilities of the Company or the particular Fund to be realised, the ACD shall arrange for the Depositary to make a final distribution to Shareholders on or prior to the date on which the final account is sent to Shareholders of any balance remaining in proportion to their holdings in the Company or the particular Fund.
- 10.11** As soon as reasonably practicable after completion of the winding up of the Company or the termination of a particular Fund, the Depositary shall notify the FCA that the winding up or termination has been completed.
- 10.12** On completion of a winding up of the Company, the Company will be dissolved and any money (including unclaimed distributions) still standing to the account of the Company, will be paid into court by the ACD within one month of the dissolution.
- 10.13** Following the completion of a winding up of the Company or the termination of a Fund, the ACD must prepare a final account showing how the winding up or termination took place and how the 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 and to each Shareholder (or the first named of joint Shareholders) on it within two months of the completion of the winding up or termination.

## **11. GENERAL INFORMATION**

### **11.1 Accounting Periods**

The annual accounting period of the Company ends each year on 30 April (the accounting reference date) with an interim accounting period ending on 31 October.

### **11.2 Income Allocations**

Some Funds may have interim and final income allocations and other Funds may have quarterly income allocations and some Funds may only have final income allocation dates (see Appendix I). For each of the Funds income is allocated in respect of the income available at each accounting date.

In relation to income Shares, distributions of income for each Fund in which income Shares are issued are paid by BACS directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in Appendix I. Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

For Funds in which accumulation Shares are issued, income will become part of the capital property of the Fund and will be reflected in the price of each such accumulation Share as at the end of the relevant accounting period.

If a distribution made in relation to any income Shares remains unclaimed for a period of six years after it has become due, it will be forfeited and will revert to the relevant Fund (or, if that no longer exists, to the Company).

The amount available for accumulation or distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Fund in respect of that period, and deducting the charges and expenses of the relevant 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 Company's auditors as appropriate) in relation to taxation, income equalisation, income unlikely to be received within 12 months following the relevant income allocation date, income which should not be accounted for on an accrual basis because of lack of information as to how it accrues, transfers between the income and capital account and other matters.

With the agreement of the Depositary individual amounts of income of £10 or less may not be paid.

### **11.3 Annual Reports**

The annual report of the Company will be published within four months of each annual accounting period and the half yearly report will be published within two months of each interim accounting period. A report containing the full accounts is available to any person free of charge upon request to the ACD directly.

The reports of the Company shall (if relevant) contain details of:

- (a) the percentage of each Fund's assets that are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements that the ACD has made for managing a Fund's liquidity;
- (c) each Fund's current risk profile and the risk management systems employed by the ACD to manage those risks.

### **11.4 Information made Available to Shareholders**

Under the AIFMD, the ACD must periodically disclose to Shareholders certain information in relation to the Funds. This includes providing disclosure on each Fund's risk profile, which, as prescribed in the AIFMD, shall outline: (i) the measures used to assess the sensitivity of a Fund's portfolio to the most relevant risks to which that Fund is or could be exposed; and (ii) if risk limits set by the ACD have been or are likely to be exceeded and, where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken.

The following information will be made available to Shareholders, as a minimum, as part of a Fund's annual report:

- the percentage of each Fund's assets which are subject to special arrangements arising from their illiquid nature;
- the current risk profile of each Fund and the risk management systems employed by the ACD to manage those risks; and
- the total amount of leverage employed by each Fund.

Shareholders will also be provided with information regarding changes to: (i) the maximum level of leverage which a Fund, or the ACD on that Fund's behalf, may employ; or (ii) the rights for re-use of collateral under a Fund's leveraging arrangements; or (iii) any guarantee granted under a Fund's leveraging arrangements. This information will be made available to Shareholders, without undue delay following the occurrence of that change, usually by way of update to this Prospectus. Where required, such change will be preceded by notification to Shareholders.

It is intended that Shareholders will be notified immediately if a Fund activates liquidity management arrangements in relation to the Fund, or if the ACD decides to suspend redemptions. Shareholders will be notified whenever the ACD makes material changes to the liquidity management arrangements and procedures employed in respect of a Fund.

The liquidity management arrangements that may be implemented in respect of a Fund are those permitted under COLL. No Fund currently has the power to use such liquidity management arrangements; however Shareholders will be notified in accordance with FUND and COLL (where applicable) if any such arrangements are introduced in the future.

### **11.5 Documents of the Company**

The following documents may be inspected free of charge during normal business hours on any business day at the offices of the ACD at Orton, Moray, IV32 7QE:

- 11.5.1 the most recent annual and half yearly reports of the Company;
- 11.5.2 the Prospectus;
- 11.5.3 the Instrument of Incorporation (and any amending documents); and
- 11.5.4 the material contracts referred to below.

Shareholders may obtain copies of the above documents from the ACD. The ACD may make a charge at its discretion for copies of the above documents (apart from the most recent annual and half yearly reports of the Company, the Instrument of Incorporation and the Prospectus which are available free of charge).

### **11.6 Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

- 11.6.1 the ACD Agreement dated 20th March 2009 between the Company and the ACD; and
- 11.6.2 the Depositary Agreement dated 22<sup>nd</sup> July 2014 between the Company the Depositary and the ACD.

Details of the above contracts are given under section 6 "Management and Administration".

### **11.7 Provision of Investment Advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD at Valu-Trac Investment Management Limited, Mains of Orton,

Orton, Moray, IV32 7QE. The ACD will not provide investment advice and persons requiring such advice should consult a professional financial adviser. All applications for Shares are made solely on the basis of the current prospectus of the Company, and investors should ensure that they have the most up to date version.

### **11.8 Telephone Recordings**

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

### **11.9 Complaints**

Complaints concerning the operation or marketing of the Company may be referred to the Complaints Officer of the ACD at Valu-Trac Investment Management Limited, Mains of Orton, Orton, Moray, IV32 7QE or, if you subsequently wish to take your complaint further, direct to the Financial Ombudsman Service at Exchange Tower, London E14 9SR.

### **11.10 Indemnity**

The Instrument of Incorporation contains provisions indemnifying the Directors, other officers and the Company's auditors or the Depositary (each an "Indemnified Person") against any liability incurred by any one of them in defending proceedings (whether civil or criminal) for negligence, default, breach of duty or breach of trust, in each case in relation to the Company in which judgment is given in favour of the Indemnified Person or if such Indemnified Person is acquitted or in connection with any application under Regulation 63 of the OEIC Regulations in which relief is granted to such Indemnified Person by the court; and the indemnity shall not apply to any liability to the extent that it is recovered from another person.

### **11.11 Data Protection**

The information provided by an applicant on an application form (or afterwards) will be held and processed by the Administrator and/or the ACD as "data controller" for the purposes of the Data Protection Act 1998. The Administrator, the ACD and/or the Company may hold and process information for the administration and for the operation of the applicant's investment (including, for example, for registration and distribution purposes) for the purposes of statistical analysis, and the marketing of goods and services by the ACD.

The ACD may transfer information to other companies in its group and to third party agents of such companies or us for any of the above purposes. Such third party agents may be in countries located outside of the European Economic Area (EEA). The ACD will take steps to ensure that an applicant's privacy rights are respected since these countries may not have comprehensive data protection and other laws as countries in the EEA. Where an authorised financial adviser acts on your behalf, the ACD will disclose

information concerning a Shareholder's investment to that financial adviser. Information on the processing of personal data by the ACD is contained in the privacy policy available at [www.valu-trac.com](http://www.valu-trac.com).

Other than as noted above, the ACD will not provide any other third party with any information about a Shareholder unless that Shareholder has given consent or unless the ACD is required to do so by law.

A Shareholder is entitled to request details of information held about it upon payment of a fee and to require the correction of any inaccuracies in its personal data.

### **11.12 Financial Services Compensation Scheme**

Shareholders who are "Eligible Complainants" for the purposes of the FCA "Dispute Resolutions Complaints" rules (natural persons, micro-enterprises and certain charities or trustees of a trust) are able to refer any complaints against the ACD or the Depository to the Financial Ombudsman Service ("FOS") (further details of which are available at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)). Additionally, Shareholders may be eligible for compensation under the Financial Services Compensation Scheme ("FSCS") if they have claims against the ACD, Depository or another FCA authorised service provider (including the Investment Manager) which is in default. There are limits on the amount of compensation available. Further information about the FSCS is at [www.fscs.org.uk](http://www.fscs.org.uk). To determine eligibility in relation to either the FOS or the FSCS, unit holders should consult the respective websites above and speak to their legal advisers.

### **11.13 Use of Dealing Commissions**

The ACD may effect transactions or arrange for the effecting of transactions through brokers with whom it has arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the ACD as permitted under the FCA Rules. Specifically, the ACD may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgement of the ACD, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of substantive research, analysis and advisory services, including (depending on the precise nature of the services) market price services, electronic trade confirmation systems or third party electronic dealing or quotation systems, may be used by the ACD in connection with transactions in which the Company may or may not participate.

Save as disclosed herein, no commissions are payable and no discounts, brokerages or other special terms have been granted by the Company in connection with the issue of the Shares. The ACD does not currently receive any fees or commissions, and is not provided with non-monetary benefit. To the extent the ACD will receive any such fee, commission or any non-monetary benefits in future, it will notify the Shareholders.

#### **11.14 Fair Treatment of Investors**

Procedures, arrangements and policies have been put in place by the ACD, with appropriate oversight and input from the Depositary, to ensure compliance with the principles of fair treatment of investors. The principles of treating investors fairly include, but are not limited to:

- (a) acting in the best interest of the Company and of the investors;
- (b) executing the investment decisions taken for the account of the Company in accordance with the objectives, the investment policy and the risk profile of the Company;
- (c) ensuring that the interests of any group of investors are not placed above the interests of any other group of investors;
- (d) ensuring that fair, correct and transparent pricing models and valuation systems are used for the Company managed;
- (e) preventing undue costs being charged to the company and investors;
- (f) taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of investors; and
- (g) recognising and dealing with complaints fairly.

From time to time the ACD may afford preferential terms of investment to certain groups of investors. In assessing whether such terms are afforded to an investor, the ACD will ensure that any such concession is not inconsistent with its obligation to act in the overall best interests of the relevant Company and its investors.

In particular, the ACD will typically exercise its discretion to waive the initial charge or investment minima for investment in a Class for investors that are investing sufficiently large amounts, either initially or are anticipated to do so over time, such as platform service providers, institutional investors including fund of fund investors and fund-link investors. The ACD may also have agreements in place with such groups of investors which result in them paying a reduced annual management charge.

#### **11.15 Notices**

All notices or documents required to be served on Shareholders shall be served by post to the address of the Shareholder as evidenced on the register. All documents and remittances are sent at the risk of the Shareholder.

### **11.16 Professional Liability Risks**

As the Company is an 'Alternative Investment Fund' for the purposes of the AIFMD, the ACD is required to ensure that certain Professional Liability Risks are covered at all times, either through additional own funds and/or through appropriate coverage of professional indemnity insurance. The ACD satisfies its obligations to cover Professional Liability Risks in relation to the Company by: (a) maintaining an amount of own funds to meet the capital requirements under the AIFMD; and (b) complying with the qualitative requirements in the AIFMD that address professional liability risks.

### **11.17 Shareholder's rights**

Shareholders are entitled to participate in the Company on the basis set out in this prospectus (as amended from time to time). Paragraphs 11.9 ("Complaints"), 8 ("Shareholder Meetings and Voting Rights"), 11.3 ("Annual Reports") and 11.5 ("Documents of the Company") of this prospectus set out important rights about Shareholders' participation in the Company.

Shareholders may have no direct rights against the service providers to the Company.

Shareholders may be able to take action if the contents of this document are inaccurate or incomplete.

Shareholders have statutory and other legal rights which include the right to complain and may include the right to cancel an order or seek compensation.

Shareholders who are concerned about their rights in respect of the Company (or any Fund) should seek legal advice.

### **11.18** Information available to Shareholders

The following information will be made available to Shareholders as part of the Company's periodic reporting and, as a minimum, in the annual report:

(a) the percentage of each Fund's assets which will be subject to special arrangements arising from their illiquid nature, including an overview of any special arrangements in place, the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees will apply to these assets;

(b) the current risk profile of each Fund, and information on the risk management systems used by the ACD to manage those risks;

(c) the total amount of leverage employed by each Fund calculated in accordance with the gross and commitment methods; and

(d) any material changes to the information above.

Shareholders will be notified appropriately of any material changes to the liquidity management systems and procedures such as the suspension of redemptions, the deferral of redemptions or similar special liquidity arrangements. It is intended that any changes to the maximum level of leverage which a Fund may employ will be provided to Shareholders without undue delay.

### **11.19** Genuine diversity of ownership

Shares in the Funds are and will continue to be widely available. The intended categories of investors are retail investors (who should seek independent financial advice before investing in a Fund) and institutional investors. Different Share Classes of a Fund are issued to different types of investors.

Shares in the Funds are and will continue to be marketed and made available sufficiently widely to reach the intended categories of investors for each Share Class, and in a manner appropriate to attract those categories of investors.

## **12. LEGAL IMPLICATIONS OF AN INVESTMENT IN THE COMPANY**

In order to subscribe for Shares, applicants must complete an appropriate application form ("Form"). By doing so, Shareholders agree to subscribe for Shares and to be bound by the terms of this Prospectus and the Instrument of Incorporation (each Form, the Prospectus and the Instrument of Incorporation together the "Subscription Documents"). All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Instrument of Incorporation, copies of which are available from the ACD.

The provisions of the Instrument of Incorporation are binding on the ACD, the Depositary and all Shareholders.

The Subscription Documents are governed by English law and the courts of England shall have jurisdiction in relation to claims made under them against parties domiciled or habitually resident in England or such jurisdiction as otherwise determined in accordance with Recast Brussels Regulation (EC) No 1215/2012 or other applicable jurisdiction regime.

Judgments from overseas courts may be recognised and enforced by the Courts of England and Wales without re-examination of the merits where some form of reciprocal enforcement arrangement is in place. Instruments governing such reciprocal enforcement arrangements include but are limited to the Recast Brussels Regulation (EC) No 1215/2012, the Brussels Regulation (EC) No 44/2001 and the Brussels and Lugano Conventions in respect of judgments from the courts of EU member states, Iceland, Switzerland and Norway (the Brussels regime), by the Administration of Justice Act 1920 and the Foreign Judgments (Reciprocal Enforcement) Act 1933 (covering most Commonwealth and some other countries – the "Statutory regime") and by the Hague Convention on Choice of Court Agreements between EU Member States (except for Denmark), Singapore and Mexico (the "Hague regime"). The Hague convention has been signed but not yet ratified by the United States of America, the People's Republic of China, Ukraine and Montenegro.. In other cases, under the English common law a final and conclusive foreign judgment given by a competent court potentially creates an obligation that is actionable in England and Wales through the institution of fresh legal proceedings, to which various defences are available to a defendant. There is also provision in England and Wales for the enforcement of European Enforcement Orders for

uncontested claims obtained under the European Enforcement Orders Regulation (EC) No 805/2004, European Orders for Payment (EC) No 1896/2006, judgments obtained under the European Small Claims Procedure (EC) 861/2007, Community judgments (The European Communities (Enforcement of Community Judgments) Order 1972) and judgments from other parts of the UK. The Recast Brussels Regulation relates to any judgment given by a court or tribunal in the EU whatever the judgment may be called, including a decree, order, decision or writ of execution. For proceedings instituted on or after 10 January 2015, there is no requirement under the Recast Brussels Regulation for an application to be made for a declaration of enforceability. Such an order may be needed for a judgment that falls within the Brussels Regulation or other convention.

The judgments that fall within the Statutory regime are much narrower than those that fall within the Brussels Regime. Judgments must be final and conclusive for a sum of money but not for taxes, fines or other penalty. Injunctions will not be enforceable in the Statutory Regime. Where a judgment falls under the Statutory regime an application can be made to register it in the High Court of England and Wales within 12 months of the date of the judgment. There are various grounds for non-registration and on which registration will be set aside. Once registered under either regime, a judgment will be treated as if it was a judgment of the High Court of England and Wales for enforcement purposes.

In relation to the Hague regime, certain overseas foreign judgments will be enforceable within the European Union. The recognition, enforceability and registration of such foreign judgments will be governed by the governing law of the enforcing state.

The regimes discussed above have various exclusions such as matters relating to insolvency, arbitration, consumers, employment, company law and rights in rem in land.

The UK is due to cease to be a Member State of the European Union on or before 29 March 2009. The European Commission has released a formal notice to EU Member States confirming that all EU rules relating to civil and private international law will cease to apply to the United Kingdom as at that date. It is not possible to give any definitive advice on the legal position on choice of law and jurisdiction and on enforceability and mutual recognition of judgments from exit date, not least because there are ongoing negotiations between the United Kingdom and the European Union. However, if the United Kingdom ceased to be a Member State of the European Union in the circumstances described in the above notice from the European Commission or without express continuity of the current arrangements, this will impact the information about enforcement of judgements given above. Necessarily, this information is valid as at the date it is given only.

The Company is reliant on the performance of service providers, including the ACD, the Depositary and the Investment Manager. None of the agreements appointing the ACD, the Depositary, the Investment Manager, the Administrator, the auditors, legal counsel

or any other of the Company's service providers provides for any third party rights for investors. Absent a direct contractual relationship between the Shareholder and the relevant service provider, Shareholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Shareholder may potentially bring a claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Company by the relevant service provider is, prima facie, the Company itself.

## APPENDIX I

### FUND DETAILS

<b>Name:</b>	<b>VT Tatton Oak Advanced Fund</b>
<b>Type of Fund:</b>	Non-UCITS Retail Scheme
<b>FCA PRN:</b>	646137
<b>Launch date:</b>	23 March 2009
<b>First Dealing Day:</b>	24 March 2009
<b>Investment objective:</b>	The Fund aims to achieve capital growth over the medium to longer term, which is well in excess of normal cash deposit savings rates.
<b>Investment policy:</b>	<p>The Fund will achieve its investment exposure by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes but may also invest in individual stocks and bonds.</p> <p>Through these investments, the Fund will seek exposure almost exclusively to UK and international equities but with core holdings in UK securities. Further exposure to other asset classes such as commodities, property and private equity, listed and/or traded on both UK and international stock exchanges will also be gained, either directly or indirectly as appropriate. Foreign currency exposure through non-UK investments may be hedged back into £-Sterling.</p> <p>This diversified portfolio of investments should aid in reducing short term fluctuations in value i.e. in achieving the Fund's return objective with reduced volatility of shorter term returns, when compared to a pure global equity fund.</p> <p>The Fund may also invest, at the ACD's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective. The Fund may use derivatives for the purposes of efficient portfolio management.</p>
<b>Final date:</b>	<b>accounting</b> 30 April
<b>Interim dates:</b>	<b>accounting</b> 31 October

<b>Income distribution date*:</b>	31 August	
<b>Valuation Point:</b>	12 noon	
<b>Dealing frequency:</b>	Daily on a Dealing Day	
<b>Classes of Shares:</b>	A Class (Retail)	B Class (Retail)
<b>Type of Shares:</b>	Accumulation	Accumulation
<b>Currency of denomination:</b>	Pounds sterling	Pounds sterling
<b>Initial charge:</b>	5%**	5%**
<b>Redemption charge:</b>	0%	0%
<b>Annual Management Charge:</b>	1.50%	0.75%
<b>Minimum initial investment:</b>	£3,000	£3,000
<b>Minimum subsequent investment:</b>	£1,000	£1,000
<b>Minimum holding:</b>	£1,000	£1,000
<b>Minimum redemption:</b>	None	None
<b>Regular Savings Plan:</b>	Yes, minimum payment of £100 per month	Yes, minimum payment of £100 per month
<b>Regular Withdrawal Facility:</b>	Yes, minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis	Yes, minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis

<b>ISA status:</b>	Qualifying Investment for stocks and shares component	Qualifying Investment for stocks and shares component
<b>Charges taken from income:</b>	Yes	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix V	Past performance information is set out in Appendix V
<b>Status of Fund for tax purposes:</b>	The Fund is an Equity Fund for the purposes of tax	The Fund is an Equity Fund for the purposes of tax
<b>Whether Shares will be issued in any other currency:</b>	No	No

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

<b>Name:</b>	<b>VT Tatton Oak Capital Growth Fund</b>	
<b>Type of Fund:</b>	Non-UCITS Retail Scheme	
<b>FCA PRN:</b>	646138	
<b>Launch date:</b>	23 March 2009	
<b>First Dealing Day:</b>	24 March 2009	
<b>Investment objective:</b>	The Fund aims to achieve capital growth over the medium to longer term, which is in excess of normal cash deposit savings rates.	
<b>Investment policy:</b>	<p>The Fund will achieve its investment exposure by investing in collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes but may also invest in individual stocks and bonds.</p> <p>Through these investments, the Fund will seek exposure to predominantly UK and international equities but with core holdings in UK securities and diversifying investments in fixed interest and other asset classes, such as commodities, property and private equity, listed and/or traded on both UK and international stock exchanges, either directly or indirectly as appropriate. Foreign currency exposure through non-UK investments may be hedged back into £-Sterling.</p> <p>This diversified portfolio of investments should aid in reducing short term fluctuations in value i.e. in achieving the fund's return objective with reduced volatility of shorter term returns, when compared to a pure, mainstream UK equity fund.</p> <p>The Fund may also invest, at the ACD's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective. The Fund may use derivatives for the purposes of efficient portfolio management.</p>	
<b>Final date:</b>	<b>accounting</b>	30 April
<b>Interim dates:</b>	<b>accounting</b>	31 October
<b>Income date*:</b>	<b>distribution</b>	31 August
<b>Valuation Point:</b>		12 noon

<b>Dealing frequency:</b>	Daily on a Dealing Day	
<b>Classes of Shares:</b>	A Class (Retail)	B Class (Retail)
<b>Type of Shares:</b>	Accumulation	Accumulation
<b>Currency of denomination:</b>	Pounds sterling	Pounds sterling
<b>Initial charge:</b>	5%**	5%**
<b>Redemption charge:</b>	0%	0%
<b>Annual Management Charge:</b>	1.50%	0.75%
<b>Minimum initial investment:</b>	£3,000	£3,000
<b>Minimum subsequent investment:</b>	£1,000	£1,000
<b>Minimum holding:</b>	£1,000	£1,000
<b>Minimum redemption:</b>	None	None
<b>Regular Savings Plan:</b>	Yes, minimum payment of £100 per month	Yes, minimum payment of £100 per month
<b>Regular Withdrawal Facility:</b>	Yes, minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis	Yes, minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis

<b>ISA status:</b>	Qualifying Investment for stocks and shares component	Qualifying Investment for stocks and shares component
<b>Charges taken from income:</b>	Yes	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix V	Past performance information is set out in Appendix V
<b>Status of Fund for tax purposes:</b>	The Fund is an Equity Fund for the purposes of tax	The Fund is an Equity Fund for the purposes of tax
<b>Whether Shares will be issued in any other currency:</b>	No	No

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

**Name:** **VT Tatton Oak Cautious Growth Fund**

**Type of Fund:** Non-UCITS Retail Scheme

**FCA PRN:** 646139

**Launch date:** 23 March 2009

**First Dealing Day:** 24 March 2009

**Investment objective:** The Fund aims to achieve capital growth, over the medium to longer term, which is above normal cash deposit savings rates.

**Investment policy:** The Fund will achieve its investment exposure by investing in collective investment schemes, such as unit trusts, OEICs and closed ended schemes but may also invest in individual stocks and bonds.

Through these investments, the Fund will seek a balanced asset class exposure, including equities and fixed interest securities, and in other asset classes such as commodities, property and private equity, listed and/or traded on both UK and international stock exchanges, directly or indirectly as appropriate

Through these investments the Fund will gain investment exposure across a range of global geographical areas and asset classes, but with core holdings in UK bonds and UK equities.

Foreign currency exposure through non-UK investments may be hedged back into £-Sterling.

This diversified portfolio of investments should aid in reducing short term fluctuations in value i.e. in achieving the fund's return objective with approximately half the volatility of shorter term returns when compared to a pure mainstream UK equity fund.

The Fund may also invest, at the ACD's discretion, in other transferable securities, money market instruments, cash and near cash, deposits and any other permitted asset type deemed appropriate to meet the investment objective. The Fund may use derivatives for the purposes of efficient portfolio management.

<b>Final date:</b>	<b>accounting</b>	30 April
<b>Interim dates:</b>	<b>accounting</b>	31 October
<b>Income date*:</b>	<b>distribution</b>	31 August

<b>Valuation Point:</b>	12 noon	
<b>Dealing frequency:</b>	Daily on a Dealing Day	
<b>Classes of Shares:</b>	A Class (Retail)	B Class (Retail)
<b>Type of Shares:</b>	Accumulation	Accumulation
<b>Currency of denomination:</b>	Pounds sterling	Pounds sterling
<b>Initial charge:</b>	5%**	5%**
<b>Redemption charge:</b>	0%	0%
<b>Annual Management Charge:</b>	1.50%	0.75%
<b>Minimum initial investment:</b>	£3,000	£3,000
<b>Minimum subsequent investment:</b>	£1,000	£1,000
<b>Minimum holding:</b>	£1,000	£1,000
<b>Minimum redemption:</b>	None	None
<b>Regular Savings Plan:</b>	Yes, minimum payment of £100 per month	Yes, minimum payment of £100 per month
<b>Regular Withdrawal Facility:</b>	Yes, minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis	Yes, minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings scheme on a monthly basis

<b>ISA status:</b>	Qualifying Investment for stocks and shares component	Qualifying Investment for stocks and shares component
<b>Charges taken from income:</b>	Yes	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix V	Past performance information is set out in Appendix V
<b>Status of Fund for tax purposes:</b>	The Fund is an Equity Fund for the purposes of tax	The Fund is an Equity Fund for the purposes of tax
<b>Whether Shares will be issued in any other currency:</b>	No	No

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

**Name:** **VT Tatton Oak Distribution Fund**

**Type of Fund:** Non-UCITS Retail Scheme

**FCA PRN:** 646140

**Launch date:** 30 January 2012

**First Dealing Day:** 27 February 2012

**Investment objective:** The Fund aims to provide a growing source of distributable income whilst preserving capital, over the medium to longer term.

**Investment policy:** The Fund will seek to achieve its objectives through a balanced exposure to equity and fixed interest investments, as well as securities of other asset classes, such as property (indirect investments only) and infrastructure listed on both UK and International stock markets. The Fund may seek to achieve this exposure by investing in collective investment schemes, such as unit trusts, OEICs and closed ended schemes, as well as individual stocks and bonds.

Through these investments the Fund will gain investment exposure across a range of global geographical areas and asset classes, but with the majority of exposure to UK equities and bonds. Foreign currency exposure through non-UK investments may be hedged back into £ Sterling.

The Fund may also invest, at the ACD's discretion, in other transferable securities, money market instruments, cash and near cash, and deposits. Use may also be made of stock lending, borrowing, cash holdings, and derivatives for hedging and efficient portfolio management permitted in the COLL Sourcebook.

**Final accounting date:** 30 April

**Interim accounting dates:** 31 July  
31 October  
31 January

**Income distribution dates\*:** 30 June  
30 September  
31 December  
31 March

**Valuation Point:** 12 noon

**Dealing frequency:** Daily on a Dealing Day

<b>Classes of Shares:</b>	A (Retail)	Class A (Retail)	Class B (Retail)	Class B (Retail)
<b>Type of Shares:</b>	Accumulation	Income	Accumulation	Income
<b>Currency of denomination:</b>	Pounds sterling	Pounds sterling	Pounds sterling	Pounds sterling
<b>Initial charge:</b>	5%**	5%**	5%**	5%**
<b>Redemption charge:</b>	0%	0%	0%	0%
<b>Annual Management Charge:</b>	1.50%	1.50%	0.75%	0.75%
<b>Minimum initial investment:</b>	£3,000	£3,000	£3,000	£3,000
<b>Minimum subsequent investment:</b>	£1,000	£1,000	£1,000	£1,000
<b>Minimum holding:</b>	£1,000	£1,000	£1,000	£1,000
<b>Minimum redemption:</b>	None	None	None	None
<b>Regular Savings Plan:</b>	Yes, minimum payment of £100 per month	Yes, minimum payment of £100 per month	Yes, minimum payment of £100 per month	Yes, minimum payment of £100 per month
<b>Regular Withdrawal Facility:</b>	Yes, minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings	No	Yes, minimum withdrawal per fund per year is £300 or 3% on a minimum qualifying investment of £10,000. This facility is not available if you are investing new money by direct debit in a savings	No

	scheme on a monthly basis		scheme on a monthly basis	
<b>ISA status:</b>	Qualifying Investment for stocks and shares component	Qualifying Investment for stocks and shares component	Qualifying Investment for stocks and shares component	Qualifying Investment for stocks and shares component
<b>Charges taken from Capital:</b>	Yes	Yes	Yes	Yes
<b>Past performance:</b>	Past performance information is set out in Appendix V	Past performance information is set out in Appendix V	Past performance information is set out in Appendix V	Past performance information is set out in Appendix V
<b>Status of Fund for tax purposes:</b>	The Fund is an Equity Fund for the purposes of tax.	The Fund is an Equity Fund for the purposes of tax.	The Fund is an Equity Fund for the purposes of tax.	The Fund is an Equity Fund for the purposes of tax.
<b>Initial offer period:</b>	See initial offer period below	See initial offer period below	See initial offer period below	See initial offer period below
<b>Initial price:</b>	100p	100p	100p	100p
<b>Whether Shares will be issued in any other currency:</b>	No	No	No	No

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

**Name:** **VT Defensive Portfolio Overlay Fund**

**Type of Fund:** Non-UCITS Retail Scheme

**FCA PRN:** 728810

**Launch date:** 7 December 2015

**First Dealing Day:** 8 December 2015

**Investment objective:** The investment objective of the Fund is to generate a positive return with a higher level of income than the Bank of England base rate over the longer term (5 to 6 years). Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over the 5 to 6 year investment period or in respect of any other period.

**Investment policy:** The Fund will achieve its investment exposure by investing predominantly in collective investment schemes including closed ended schemes.

Through these investments, the Fund will seek a fixed interest orientated asset class exposure. Investment will also be made directly or indirectly as appropriate in other asset classes such as equities and property and at times commodities, listed and/or traded on both UK and international stock exchanges. Exposure to property and commodities will only be through investments in collective investment schemes.

Through these investments the Fund will gain investment exposure across a range of global geographical areas and asset classes, however, investment exposure will be mainly in UK bonds and UK equities. Foreign currency exposure through non-UK investments may be hedged back into £-Sterling.

The underlying asset mix of the Fund will follow a strategic asset allocation framework provided by an external investment and actuarial consultancy.

This diversified portfolio of investments should aid in reducing monthly fluctuations in value i.e. in achieving the Fund's return objective with approximately one third the volatility of monthly returns when compared to the general UK stock market as may be represented by an index like the FTSE All Share.

The Fund may also invest, at the ACD's discretion, in other transferable securities, bonds, individual stocks, money market instruments, cash, near cash and deposits. The Fund may use derivatives for the purposes of efficient portfolio management.

<b>Final accounting date:</b>	30 April
<b>Interim accounting dates:</b>	31 October
<b>Income distribution date*:</b>	31 August
<b>Valuation Point:</b>	12 noon
<b>Dealing frequency:</b>	Daily on a Dealing Day
<b>Classes of Shares:</b>	C Class
<b>Type of Shares:</b>	Accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Initial charge:</b>	10%**
<b>Redemption charge:</b>	0%
<b>Annual Management Charge:</b>	0.25%
<b>Minimum initial investment:</b>	£2,500,000
<b>Minimum subsequent investment:</b>	£1,000,000
<b>Minimum holding:</b>	£1,000,000
<b>Minimum redemption:</b>	N/A
<b>Regular Savings Plan:</b>	N/A
<b>Regular Withdrawal Facility:</b>	N/A
<b>ISA status:</b>	Qualifying Investment for stocks and shares ISA – however direct ISA investment is not currently

available

**Charges taken from income:** Yes

**Past performance:** Past performance information is set out in Appendix V

**Whether Shares will be issued in any other currency:** No

**Initial price:** 100p

**Status of Fund for tax purposes:** Bond

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

**Investment in this Fund is restricted to investors who are investing through the Tatton Investment Management discretionary management proposition.**

**Name:** **VT Cautious Portfolio Overlay Fund**

**Type of Fund:** Non-UCITS Retail Scheme

**FCA PRN:** 728817

**Launch date:** 7 December 2015

**First Dealing Day:** 8 December 2015

**Investment objective:** The investment objective of the Fund is to generate a combination of income and capital growth, with the aim of achieving above inflation (Retail Price Index) investment total return over the longer term (5 to 7 years). Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over the 5 to 7 year investment period or in respect of any other period.

**Investment policy** The Fund will achieve its investment exposure by investing predominantly in collective investment schemes including closed ended schemes.

Through these investments, the Fund will seek to have the majority of its exposure to fixed interest investments. Investment will also be made in equities and as appropriate in other asset classes such as property and at times commodities, listed and/or traded on both UK and international stock exchanges, directly or indirectly as appropriate. Exposure to property and commodities will only be through investments in collective investment schemes.

Through these investments the Fund will gain investment exposure across a range of global geographical areas and asset classes, however, investment exposure will be mainly in UK bonds and UK equities. Foreign currency exposure through non-UK investments may be hedged back into £-Sterling.

The underlying asset mix of the Fund will follow a strategic asset allocation framework provided by an external investment and actuarial consultancy.

This diversified portfolio of investments should aid in reducing monthly fluctuations in value i.e. in achieving the Fund's return objective with approximately half the volatility of monthly returns when compared to the general UK stock market as may be represented by an index like the FTSE All Share.

The Fund may also invest, at the ACD's discretion, in other transferable securities, bonds, individual stocks, money market

instruments, cash, near cash and deposits. The Fund may use derivatives for the purposes of efficient portfolio management.

<b>Final accounting date:</b>	30 April
<b>Interim accounting dates:</b>	31 October
<b>Income distribution date*:</b>	31 August
<b>Valuation Point:</b>	12 noon
<b>Dealing frequency:</b>	Daily on a Dealing Day
<b>Classes of Shares:</b>	C Class (Institutional)
<b>Type of Shares:</b>	Accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Initial charge:</b>	10%**
<b>Redemption charge:</b>	0%
<b>Annual Management Charge:</b>	0.25%
<b>Minimum initial investment:</b>	£2,500,000
<b>Minimum subsequent investment:</b>	£1,000,000
<b>Minimum holding:</b>	£1,000,000
<b>Minimum redemption:</b>	N/A
<b>Regular Savings Plan:</b>	N/A
<b>Regular Withdrawal Facility:</b>	N/A

**ISA status:** Qualifying Investment for stocks and shares ISA – however direct ISA investment is not currently available

**Charges taken from income:** Yes

**Past performance:** Past performance information is set out in Appendix V

**Whether Shares will be issued in any other currency:** No

**Initial price:** 100p

**Status of Fund for tax purposes:** Equity

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

**Investment in this Fund is restricted to investors who are investing through the Tatton Investment Management discretionary management proposition.**

**Name:** **VT Balanced Portfolio Overlay Fund**

**Type of Fund:** Non-UCITS Retail Scheme

**FCA PRN:** 728830

**Launch date:** 7 December 2015

**First Dealing Day:** 8 December 2015

**Investment objective:** The investment objective of the Fund is to generate both income and capital growth over the longer term (7 to 8 years). Capital invested in the Fund is at risk and there is no guarantee that that the investment objective will be met over the 7 to 8 year investment period or in respect of any other period.

**Investment policy:** The Fund will achieve its investment exposure by investing predominantly in collective investment schemes including closed ended schemes.

Through these investments, the Fund will seek to have the majority of its investment exposure in equities. Investment exposure will be in UK and international equities and to a lesser extent, for diversification purposes, also in fixed interest and other asset classes, such as property and at times commodities, listed and/or traded on both UK and international stock exchanges, either directly or indirectly as appropriate. Exposure to property and commodities will only be through investments in collective investment schemes. Foreign currency exposure through non-UK investments may be hedged back into £-Sterling.

The underlying asset mix of the Fund will follow a strategic asset allocation framework provided by an external investment and actuarial consultancy.

This diversified portfolio of investments should aid in reducing monthly fluctuations in value i.e. in achieving the Fund's return objective with reduced volatility of monthly returns when compared to the general UK stock market as may be represented by an index like the FTSE All Share.

The Fund may also invest, at the ACD's discretion, in other transferable securities, bonds, individual stocks, money market instruments, cash, near cash and deposits. The Fund may use derivatives for the purposes of efficient portfolio management.

**Final accounting date:** 30 April

<b>Interim accounting dates:</b>	31 October
<b>Income distribution date*:</b>	31 August
<b>Valuation Point:</b>	12 noon
<b>Dealing frequency:</b>	Daily on a Dealing Day
<b>Classes of Shares:</b>	C Class (Institutional)
<b>Type of Shares:</b>	Accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Initial charge:</b>	10%**
<b>Redemption charge:</b>	0%
<b>Annual Management Charge:</b>	0.25%
<b>Minimum initial investment:</b>	£2,500,000
<b>Minimum subsequent investment:</b>	£1,000,000
<b>Minimum holding:</b>	£1,000,000
<b>Minimum redemption:</b>	N/A
<b>Regular Savings Plan:</b>	N/A
<b>Regular Withdrawal Facility:</b>	N/A
<b>ISA status:</b>	Qualifying Investment for stocks and shares ISA – however direct ISA investment is not currently available

**Charges taken from income:** Yes

**Past performance:** Past performance information is set out in Appendix V

**Whether Shares will be issued in any other currency:** No

**Initial price:** 100p

**Status of Fund for tax purposes:** Equity

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

**Investment in this Fund is restricted to investors who are investing through the Tatton Investment Management discretionary management proposition.**

**Name:** **VT Active Portfolio Overlay Fund**

**Type of Fund:** Non-UCITS Retail Scheme

**FCA PRN:** 728831

**Launch date:** 7 December 2015

**First Dealing Day:** 8 December 2015

**Investment objective:** The investment objective of the Fund is to generate capital growth over the longer term (5 to 9 years). Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over the 5 to 9 year investment period or in respect of any other period.

**Investment policy:** The Fund will achieve its investment exposure by investing predominantly in collective investment schemes including closed ended schemes.

Through these investments, the Fund will seek to have an investment exposure primarily to equities. Investment exposure will be in UK and international equities and to a smaller extent, for diversification purposes, in fixed interest and other asset classes, such as property and at times commodities, listed and/or traded on both UK and international stock exchanges, either directly or indirectly as appropriate. Exposure to property and commodities will only be through investments in collective investment schemes. Foreign currency exposure through non-UK investments may be hedged back into £-Sterling.

The underlying asset mix of the Fund will follow a strategic asset allocation framework provided by an external investment and actuarial consultancy.

This diversified portfolio of investments should aid in reducing monthly fluctuations in value i.e. in achieving the Fund's return objective with reduced volatility of monthly returns when compared to the general Global stock market as may be represented by an index like the MSCI World (AC) of the FTSE All-World.

The Fund may also invest, at the ACD's discretion, in other transferable securities, bonds, individual stocks, money market instruments, cash, near cash and deposits. The Fund may use derivatives for the purposes of efficient portfolio management.

**Final date:** **accounting** 30 April

<b>Interim accounting dates:</b>	31 October
<b>Income distribution date*:</b>	31 August
<b>Valuation Point:</b>	12 noon
<b>Dealing frequency:</b>	Daily on a Dealing Day
<b>Classes of Shares:</b>	C Class (Institutional)
<b>Type of Shares:</b>	Accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Initial charge:</b>	10%**
<b>Redemption charge:</b>	0%
<b>Annual Management Charge:</b>	0.25%
<b>Minimum initial investment:</b>	£2,500,000
<b>Minimum subsequent investment:</b>	£1,000,000
<b>Minimum holding:</b>	£1,000,000
<b>Minimum redemption:</b>	N/A
<b>Regular Savings Plan:</b>	N/A
<b>Regular Withdrawal Facility:</b>	N/A
<b>ISA status:</b>	Qualifying Investment for stocks and shares ISA – however direct ISA investment is not currently available
<b>Charges taken from income:</b>	Yes

**Past performance:** Past performance information is set out in Appendix V

**Whether Shares will be issued in any other currency:** No

**Initial price:** 100p

**Status of Fund for tax purposes:** Equity

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

**Investment in this Fund is restricted to investors who are investing through the Tatton Investment Management discretionary management proposition.**

<b>Name:</b>	<b>VT Aggressive Portfolio Overlay Fund</b>
<b>Type of Fund:</b>	Non-UCITS Retail Scheme
<b>FCA PRN:</b>	728832
<b>Launch date:</b>	7 December 2015
<b>First Dealing Day:</b>	8 December 2015
<b>Investment objective:</b>	The investment objective of the Fund is to generate capital growth over the longer term (8 to 10 years). Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over the 8 to 10 year investment period or in respect of any other period.
<b>Investment policy:</b>	<p>The Fund will achieve its investment exposure by investing predominantly in collective investment schemes including closed ended schemes.</p> <p>Through these investments, the Fund will seek exposure predominantly to equities. Investment will be in UK and international equities with small exposures, for diversification purposes, in fixed interest and other asset classes such as property and at times commodities, listed and/or traded on both UK and international stock exchanges will also be gained, either directly or indirectly as appropriate. Exposure to property and commodities will only be through investments in collective investment schemes. Foreign currency exposure through non-UK investments may be hedged back into £-Sterling.</p> <p>The underlying asset mix of the Fund will follow a strategic asset allocation framework provided by an external investment and actuarial consultancy.</p> <p>This diversified portfolio of investments should aid in reducing monthly fluctuations in value i.e. in achieving the Fund's return objective with reduced volatility of monthly returns when compared to the general Global stock market as may be represented by an index like the MSCI World (AC) of the FTSE All-World.</p> <p>The Fund may also invest, at the ACD's discretion, in other transferable securities, bonds, individual stocks, money market instruments, cash, near cash and deposits. The Fund may use derivatives for the purposes of efficient portfolio management.</p>
<b>Final accounting date:</b>	30 April

<b>Interim accounting dates:</b>	31 October
<b>Income distribution date*:</b>	31 August
<b>Valuation Point:</b>	12 noon
<b>Dealing frequency:</b>	Daily on a Dealing Day
<b>Classes of Shares:</b>	C Class (Institutional)
<b>Type of Shares:</b>	Accumulation
<b>Currency of denomination:</b>	Pounds sterling
<b>Initial charge:</b>	10%**
<b>Redemption charge:</b>	0%
<b>Annual Management Charge:</b>	0.25%
<b>Minimum initial investment:</b>	£2,500,000
<b>Minimum subsequent investment:</b>	£1,000,000
<b>Minimum holding:</b>	£1,000,000
<b>Minimum redemption:</b>	N/A
<b>Regular Savings Plan:</b>	N/A
<b>Regular Withdrawal Facility:</b>	N/A
<b>ISA status:</b>	Qualifying Investment for stocks and shares ISA – however direct ISA investment is not currently available
<b>Charges taken from income:</b>	Yes

**Past performance:** Past performance information is set out in Appendix V

**Whether Shares will be issued in any other currency:** No

**Initial price:** 100p

**Status of Fund for tax purposes:** Equity

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

**Investment in this Fund is restricted to investors who are investing through the Tatton Investment Management discretionary management proposition.**

**Name:** **VT Tatton Blended Cautious Fund**

**Type of Fund:** Non-UCITS Retail Scheme

**FCA PRN:** 800421

**Launch date:** 31 January 2018

**First Dealing Day:** 31 January 2018

**Investment objective:** The Fund aims to generate a combination of income and growth based return, with the aim of achieving above inflation investment total return (against CPI) over the longer term (5 to 7 years). Capital invested in the Fund is at risk and there is no guarantee that the investment objective will be met over the 5 to 7 year investment period or in respect of any other period.

**Investment policy:** The Fund will seek to achieve its investment objective by investing in a blend of actively managed and passive index tracking collective investment schemes, such as unit trusts, OEICs and closed ended schemes but at times may also invest in individual stocks and bonds where this is deemed to lower the overall cost of investment while maintaining a high level of portfolio diversification.

Through these investments, the Fund will seek a mainly corporate and government bond based asset class exposure. Investment will also be made in equities and, through collective investments, in other alternative asset classes such as property and at times commodities.

Through these investments the Fund will gain investment exposure across a range of global geographical areas and asset classes.

Foreign currency exposure through non-UK investments may be hedged back into £-Sterling.

This diversified portfolio of investments should aid in reducing short term fluctuations in value i.e. in achieving the Fund's return objective.

The Fund may also invest, at the ACD's discretion, in other transferable securities, money market instruments, cash and near cash, deposits. **The Fund may use derivatives for the purposes of efficient portfolio management.**

**Final accounting date:** 30 April

<b>Interim accounting dates:</b>	31 October			
<b>Income distribution dates*:</b>	31 August			
<b>Valuation Point:</b>	12 noon			
<b>Dealing frequency:</b>	Daily on a Dealing Day			
<b>Classes of Shares:</b>	A Class (Retail)	A *** Class (Retail)	X *** Class (Institutional)	X *** Class (Institutional)
<b>Type of Shares:</b>	Accumulation	Income	Accumulation	Income
<b>Currency of denomination:</b>	Pounds sterling	Pounds sterling	Pounds sterling	Pounds sterling
<b>Initial charge:</b>	0%**	0%**	0%**	0%**
<b>Redemption charge:</b>	0%	0%	0%	0%
<b>Annual Management Charge:</b>	0.30%	0.30%	0.15%	0.15%
<b>Minimum initial investment:</b>	£3,000	£3,000	£2,500,000	£2,500,000
<b>Minimum subsequent investment:</b>	£1,000	£1,000	£1,000,000	£1,000,000
<b>Minimum holding:</b>	£1,000	£1,000	£1,000,000	£1,000,000
<b>Minimum redemption:</b>	None	None	None	None
<b>Regular Savings Plan:</b>	Yes, minimum payment of £100 per month	Yes, minimum payment of £100 per month	No	No
<b>Regular Withdrawal Facility:</b>	No	No	No	No
<b>ISA status:</b>	Qualifying Investment for stocks and shares component	Qualifying Investment for stocks and shares component	N/A	N/A

<b>Charges taken from Capital:</b>	No	No	No	No
<b>Past performance:</b>	N/A	N/A	N/A	N/A
<b>Initial price:</b>	100p	100p	100p	100p
<b>Whether Shares will be issued in any other currency:</b>	No	No	No	No
<b>Status of Fund for tax purposes:</b>	Bond	Bond	Bond	Bond

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

\*\*\* Share Class not yet launched

<b>Name:</b>	<b>VT Tatton Blended Balanced Fund</b>
<b>Type of Fund:</b>	Non-UCITS Retail Scheme
<b>FCA PRN:</b>	800422
<b>Launch date:</b>	31 January 2018
<b>First Dealing Day:</b>	31 January 2018
<b>Investment objective:</b>	The Fund aims to generate a combination of income and growth based return over the longer term (7 to 10 years).
<b>Investment policy:</b>	<p>The Fund will seek to achieve its investment objective by investing in a blend of actively managed and passive index tracking collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes but at times may also invest in individual stocks and bonds where this is deemed to lower the overall cost of investment while maintaining a high level of portfolio diversification.</p> <p>Through these investments, the Fund will typically seek a mainly UK and international equities exposure with diversification achieved through (direct or indirect) investments in fixed interest bonds and, through collective investment schemes, in other alternative asset classes, such as property and at times commodities. If and when deemed appropriate to meet the investment objective during times of increased stock market volatility, the fund may at times seek a mainly fixed interest based asset class exposure.</p> <p>Foreign currency exposure through non-UK investments may be hedged back into £-Sterling.</p> <p>This diversified portfolio of investments should aid in reducing short term fluctuations in value i.e. in achieving the fund's return objective with reduced volatility of shorter term returns, when compared to a pure, mainstream UK equity fund.</p> <p>The Fund may also invest, at the ACD's discretion, in other transferable securities, money market instruments, cash and near cash, deposits.</p> <p><b>The Fund may use derivatives for the purposes of efficient portfolio management.</b></p>
<b>Final date:</b>	<b>accounting</b> 30 April

<b>Interim accounting dates:</b>	31 October			
<b>Income distribution dates*:</b>	31 August			
<b>Valuation Point:</b>	12 noon			
<b>Dealing frequency:</b>	Daily on a Dealing Day			
<b>Classes of Shares:</b>	A Class (Retail)	A *** Class (Retail)	X *** Class (Institutional)	X *** Class (Institutional)
<b>Type of Shares:</b>	Accumulation	Income	Accumulation	Income
<b>Currency of denomination:</b>	Pounds sterling	Pounds sterling	Pounds sterling	Pounds sterling
<b>Initial charge:</b>	0%**	0%**	0%**	0%**
<b>Redemption charge:</b>	0%	0%	0%	0%
<b>Annual Management Charge:</b>	0.30%	0.30%	0.15%	0.15%
<b>Minimum initial investment:</b>	£3,000	£3,000	£2,500,000	£2,500,000
<b>Minimum subsequent investment:</b>	£1,000	£1,000	£1,000,000	£1,000,000
<b>Minimum holding:</b>	£1,000	£1,000	£1,000,000	£1,000,000
<b>Minimum redemption:</b>	None	None	None	None
<b>Regular Savings Plan:</b>	Yes, minimum payment of £100 per month	Yes, minimum payment of £100 per month	No	No
<b>Regular Withdrawal Facility:</b>	No	No	No	No
<b>ISA status:</b>	Qualifying Investment for stocks and shares component	Qualifying Investment for stocks and shares component	N/A	N/A

<b>Charges taken from Capital:</b>	No	No	No	No
<b>Past performance:</b>	N/A	N/A	N/A	N/A
<b>Initial price:</b>	100p	100p	100p	100p
<b>Whether Shares will be issued in any other currency:</b>	No	No	No	No
<b>Status of Fund for tax purposes:</b>	Equity	Equity	Equity	Equity

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

\*\*\* Share Class not yet launched

<b>Name:</b>	<b>VT Tatton Blended Active Fund</b>
<b>Type of Fund:</b>	Non-UCITS Retail Scheme
<b>FCA PRN:</b>	800423
<b>Launch date:</b>	31 January 2018
<b>First Dealing Day:</b>	31 January 2018
<b>Investment objective:</b>	The Fund aims to generate a growth based return over the longer term (10+ years).
<b>Investment policy:</b>	<p>The Fund will seek to achieve its investment objective by investing in a blend of actively managed and passively index tracking collective investment schemes such as unit trusts, OEICs and other UCITS funds and closed ended schemes but at times may also invest in individual stocks and bonds where this is deemed to lower the overall cost of investment while maintaining a high level of portfolio diversification.</p> <p>Through these investments, the Fund will seek a UK and international equities orientated investment exposure with diversification achieved through investments in fixed interest and other asset classes, such as absolute return focused investment strategies and alternative asset classes, such as property and at times commodities. Foreign currency exposure through non-UK investments may be hedged back into £-Sterling.</p> <p>This diversified portfolio of investments should aid in reducing short term fluctuations in value i.e. in achieving the fund's return objective with reduced volatility of shorter term returns, when compared to a mixed UK and Global equity fund.</p> <p>The Fund may also invest, at the ACD's discretion, in other transferable securities, money market instruments, cash and near cash, deposits.</p> <p><b>The Fund may use derivatives for the purposes of efficient portfolio management.</b></p>

<b>Final date:</b>	<b>accounting</b>	30 April
<b>Interim dates:</b>	<b>accounting</b>	31 October
<b>Income dates*:</b>	<b>distribution</b>	31 August
<b>Valuation Point:</b>		12 noon

<b>Dealing frequency:</b>	Daily on a Dealing Day			
<b>Classes of Shares:</b>	A Class (Retail)	A *** Class (Retail)	X *** Class (Institutional)	X *** Class (Institutional)
<b>Type of Shares:</b>	Accumulation	Income	Accumulation	Income
<b>Currency of denomination:</b>	Pounds sterling	Pounds sterling	Pounds sterling	Pounds sterling
<b>Initial charge:</b>	0%**	0%**	0%**	0%**
<b>Redemption charge:</b>	0%	0%	0%	0%
<b>Annual Management Charge:</b>	0.30%	0.30%	0.15%	0.15%
<b>Minimum initial investment:</b>	£3,000	£3,000	£2,500,000	£2,500,000
<b>Minimum subsequent investment:</b>	£1,000	£1,000	£1,000,000	£1,000,000
<b>Minimum holding:</b>	£1,000	£1,000	£1,000,000	£1,000,000
<b>Minimum redemption:</b>	None	None	None	None
<b>Regular Savings Plan:</b>	Yes, minimum payment of £100 per month	Yes, minimum payment of £100 per month	No	No
<b>Regular Withdrawal Facility:</b>	No	No	No	No
<b>ISA status:</b>	Qualifying Investment for stocks and shares component	Qualifying Investment for stocks and shares component	N/A	N/A
<b>Charges taken from Capital:</b>	No	No	No	No
<b>Past performance:</b>	N/A	N/A	N/A	N/A
<b>Initial price:</b>	100p	100p	100p	100p

<b>Whether Shares will be issued in any other currency:</b>	No	No	No	No
<b>Status of Fund for tax purposes:</b>	Equity	Equity	Equity	Equity

\* Income will normally be accumulated/distributed (as appropriate to the Share Class) within two months of the accounting date(s) but the ACD reserves the right to accumulate/pay at a later date but not later than four months after the accounting date(s) as permitted by the Regulations.

\*\* (of the amount invested by an investor)

\*\*\* Share Class not yet launched

## APPENDIX II

### ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

Each Fund may deal through the securities and derivatives markets which are regulated markets and meet the requirements for Eligible Markets as set out in COLL 5.2.10 which includes any market which is regulated, operates regularly and is open to the public located in an EEA State.

\*Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, Lithuania, Latvia, Liechtenstein, Malta, Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Slovenia, Slovakia and UK.

Detailed below are the additional Eligible Markets on which the Funds are currently permitted to deal:

<b>For approved securities</b>
NYSE AMEX Equities
Channel Islands Stock Exchange
Frankfurt Stock Exchange
Hong Kong Stock Exchange
London Stock Exchange
Luxembourg Stock Exchange
New York Stock Exchange (NYSE)
SIX Swiss Exchange
Australian Securities Exchange (ASX)
Tokyo Stock Exchange

<b>For approved derivatives</b>
EUREX
Euronext.liffe
EDX London

## **APPENDIX III**

### **INVESTMENT AND BORROWING POWERS OF THE COMPANY**

#### **1. General**

The Scheme Property of each Fund will be invested with the aim of achieving the investment objective of that Fund but subject to the limits set out in the investment policy, this Prospectus and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") that are applicable to Non-UCITS Retail Schemes.

Normally, a Fund will be fully invested save for an amount to enable the pursuit of a Fund's investment objective, redemption of Shares, efficient management of the Fund in relation to its strategic objectives and other purposes which may be reasonably regarded as ancillary to the investment objectives of the Fund. This amount will vary depending upon prevailing circumstances and although it would normally not exceed 10% of the total value of each Fund, there may be times when the Investment Managers considers stock markets to be overpriced or that a period of instability exists which presents unusual risks. In such cases or during such periods, a higher level of liquidity may be maintained and, if considered prudent, the amount of fixed interest, cash or near cash instruments held would be increased. Unless market conditions were deemed unusually risky, the increased amount and period would not be expected to exceed 30% and six months respectively.

#### **1.1 Prudent spread of risk**

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

#### **1.2 Cover**

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

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

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

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

### 1.3 **Transferable Securities**

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

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

1.3.3 In applying paragraph 1.3.1 of this Appendix to an investment which is issued by a body corporate, and which is an investment falling within articles 76 (shares, etc), 77 (instruments creating or acknowledging indebtedness) or article 77A (alternative debentures) of the Regulated Activities Order, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

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

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

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

1.3.5.2 its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder under the COLL Sourcebook;

1.3.5.3 reliable valuation is available for it as follows:

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

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

1.3.5.4 appropriate information is available for it as follows:

- (c) 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;
- (d) 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;

1.3.5.5 it is negotiable; and

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

1.3.6 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:

1.3.6.1 not to compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying shareholder; and

1.3.6.2 to be negotiable.

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

## 2. **Non-UCITS Retail Schemes - general**

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

2.1.1 transferable securities;

2.1.2 money market instruments;

- 2.1.3 units or shares in permitted collective investment schemes;
- 2.1.4 permitted derivatives and forward transactions;
- 2.1.5 permitted deposits;
- 2.1.6 permitted immovable; and
- 2.1.7 gold up to a limit of 10% of the Scheme Property.

The Funds do not currently invest in gold or immovables.

- 2.2 Transferable securities and money market instruments held within a Fund must (subject to paragraph 2.3 of this Appendix) be:
  - 2.2.1 admitted to or dealt on an eligible market as described below in paragraph 3.3 below;
  - 2.2.2 recently issued transferable securities provided that:
    - 2.2.2.1 the terms of issue include an undertaking that application will be made to be admitted on an eligible market; and
    - 2.2.2.2 such admission is secured within a year of issue;
  - 2.2.3 approved money market instruments not admitted to or dealt on an eligible market which satisfy the requirements for investment set out in COLL 5.2.10AR to COLL 5.2.10CR.
- 2.3 Transferable securities held within a Fund must also satisfy the criteria in COLL 5.2.6AR, COLL 5.2.7CR and COLL 5.2.7ER.
- 2.4 Not more than 20% in value of the Scheme Property is to consist of transferable securities, which are not approved securities (aggregated with the value of the Scheme Property which can be invested in unregulated collective investment schemes as set out in COLL 5.6.2G (2)(b)) or money market instruments which are liquid and have a value which can be determined accurately at any time.
- 2.5 The requirements on spread of investments do not apply until 12 months after the later of:
  - 2.5.1 the date on which the authorisation order in respect of the Funds takes effect; and
  - 2.5.2 the date the initial offer period commenced,provided always that paragraph 1.1 above is complied with during any such period.

### 3. **Eligible markets regime: purpose**

- 3.1 To protect investors the markets on which investments of a Fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.
- 3.2 Where a market ceases to be eligible, investments on that market cease to be approved securities. The 20% restriction on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.
- 3.3 A market is eligible for the purposes of the rules if it is:
  - 3.3.1 a regulated market as defined in the FCA Handbook; or
  - 3.3.2 a market in an EEA State which is regulated, operates regularly and is open to the public.
- 3.4 A market not falling within paragraph 3.3 of this Appendix is eligible for the purposes of COLL 5 if:
  - 3.4.1 the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property of a Fund;
  - 3.4.2 the market is included in a list in the Prospectus; and
  - 3.4.3 the Depositary has taken reasonable care to determine that:
    - 3.4.3.1 adequate custody arrangements can be provided for the investment dealt in on that market; and
    - 3.4.3.2 all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 3.5 In paragraph 3.4, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market exchange or as a self regulatory 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 for the order of investors.

### 4. **Spread: general**

- 4.1 This rule on spread does not apply to government and public securities.
- 4.2 Not more than 20% in the value of the Scheme Property of a Fund is to consist of deposits with a single body.

- 4.3 Not more than 10% in value of the Scheme Property of a Fund is to consist of transferable securities or money market instruments issued by any single body subject to COLL 5.6.23R (Schemes replicating an index).
- 4.4 The limit of 10% in 4.3 above is raised to 25% in value of the Scheme Property in respect of covered bonds.
- 4.5 In applying 4.3, certificates representing certain securities are to be treated as equivalent to the underlying security.
- 4.6 The COLL Sourcebook provides that not more than 35% in value of the Scheme Property is to consist of the units or shares of any one collective investment scheme.
- 4.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 10% in value of a Fund.
- 4.8 For the purpose of calculating the limit in 4.7, the exposure in respect of an OTC derivative may be reduced to the extent that collateral is held in respect of it if the collateral meets each of the following conditions:
- 4.8.1 it is marked-to-market on a daily basis and exceeds the value of the amount at risk;
  - 4.8.2 it is exposed only to negligible risks (e.g. government bonds of first credit rating or cash) and is liquid;
  - 4.8.3 it is held by a third party custodian not related to the provider or is legally secured from the consequences of a failure of a related party; and
  - 4.8.4 can be fully enforced by the Fund at any time.
  - 4.8.5 For the purposes of calculating the limits in 4.7, OTC derivative positions with the same counterparty may be netted provided that the netting procedures:
    - 4.8.6 comply with the conditions set out in Section 3 (Contractual netting (Contracts for novation and other netting agreements)) of Annex III to the Capital Requirements Regulation; and
    - 4.8.7 are based on legally binding agreements.
- 4.9 In applying this paragraph (Spread: general), all derivatives transactions are deemed to be free of counterparty risk if they are performed on an exchange where the clearing house meets each of the following conditions:
- 4.9.1 it is backed by an appropriate performance guarantee; and

4.9.2 it is characterised by a daily mark-to-market valuation of the derivative positions and at least daily margining.

## 5. **Spread: government and public securities**

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

5.1.1 an EEA state;

5.1.2 a local authority of an EEA state;

5.1.3 a non-EEA state; or

5.1.4 a public international body to which one or more EEA states belong.

5.2 Where no more than 35% in value of the Scheme Property of a Fund is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

5.3 The Company or any Fund may invest more than 35% in value of the Scheme Property of a Fund in such securities issued by any one body provided that:

5.3.1 the ACD has before any such investment is made consulted with the Depositary and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objectives of the authorised Fund;

5.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;

5.3.3 the Scheme Property of a Fund includes such securities issued by that or another issuer, of at least six different issues;

5.3.4 the disclosures in the Prospectus required by the FCA have been made.

## 6. **Investment in collective investment schemes**

6.1 Up to 100% of the value of the Scheme Property may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that Second Scheme satisfies all of the following conditions.

6.1.1 The Second Scheme must:

6.1.1.1 satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

6.1.1.2 be authorised as a Non-UCITS Retail Scheme; or

- 6.1.1.3 be recognised under the provisions of s.272 of the Financial Services and Markets Act 2000 (individually recognised overseas schemes) that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of article 50(1)(e) of the UCITS Directive are met); or
  - 6.1.1.4 be constituted outside the United Kingdom and have investment and borrowing powers which are the same or more restrictive than those of a Non-UCITS Retail Scheme; or
  - 6.1.1.5 be a scheme not falling within paragraphs 6.1.1.1 to 6.1.1.4 and in respect of which no more than 20% in value of the Scheme Property (including any transferable securities which are not approved securities) is invested.
- 6.1.2 The Second Scheme is a scheme which operates on the principle of the prudent spread of risk.
- 6.1.3 The Second Scheme is prohibited from having more than 15% in value of the scheme property consisting of units or shares in collective investment schemes.
- 6.1.4 The participants in the Second Scheme must be entitled to have their units or shares redeemed in accordance with the scheme at a price related to the Net value of the property to which the units or shares relate and determined in accordance with the scheme.
- 6.1.5 Where the Second Scheme is an umbrella, the provisions in paragraphs 6.1.2 to 6.1.4 apply to each sub-fund as if it were a separate scheme.
- 6.2 Investment may be made in collective investments schemes established in any jurisdiction, subject to compliance with the requirements of section 6.1.1 to 6.1.5 above.
- 6.3 The Scheme Property attributable to a Fund may include shares in another Fund (a "Second Fund") subject to the requirements of paragraph 6.4 below.
- 6.4 Funds may invest in a Second Fund provided that:
- 6.4.1 the Second Fund does not hold Shares in any other Fund of the Company;
  - 6.4.2 the requirements set out in paragraphs 6.6 and 6.7 below are complied with; and
  - 6.4.3 the investing or disposing Fund must not be a feeder UCITS to the Second Fund.

- 6.5 The Funds may, subject to the limit set out in 6.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Funds or one of its associates.
- 6.6 Investment may only be made in a Second Fund or other collective investment schemes managed by the ACD or an Associate of the ACD if the rules on double charging contained in the COLL Sourcebook are complied with.
- 6.7 Where a Fund of the Company invests in or disposes of Shares in a Second Fund or units or shares in another collective investment scheme which is managed or operated by the ACD or an Associate of the ACD, the ACD must pay to that Fund by the close of business on the fourth business day the amount of any preliminary charge in respect of a purchase, and in the case of a sale any charge made for the disposal.

7. **Investment in Nil and Partly Paid Securities**

- 7.1 A transferable security or an approved money market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Fund, at the time when payment is required, without contravening the rules in COLL 5.

8. **Investment in money market instruments**

- 8.1 A Fund may invest up to 100% in money market instruments provided the money market instrument is listed on or normally dealt on an eligible market (in accordance with paragraph 3 of this Appendix).
- 8.2 Notwithstanding the above, up to 20% of the Scheme Property may be invested in money market instruments which do not meet these criteria but which are liquid and have a value which can be determined accurately at any time.

9. **Efficient Portfolio Management**

- 9.1 The Funds may utilise property to enter into transactions for the purposes of Efficient Portfolio Management. There is no limit on the amount or value of the Scheme Property which may be used for EPM but the ACD must ensure that the transaction is economically appropriate in that they are realised in a cost effective way, they are entered into for one or more of the following specific aims: reduction of the relevant risks (whether in the price of investments, interest rates or exchange rates) or to the reduction of the relevant costs and/or to the generation of additional capital or income with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules in COLL. The exposure must be fully "covered" by cash and/or other property sufficient to meet any obligation to pay or

deliver that could arise. **The use of derivatives for EPM should not lead to an increase in risk to the Fund.**

- 9.2 Permitted transactions are those that the Fund reasonably regards as economically appropriate to EPM, that is:
- 9.2.1 Transactions undertaken to reduce risk or cost in terms of fluctuations in prices, interest rates or exchange rates where the ACD reasonably believes that the transaction will diminish a risk or cost of a kind or level which it is sensible to reduce; or
  - 9.2.2 Transactions for the generation of additional capital growth or income for the Fund by taking advantage of gains which the ACD reasonably believes are certain to be made (or certain, barring events which are not reasonably foreseeable) as a result of:
    - 9.2.2.1 pricing imperfections in the market as regards the property which the Fund holds or may hold; or
    - 9.2.2.2 receiving a premium for the writing of a covered call option or a covered put option on property of the Fund which the Fund is willing to buy or sell at the exercise price, or
    - 9.2.2.3 Stock lending arrangements.

A permitted arrangement in this context may at any time be closed out.

- 9.3 Transactions may take the form of “derivatives transactions” (that is, transactions in options, futures or contracts for differences) or forward currency transactions. A derivatives transaction must either be in a derivative which is traded or dealt in on an eligible derivatives market (and effected in accordance with the rules of that market), or be an off-exchange derivative which complies with the relevant conditions set out in the FCA Rules, or be a “synthetic future” (i.e. a composite derivative created out of two separate options). Forward currency transactions must be entered into with counterparties who satisfy the FCA Rules. A permitted transaction may at any time be closed out.

## 10. **Derivatives: General**

- 10.1 A transaction in derivatives or a forward transaction must not be effected for a Fund unless the transaction is of a kind specified in paragraph 11 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 20 (Cover for transactions in derivatives and forward transactions).
- 10.2 Where a Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to spread (COLL

5.2.11R (Spread: general) COLL 5.2.12R (Spread: government and public securities) except for index based derivatives where the rules below apply.

- 10.3 Where a transferable security or approved money-market instrument embeds a derivative, this must be taken into account for the purposes of complying with this section.
- 10.4 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 10.4.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a stand-alone derivative;
  - 10.4.2 its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - 10.4.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 10.5 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 10.6 Where a Fund invests in an index based derivative, provided the relevant index falls within COLL 5.6.23R (Relevant Indices) the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.6.7R and COLL 5.6.8R.

## 11. **Permitted transactions (derivatives and forwards)**

- 11.1 A transaction in a derivative must be:
- 11.1.1 in an approved derivative; or
  - 11.1.2 be one which complies with paragraph 15 (OTC transactions in derivatives).
- 11.2 A transaction in a derivative must have the underlying consisting of any one or more of the following to which the scheme is dedicated: transferable securities, money-market instruments, deposits, permitted derivatives under this paragraph, collective investment scheme units permitted under paragraph 6 (Investment in collective investment schemes), permitted immovables, gold, financial indices which satisfy the criteria set out in COLL 5.2.20A R, interest rates, foreign exchange rates, and currencies.

- 11.3 The exposure to the underlyings in 11.2 above must not exceed the limits in paragraph 5 and 6 above.
- 11.4 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 11.5 A transaction in a derivative must not cause a Fund to diverge from its investment objective as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.
- 11.6 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of transferable securities, money-market instruments, units in collective investment schemes, or derivatives, provided that a sale is not to be considered as uncovered if the conditions in paragraph 1.1 are satisfied.
- 11.7 Any forward transaction must be with an Eligible Institution or an Approved Bank.

## 12. **Financial indices underlying derivatives**

- 12.1 The financial indices referred to in 11.2 are those which satisfy the following criteria:
  - 12.1.1 the index is sufficiently diversified;
  - 12.1.2 the index represents an adequate benchmark for the market to which it refers; and
  - 12.1.3 the index is published in an appropriate manner.
- 12.2 A financial index is sufficiently diversified if its components adhere to the spread requirements in this section.
- 12.3 A financial index represents an adequate benchmark for the market to which it refers if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.
- 12.4 A financial index is published in an appropriate manner if:
  - 12.4.1 it is accessible to the public; and
  - 12.4.2 the index provider is independent from the index replicating scheme.

## 13. **Transactions for the purchase of property**

A derivative or forward transaction which will or could lead to the delivery of property for the account of the Company may be entered into only if that property can be held for the account of the Company, and 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 rules in the COLL Sourcebook.

**14. Requirement to cover sales**

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

**15. OTC Transactions in Derivatives**

15.1 Any transaction in an OTC derivative under paragraph 11.1.2 must be:

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

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

15.1.3 on approved terms; the terms of the transaction in derivatives are approved only if the ACD 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 the ACD can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and

15.1.4 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:

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

15.1.4.2 if the value referred to in 15.1.4.1 is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

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

- 15.1.5.1 an appropriate third party which is independent from the counterparty of the derivative at an adequate frequency and in such a way that the ACD is able to check it; or
- 15.1.5.2 a department within the ACD which is independent from the department in charge of managing the Fund and which is adequately equipped for such a purpose.

For the purposes of 15.1.3 above, "fair value" is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Counterparty approval is based on credit analysis of the counterparty. The credit analysis is tailored to the intended activity and may include, but not limited to, a review of the management, liquidity, profitability, corporate structure, regulatory framework in the relevant jurisdiction, capital adequacy, and asset quality. Negotiated versions of standardised contracts, such as International Swaps and Derivatives Association (ISDA) contracts and Credit Support Annexes (CSAs), are used to facilitate settlement and selective collateralisation of OTC Transactions in Derivatives.

When a Fund invests in a total return swap or other financial derivative instrument with similar characteristics, the underlying assets and investment strategies to which exposure will be gained are described in the relevant Fund's investment objective and policy. The counterparty does not have discretion over the composition or management of a Fund's portfolio or over the underlying of financial derivative instruments used by a Fund. Counterparty approval is not required in relation to any investment decision made by a Fund.

The maximum proportion of the assets under management of a Fund which can be subject to total return swaps is 110% although the expected proportion of the assets under management of a Fund that, in practice, could be subject to Total Return Swaps is 100%.

Collateral will be acceptable if it is in the form of cash or securities that are issued by certain governments or local authorities and that may have different maturities. Collateral received from a counterparty must meet a range of standards listed in ESMA Guidelines 2012/832 including those for liquidity, valuation, issue, credit quality, correlation and diversification.

Non-cash collateral received is not sold, reinvested or pledged. Cash collateral received in the context of OTC Transactions in Derivatives may be:

- (a) placed on deposit with entities prescribed in Article 50 (f) of the UCITS Directive;
- (b) invested in high-quality government bonds;

(c) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on an accrued basis; and

(d) invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds

To the extent required by the COLL Sourcebook, reinvestments of such cash collateral must be taken into account for the calculation of a Fund's global exposure.

Collateral received from the counterparty to an OTC Derivative transaction may be offset against gross counterparty exposure provided it meets a range of standards listed in ESMA Guidelines 2012/832, including those for liquidity, valuation, issuer credit quality, correlation and diversification. In offsetting collateral, its value is reduced by a percentage (a "haircut") which provides, inter alia, for short term fluctuations in the value of the exposure and of the collateral. Collateral levels are maintained to ensure that net counterparty exposure does not exceed the limits per counterparty as set out in section 3.10 (Counterparty risk and issuer concentration).

The reinvestment of cash collateral received is restricted to high quality government bonds, deposits, Reverse Repurchase Transactions and short term money market funds, in order to mitigate the risk of losses on reinvestment. For Funds which receive collateral for at least 30% of their assets, the associated liquidity risk is assessed.

At as the date of this Prospectus, the Funds do not reinvest cash collateral received in respect of the OTC Derivatives in any reverse repurchase transactions. Should this be the case, the Prospectus will be amended accordingly.

Where there is a title transfer, collateral received will be held by the Depositary (or sub-custodian on the behalf of the Depositary) on behalf of the relevant Fund in accordance with the Depositary's safekeeping duties under the Depositary Agreement. The Depositary will verify the ownership of the Fund of the OTC Derivatives and the Depositary will maintain an updated inventory of such OTC Derivatives. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision and which should be unrelated to the provider of the collateral.

Collateral will be valued on a daily basis, using available market prices and taking into account appropriate discounts determined for each asset class based on the haircut policy. The collateral will be marked to market daily and may be subject to daily variation margin requirements.

All revenues, after the deduction of appropriate fees, arising from total return swaps will be returned to the relevant Funds, and the ACD will not take any fees or costs out of those revenues additional to its charge on the Scheme Property of the relevant Funds as set out in this Prospectus.

16. **Risk management**

16.1 The ACD uses a risk management process, enabling it to monitor and measure as frequently as appropriate the risk of a Fund's positions and their contribution to the overall risk profile of the Fund.

17. **Investments in deposits**

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

18. **Stock lending**

18.1 The entry into stock lending transactions and repo contracts for the account of the Fund is permitted for the generation of additional income for the benefit of the Fund, and hence for its investors.

18.2 The specific method of stock lending permitted in this section is in fact not a transaction which is a loan in the normal sense. Rather it is an arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992, under which the lender transfers securities to the borrower otherwise than by way of sale and the borrower is to transfer those securities, or securities of the same type and amount, back to the lender at a later date. In accordance with good market practice, a separate transaction by way of transfer of assets is also involved for the purpose of providing collateral to the "lender" to cover him against the risk that the future transfer back of the securities may not be satisfactorily completed.

18.3 The stock lending permitted by this section may be exercised by the Fund when it reasonably appears to the Fund to be appropriate to do so with a view to generating additional income for the Fund with an acceptable degree of risk.

18.4 The Company or the Depositary at the request of Company may enter into a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if all the terms of the agreement under which securities are to be reacquired by the Depositary for the account of the Fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice, the counterparty is an authorised person or a person authorised by a home state regulator, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.

18.5 The Depositary must ensure that the value of the collateral at all times is at least equal to the value of the securities transferred by the Depositary. This duty may be regarded as satisfied in respect of collateral the validity of which is about to expire or has expired where the Depositary takes reasonable care to determine that

sufficient collateral will again be transferred at the latest by the close of business on the day of expiry.

18.6 Any agreement for transfer at a future date of securities or of collateral (or of the equivalent of either) may be regarded, for the purposes of valuation under the COLL Sourcebook, as an unconditional agreement for the sale or transfer of property, whether or not the property is part of the property of the Fund.

18.7 There is no limit on the value of the Scheme Property which maybe the subject of stock lending transactions.

## 19. **Schemes replicating an index**

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

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

19.3 In the case of a Fund replicating an index the Scheme Property of a Fund need not consist of the exact composition and weighting of the underlying in the relevant index where deviation from this is expedient for reasons of poor liquidity or excessive cost to the scheme in trading in an underlying investment.

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

19.4.1 the composition is sufficiently diversified;

19.4.2 the index is a representative benchmark for the market to which it refers;  
and

19.4.3 the index is published in an appropriate manner.

## 20. **Cover for transactions in derivatives and forward transactions**

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

20.2 Cover ensures that a Fund is not exposed to the risk of loss of property, including money, to an extent greater than the Net value of the Scheme Property. Therefore, a Fund must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Fund is committed. Detailed requirements for cover of a Fund are set out below.

- 20.3 A future is to be regarded as an obligation to which the Fund is committed (in that, unless closed out, the future will require something to be delivered, or accepted and paid for; a written option as an obligation to which the scheme is committed (in that it gives the right of potential exercise to another thereby creating exposure); and a bought option as a right (in that the purchaser can, but need not, exercise the right to require the writer to deliver and accept and pay for something).
- 20.4 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.
- 20.5 A transaction in derivatives or forward transaction is to be entered into only if the maximum exposure, in terms of the principal or notional principal created by the transaction to which the scheme is or may be committed by another person is covered globally.
- 20.6 Exposure is covered globally if adequate cover from within the Scheme Property is available to meet the scheme's total exposure, taking into account the value of the underlying assets, any reasonably foreseeable market movement, counterparty risk, and the time available to liquidate any positions.
- 20.7 Cash not yet received into the Scheme Property but due to be received within one month is available as cover.
- 20.8 Property the subject of a stock lending transaction is only available for cover if the ACD has taken reasonable care to determine that it is obtainable (by return or re-acquisition) in time to meet the obligation for which cover is required.
- 20.9 The global exposure relating to derivatives may not exceed the Net value of the Scheme Property.

## 21. **Cash and near cash**

- 21.1 Cash and near cash must not be retained in the Scheme Property of a Fund except to the extent that, where this may reasonably be regarded as necessary in order to enable:
- 21.1.1 the pursuit of the Fund's investment objective; or
  - 21.1.2 the redemption of units or shares; or
  - 21.1.3 efficient management of the Fund in accordance with its investment objective; or
  - 21.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Fund.

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

## 22. **General**

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

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

22.3 It is not intended that the Company should have any interest in any immovable property or tangible movable property.

## 23. **Underwriting**

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

## 24. **Borrowing powers and Leverage**

24.1 The ACD may, on the instructions of the Fund and subject to the COLL Sourcebook, borrow money from an Eligible Institution or an Approved Bank for the use of the Fund on terms that the borrowing is to be repayable out of the Scheme Property.

24.2 The ACD must ensure that borrowing does not, on any business day, exceed 10% of the value of the Fund.

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

24.4 The ACD will not employ Leverage in respect of its management of the Company save where it undertakes certain derivatives and forward transactions for the limited purposes described in this Appendix III and subject at all times to the requirements and restrictions set out in the Regulations insofar as they relate to Non-UCITS Retail Schemes. Therefore the Company will not be regarded as a type of fund using Leverage on a substantial basis (as described in the AIFM Directive).

24.5 The maximum limit on leverage for the purposes of the AIFMD (calculated according to

the Gross and Commitment Method) will be 110%.

**25. Restrictions on lending of property other than money**

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

25.2 Transactions permitted by paragraph 18 (Stock lending) are not to be regarded as lending for the purposes of paragraph 25.1.

25.3 The Scheme Property must not be mortgaged.

25.4 Where transactions in derivatives or forward transactions are used for the account of a Fund, nothing in this paragraph prevents the Company or the Depositary at the request of the Company from:

25.4.1 lending, depositing, pledging or charging Scheme Property for margin requirements; or

25.4.2 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.

**26. Restrictions on lending of money**

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

26.2 Acquiring a debenture is not lending for the purposes of paragraph 26.1, nor is the placing of money on deposit or in a current account.

**27. Guarantees and indemnities**

27.1 The Depositary, for the account of a Fund, must not provide any guarantees or indemnity in respect of the obligation of any person.

27.2 Scheme Property may not be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

27.3 Paragraphs 27.1 and 27.2 do not apply to any indemnity or guarantee given for margin requirements where derivatives or forward transactions are being used or an indemnity given to a person winding up a body corporate or other scheme in circumstances where share assets are becoming part of the Scheme Property by way of unitisation.

## APPENDIX IV

### LIST OF OTHER SCHEMES OPERATED BY THE ACD AND OTHER INTERESTS OF THE ACD AND ITS DIRECTORS

<b>Directors of the ACD and their significant business activities not connected with the business of the Company</b>	
R Peter W Millar	Sole proprietor of Valu-Trac Research; sole proprietor of Orton Estate and Orton Farms and Director of Spey Fishing Trust Ltd.
Anne Laing	None
Martin Henderson	None
Douglas Halley	None
Michael Barron	None

<b>Authorised collective investment schemes of which the ACD is the authorised corporate director</b>		
<b>Name</b>	<b>Place of registration</b>	<b>Registration number</b>
Alligator Fund ICVC	England and Wales	IC000203
Moray Place Investment Company*	Scotland	IC000934
The Beagle Fund*	England and Wales	IC000789
The Mulben Investment Funds	England and Wales	IC000816
The Prestney Fund	England and Wales	IC000175
The Teal Fund	England and Wales	IC000257
The VT Cindabella Fund	England and Wales	IC001049
The VT Oxeye Funds**	England and Wales	IC001063
Valu-Trac Investment Funds ICVC	Scotland	IC000953
Valu-Trac Proprietary Funds ICVC*	Scotland	IC000986
VT AJ Bell ICVC	England and Wales	IC001082
VT Allium Portfolio Funds*	England and Wales	IC000884
VT Cantab Funds ICVC	England and Wales	IC001114
VT Cape Wrath Focus Fund*	England and Wales	IC001061
VT Chelsea Managed ICVC	England and Wales	IC001085
VT Dominion Holdings ICVC*	England and Wales	IC001093
VT Esprit FS ICVC	England and Wales	IC001105
VT Garraway Investment Funds ICVC	England and Wales	IC000935
VT Gravis Funds ICVC	England and Wales	IC001055
VT Greystone ICVC	England and Wales	IC000403

VT Greystone Cautious Managed ICVC*	England and Wales	IC000407
VT Greystone Conservative Managed ICVC*	England and Wales	IC000533
VT Grosvenor Funds ICVC	England and Wales	IC001077
VT Halo Funds ICVC	England and Wales	IC001018
VT iFunds OEIC	England and Wales	IC000868
VT Morningstar Informed Smartfund ICVC	England and Wales	IC001012
VT Munro Smart-Beta Fund	England and Wales	IC000551
VT Odd Funds ICVC	England and Wales	IC001050
VT Plain English Finance Funds ICVC	England and Wales	IC001096
VT Price Value Partners Funds ICVC	England and Wales	IC001033
VT Redlands Fund	England and Wales	IC001043
VT Redlands NURS ICVC*	England and Wales	IC001089
VT Reyker Funds ICVC	England and Wales	IC001121
VT RM Funds ICVC	England and Wales	IC001108
VT Rossie House Investment Management Funds ICVC*	England and Wales	IC000991
VT SG Defined Return Assets ICVC	England and Wales	IC001097
VT Sorbus Vector Funds ICVC	England and Wales	IC001059
VT Tatton Oak ICVC	England and Wales	IC000737
VT Tcam Investment Funds	England and Wales	IC000052
VT Teviot Funds ICVC	England and Wales	IC001094
VT Thistledown ICVC	England and Wales	IC001011
VT Ursus Arctos Funds ICVC	Scotland	IC001004

VT Vanneck Equity Fund	England and Wales	IC001003
VT Vanneck Funds ICVC	England and Wales	IC001112
VT Woodhill Investment Funds ICVC	England and Wales	IC001009

\* denotes a Non-UCITS Retail Scheme

\*\* denotes a Qualified Investor Scheme

<b>Funds of which the ACD is investment manager</b>
The Newmarket Africa Master Fund Limited (a fund registered in the Cayman Islands)
The Newmarket Africa Fund Limited (a fund registered in the Cayman Islands)

## APPENDIX V

### PAST PERFORMANCE TABLES FOR EACH FUND AND INVESTOR PROFILE

#### 1. Historic performance, yield and risk category table:

Below we have shown the historical performance, for the period to 31 December 2017. Where possible, we have shown the performance over and the last 5 years, for each complete year. However, where the Fund has been in existence for less than any of the above periods, we show the performance since the launch of the Fund, plus for each complete year.

- In respect of Income Shares (where they are available), the performance shown will assume that any income has been reinvested.
- Past performance is no guarantee of future performance.
- These figures are presented as a matter of record and should be regarded as such.

#### VT Tatton Oak Advanced Fund A Class Accumulation Shares

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
16.75%	4.38%	3.45%	13.79%	11.04%	142.27%

**Launch Date: 23 March 2009**

Source: Fund Partners Limited

#### VT Tatton Oak Advanced Fund B Class Accumulation Shares

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
17.64%	5.17%	4.28%	14.65%	11.88%	157.73%

**Launch Date: 23 March 2009**

Source: Fund Partners Limited

**VT Tatton Oak Capital Growth Fund A Class Accumulation Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
14.14%	3.86%	3.11%	13.17%	7.91%	127.09%

**Launch Date: 23 March 2009**

Source: Fund Partners Limited

**VT Tatton Oak Capital Growth Fund B Class Accumulation Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
15.03%	4.59%	4.01%	14.02%	8.72%	141.88%

**Launch Date: 23 March 2009**

Source: Fund Partners Limited

**VT Tatton Oak Cautious Growth Fund A Class Accumulation Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
9.67%	3.30%	1.69%	11.64%	5.05%	91.15%

**Launch Date: 23 March 2009**

Source: Fund Partners Limited

**VT Tatton Oak Cautious Growth Fund B Class Accumulation Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
10.44%	3.85%	2.43%	12.31%	5.68%	102.23%

**Launch Date: 23 March 2009**

Source: Fund Partners Limited

**VT Tatton Oak Distribution Fund A Class Accumulation Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
9.40%	4.95%	-0.79%	8.69%	1.76%	34.38%

**Launch Date: 30 January 2012**

Source: Fund Partners Limited

**VT Tatton Oak Distribution Fund A Class Income Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
9.39%	4.94%	-0.84%	8.68%	1.78%	34.32%

**Launch Date: 30 January 2012**

Source: Fund Partners Limited

**VT Tatton Oak Distribution Fund B Class Accumulation Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
10.07%	5.59%	-0.13%	9.31%	2.38%	39.24%

**Launch Date: 30 January 2012**

Source: Fund Partners Limited

**VT Tatton Oak Distribution Fund B Class Income Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017

10.07%	5.58%	-0.12%	9.32%	11.79%	39.51
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**Launch Date: 30 January 2012**

Source: Fund Partners Limited

**VT Defensive Portfolio Overlay Fund C Class Accumulation Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
N/A	N/A	N/A	11.14%	3.39%	15.92%

**Launch Date: 7 December 2015**

Source: Fund Partners Limited

**VT Cautious Portfolio Overlay Fund C Class Accumulation Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
N/A	N/A	N/A	12.80%	6.15%	21.63%

**Launch Date: 7 December 2015**

Source: Fund Partners Limited

**VT Balanced Portfolio Overlay Fund C Class Accumulation Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
N/A	N/A	N/A	13.62%	9.40%	27.05%

**Launch Date: 7 December 2015**

**VT Active Portfolio Overlay Fund C Class Accumulation Shares**

Percentage Growth year to 31 December 2013	Percentage Growth year to 31 December 2014	Percentage Growth year to 31 December 2015	Percentage Growth year to 31 December 2016	Percentage Growth year to 31 December 2017	Percentage Growth from Launch to 31 December 2017
N/A	N/A	N/A	13.31%	12.57%	31.12%

**Launch Date: 7 December 2015**

Source: Fund Partners Limited

#### **VT Aggressive Portfolio Overlay Fund C Class Accumulation Shares**

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	17.82%	14.91%	39.77%

**Launch Date: 7 December 2015**

Source: Fund Partners Limited

Source of performance data: Morningstar Direct

Based on A Class, B Class and C Class Accumulation and Income Shares, Cumulative, Daily Total Return, in Sterling.

#### **VT Tatton Blended Cautious Fund A Class Accumulation Shares**

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

#### **VT Tatton Blended Cautious Fund A Class Income Shares**

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

**VT Tatton Blended Cautious Fund X Class Accumulation Shares**

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

**VT Tatton Blended Cautious Fund X Class Income Shares**

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

**VT Tatton Blended Balanced Fund A Class Accumulation Shares**

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

**VT Tatton Blended Balanced Fund A Class Income Shares**

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

**VT Tatton Blended Balanced Fund X Class Accumulation Shares**

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

**VT Tatton Blended Balanced Fund X Class Income Shares**

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

**VT Tatton Blended Active Fund A Class Accumulation Shares**

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

**VT Tatton Blended Active Fund A Class Income Shares**

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

### VT Tatton Blended Active Fund X Class Accumulation Shares

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

### VT Tatton Blended Active Fund X Class Income Shares

Percentage Growth year to 31 March 2013	Percentage Growth year to 31 March 2014	Percentage Growth year to 31 March 2015	Percentage Growth year to 31 March 2016	Percentage Growth year to 31 March 2017	Percentage Growth from Launch to 31 March 2017
N/A	N/A	N/A	N/A	N/A	N/A

**Launch Date: 31 January 2018**

Source: Fund Partners Limited

## 2. Investor profiles

This Prospectus sets out below a description of the profile of the typical investor for whom each Fund has been designed. Please note however that this description is not the ACD's assessment of the target market for the Funds for the purposes of the EU's Product Governance regime which may be obtained separately by distributors and other intermediaries from the ACD.

The Funds are marketable to both retail and institutional investors.

**VT Tatton Oak Advanced Fund** is designed for investors driven by the desire for larger profits and who are less risk sensitive. They will not accept small, steady returns and in seeking higher returns on their investment they are more likely to be comfortable with a 'high-risk, high-gain' strategy and accept that investments can fall and rise rapidly.

**VT Tatton Oak Capital Growth Fund** is designed for investors who don't mind living with a degree of risk in return for the possibility of an enhanced level of return.

**VT Tatton Oak Cautious Growth Fund** is designed for investors who want a better return than leaving their money in a bank or building society, but are not comfortable with having a large exposure to investments, which are subject to value fluctuations.

**VT Tatton Oak Distribution Fund** is designed for investors who are seeking a growing source of distribution income without wanting to reduce the purchasing power of their capital over the medium to longer term.

**VT Defensive Portfolio Overlay Fund** is designed for a cautious investor seeking to protect their wealth by investing in a wide range of asset types; an investor more interested in avoiding losing money than in maximising potential investment gains; who is prepared to tolerate small fluctuations in the value of the portfolio in order to achieve greater investment returns than a bank or a building society deposit.

**VT Cautious Portfolio Overlay Fund** is designed for a conservative investor seeking to maintain capital over the medium to long term (5 to 7 years); an investor who is prepared to accept a lower investment return which can typically be derived from the equity markets, over the longer term (5 to 7 years) in exchange for potential limited losses; who accepts that the portfolio will be subject to fluctuations.

**VT Balanced Portfolio Overlay Fund** is designed for an investor who is comfortable with holding a significant proportion in higher risk investments in order to have the opportunity for a greater return; an investor who is prepared to accept investment losses in the short term in order to achieve potentially greater investment returns over the longer term (7 to 8 years). The portfolio will be subject to fluctuations in value.

**VT Active Portfolio Overlay Fund** is designed for an investor who is comfortable with holding a significant proportion of their portfolio in higher risk investments in order to have the opportunity for a greater investment return; an investor who is prepared to accept investment losses in the short term in order to achieve potentially greater investment returns over the longer term (7 to 9 years). The portfolio will be subject to significant fluctuations in value.

**VT Aggressive Portfolio Overlay Fund** is designed for an investor who aims to produce significant long term investment gains and is not concerned if the portfolio sustains regular large fluctuations in value; an investor who is willing and can afford to sustain significant losses over a prolonged period of time.

**VT Tatton Blended Cautious Fund** is designed for a conservative investor who is; seeking to maintain capital over the longer term (5 to 7 years); is prepared to accept a lower investment return which can typically be derived from the equity markets over the longer term (5 to 7 years) in exchange for potentially limited losses; and who accepts that the portfolio will nevertheless be subject to fluctuations in value.

**VT Tatton Blended Balanced Fund** is designed for an investor who is; comfortable with holding a significant proportion in higher risk investments in order to have the opportunity for a greater return; is prepared to accept investment losses in the short term in order to achieve potentially greater investment returns over the longer term (7 to 10 years); and who accepts that the portfolio will be subject to fluctuations in value.

**VT Tatton Blended Active Fund** is designed for an investor who is; comfortable with holding a significant proportion of their portfolio in higher risk investments in order to have the opportunity for a greater investment return; is prepared to accept investment losses in the short term in order to achieve potentially greater investment returns over the longer term (10+ years); and who accepts that the portfolio will be subject to significant fluctuations in value.

Investors and potential investors should note that neither the description of the typical investor profile as set out above nor any other information contained in this Prospectus constitutes investment advice and investors and potential investors should consult their own professional advisers concerning the acquisition, holding or disposal of any shares in any of the Funds. Neither the Company, the ACD nor the Investment Manager makes any statement or representation in relation to the suitability, appropriateness or otherwise of any transaction in shares in any of the Funds.

#### **Target Market for MiFID II:**

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

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

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

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

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

**Clients' who should not invest:** shares in the Funds are deemed incompatible for investors which:

- are looking for full capital protection or full repayment of the amount invested and clients who want a guaranteed return (whether income or capital)
- are fully risk averse/have no risk tolerance
- need a fully guaranteed income of fully predictable return profile

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

## **APPENDIX VI**

### **DIRECTORY**

**The Company and Head Office:**

VT Tatton Oak ICVC  
Broadgate Tower, 20 Primrose Street, London, EC2A 2EW

**Authorised Corporate Director (Registrar and Administrator):**

Valu-Trac Investment Management Limited  
Mains of Orton, Orton, Moray, IV32 7QE

**Depositary:**

NatWest Trustee and Depositary Services Limited  
Drummond House  
1 Redheughs Avenue  
Edinburgh  
EH12 9RH

**Investment Manager:**

Tatton Investment Management Limited  
Paradigm House, Brooke Court, Wilmslow, Cheshire SK9 3ND

**Auditors:**

Johnston Carmichael LLP  
Commerce House, South Street, Elgin, IV30 1JE

**Custodian:**

RBC Investor Services Trust (UK Branch), Riverbank House, 2 Swan Lane, London, EC4R 3AF