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

# VT NORTH CAPITAL FUNDS ICVC

(An open-ended investment company with variable capital incorporated with limited liability registered in England and Wales under registered number IC026575)

# PROSPECTUS

**Valid as at: 4 November 2026.**

This document constitutes the Prospectus for VT North Capital Funds ICVC which has been prepared in accordance with the Collective Investment Schemes Sourcebook of the Financial Conduct Authority's Handbook of Rules and Guidance. Copies of this Prospectus have been sent to the Financial Conduct Authority and the Depositary.

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**Important Information**

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

The Company is an investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC026575. It is a UCITS scheme as defined in COLL, and also an umbrella company for the purposes of the OEIC Regulations.

Valu-Trac Investment Management Limited, the authorised corporate director ("ACD") of the Company, is the person responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained herein does not contain any untrue or misleading statement or omit any matters required by the Collective Investment Schemes Sourcebook to be included in it. Valu-Trac Investment Management Limited, accepts responsibility accordingly.

No person has been authorised by the Company or the ACD to give any information or to make any representations in connection with the offering of Shares other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been made by the 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 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 from Valu-Trac Investment Management Limited,

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 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.

US Persons are not permitted to subscribe for shares in the Sub-funds. The shares in the Sub-funds have not and will not be registered under the United States Securities Act 1933, the United States Investment Company Act 1940, or the securities laws of any of any of the States of the United States of America and may not be directly or indirectly offered or sold in the United States of America or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the United States Securities Act 1933, United States Investment Company Act 1940 and similar requirements of such state securities law.

The UK government has enacted legislation enabling it to comply with its obligations in relation to international tax compliance including the United States provisions commonly known as "FATCA" and the Organisation for Economic Co-Operation and Development provisions known as the "CRS".

As a result the ACD may need to disclose the name, address, taxpayer identification number and investment information relating to certain investors in the Trust to HM Revenue & Customs, who will in turn exchange this information with their overseas counterparts in relevant jurisdictions.

The extent to which the Company is able to report to HM Revenue & Customs will depend on each affected Shareholder in the Company providing the Company or its delegate with any information that the Company determines is necessary to satisfy such obligations.

By signing the application form to subscribe for shares, each prospective shareholder is agreeing to provide information upon request to the ACD or its agent. If a shareholder does not provide the necessary information, the ACD will be required to report it to HM Revenue & Customs and may exercise its right to redeem completely the holding of an affected shareholder (at any time upon any or no notice).

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 and ACD cannot be bound by an out of date prospectus when a new version has been issued and investors should check with Valu-Trac Investment Management Limited, that this is the most recently published prospectus.

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

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 from 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 therefore under the COLL Sourcebook or otherwise.

The Money Laundering Regulations 2017, The Proceeds of Crime Act 2002, The FCA Senior Management Arrangements Systems & Controls Source book and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the ACD must check your identity and the source of the money invested. The checks may include an electronic search of information held about you on the electoral roll and using credit reference agencies. The credit reference agency may check the details you supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify your identity and will not affect your credit rating. They may also use your details in the future to assist other companies for verification purposes. If you apply for shares you are giving the ACD permission to ask for this information in line with the Data

Protection legislation. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the ACD with your application.

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 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.

**Target market for MiFID II purposes:** The Target Market for MiFID II purposes for each Sub-fund is set out in Appendix I.

**1. DEFINITIONS**

| | |
|---|---|
| "**ACD**" | Valu-Trac Investment Management Limited, the authorised corporate director of the Company. |
| "**ACD Agreement**" | an agreement between the Company and the ACD. |
| "**Approved Bank**" | (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; or

(c) any other bank that:

(i) is subject to regulation by a national banking regulator;

(ii) is required to provide audited accounts;

(iii) has minimum net assets of £5 million (or its equivalent in any other currency at the relevant time) and has a surplus revenue over expenditure for the last two financial years; and

(iv) has an annual audit report which is not materially qualified,

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

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|---|---|
| "**Associate**" | any other person whose business or domestic relationship with the ACD or the ACD's associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties. |
| "**Auditor**" | Johnston Carmichael LLP, or such other entity as is appointed to act as auditor to the Company from time to time. |
| "**Base Currency**" | unless otherwise specified in the case of a Sub-fund, Sterling. |
| "**Business Day**" | a day on which the London Stock Exchange is open. If the London Stock Exchange is closed as a result of a holiday or for any other reason, or there is a holiday elsewhere or other reason which impedes the calculation of the fair market value of the Sub-fund's portfolio of securities or a significant portion thereof, the ACD may decide that any Business Day shall not be construed as such. |
| "**Class**" or "**Classes**" | in relation to Shares, means (according to the context) all of the Shares related to a single Sub-fund or a particular class or classes of Share related to a single Sub-fund. |
| "**Class Currency**" | the currency in which the Shares of a Class are designated. |
| "**COLL**" | refers to the appropriate chapter or rule in the COLL Sourcebook. |
| "**the COLL Sourcebook**" | the Collective Investment Schemes Sourcebook issued by the FCA (and forming part of the FCA Handbook) as amended from time to time. |
| "**Company**" | VT North Capital Funds ICVC. |
| "**Conversion**" | the conversion of Shares in one Class in a Sub-fund to shares of another Class within the same Sub-fund and "Convert" shall be construed accordingly. |
| "**Dealing Day**" | Monday to Friday inclusive when these are Business Days and other days at the ACD's discretion. |
| "**Depositary**" | The Bank of New York Mellon (International) Limited, or such other entity as is appointed to act as Depositary. |
| "**Director**" or "**Directors**" | the director(s) 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. |

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| "**Efficient Portfolio Management**" or "**EPM**" | for the purposes of this Prospectus, an investment technique where derivatives are used for one or more of the following purposes: reduction of risk, reduction of costs or the generation of additional capital or income for the Sub-funds with a risk level which is consistent with the risk profile of the Sub-funds and the risk diversification rules laid down in COLL. |
| "**Eligible Institution**" | one of certain eligible institutions as defined in the glossary of definitions to the FCA Handbook. |
| "**the FCA**" | the Financial Conduct Authority or any other regulatory body which may assume its regulatory responsibilities from time to time. |
| "**the FCA Handbook**" | the FCA Handbook of Rules and Guidance, as amended from time to time. |
| "**the Financial Services Register**" | the public record, as required by section 347 of the Financial Services and Markets Act 2000 and as defined in the glossary of definitions to the FCA Handbook. |
| "**Home State**" | has the meaning given to it in the glossary of definitions to the FCA Handbook. |
| "**Instrument of Incorporation**" | the instrument of incorporation of the Company as amended from time to time. |
| "**Investment Manager**" | North Capital Management Limited or such other entity as is appointed to act as the investment manager of the Company from time to time. |
| "**IOSCO**" | the International Organisation of Securities Commissions. |
| "**MiFID II**" | the Markets in Financial Instruments Directive 2014/65/EU. |
| "**Net Asset Value**" or "**NAV**" | the value of the Scheme Property of the Company or of any Sub-fund (as the context may require) less the liabilities of the Company (or of the Sub-fund concerned) as calculated in accordance with the Instrument of Incorporation. |
| "**OEIC Regulations**" | the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time. |
| "**OTC**" | over-the-counter: a derivative transaction which is not traded on an investment exchange. |
| "**Register**" | the register of Shareholders of the Company. |
| "**Registrar**" | Valu-Trac Investment Management Limited, or such other entity as is appointed to act as Registrar to the Company from time to time. |

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| "**Regulated Activities Order**" | the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (SI 2001/544) as amended from time to time. |
| "**Regulations**" | the OEIC Regulations and the FCA Handbook (including the COLL Sourcebook), as amended. |
| "**Scheme Property**" | the scheme property of the Company or a Sub-fund (as appropriate) required under the COLL Sourcebook to be given for safekeeping to the Depositary. |
| "**SDRT**" | stamp duty reserve tax. |
| "**Share**" or "**Shares**" | a share or shares in the Company (including larger denomination shares, and smaller denomination shares equivalent to one thousandth of a larger denomination share). |
| "**Shareholder**" | a holder of registered Shares in the Company. |
| "**Sub-fund**" or "**Sub-funds**" | 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. |
| "**Switch**" | the exchange where permissible of Shares of one Class or Sub-fund for Shares of another Class or Sub-fund. |
| "**UCITS Directive**" | 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. |
| "**UCITS scheme**" | a scheme constituted in accordance with the UCITS Directive (a European Directive relating to undertakings for collective investment in transferable securities which has been adopted in the UK). |
| "**Valuation Point**" | the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the ACD carries out a valuation of the Scheme Property for the Company or a Sub-fund (as the case may be) for the purpose of determining the price at which Shares of a Class may be issued, cancelled or redeemed. The current Valuation Point is 12 noon London time on each Dealing Day. |
| "**VAT**" | value added tax. |

*Words in the singular include the plural, and words in the plural include the singular, and words importing male persons include female persons and words importing female persons include male persons.*
*Reference to any law or statute shall mean such law or statute as amended to the date of this Prospectus, and shall include any subordinate legislation made pursuant to such law or statute.*

## 2. DETAILS OF THE COMPANY

### 2.1. General information

#### 2.1.1. General

VT North Capital Funds ICVC (the Company) is an investment company with variable capital incorporated in England and Wales under the OEIC Regulations with registered number IC026575 and authorised by the Financial Conduct Authority (PRN: 924848) pursuant to an authorisation order dated 22 April 2020. The Company has an unlimited duration.

The Company is a UCITS scheme and is an umbrella company (as defined in the OEIC Regulations). Each Sub-fund would be a UCITS scheme if it had a separate authorisation order.

Shareholders are not liable for the debts of the Company.

A Shareholder is not liable to make any further payment to the Company after he has paid the price on purchase of the Shares.

Historical performance figures in respect of each Sub-fund are, where available, set out in Appendix I.

The ACD is also the manager of certain open-ended investment companies details of which are set out in Appendix IV.

Details of a typical investor in the Company are set out in Appendix I.

#### 2.1.2. Head Office

The head office of the Company is at Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS and its principal place of business is at Mains of Orton, Orton, Moray, IV32 7QE.

#### 2.1.3. 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.

#### 2.1.4. Base Currency

The Base Currency of the Company and each Sub-fund is Pounds Sterling.

#### 2.1.5. Share Capital

Maximum £100,000,000,000

Minimum £1,000

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 Sub-funds.

#### 2.1.6. Marketing in EEA states

In connection with marketing Shares in EEA States other than the United Kingdom, there are currently no special arrangements in place for:

(a) paying in that EEA State amounts distributable to Shareholders resident in that EEA State;

(b) redeeming in that EEA State the Shares of Shareholders resident in the EEA State;

(c) inspecting and obtaining copies in that EEA State of the Instrument of Incorporation, this Prospectus and the annual and half-yearly report; and

(d) making public the price of Shares of each Class.

Accordingly, the provisions applicable to the marketing of the Shares in the Company in the UK shall also apply in these cases.

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.

### 2.2. The structure of the Company

#### 2.2.1. The Sub-funds

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

The Company is a UCITS scheme.

The Sub-funds are segregated portfolios of assets and, accordingly, the assets of a Sub-fund belong exclusively to that Sub-fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other Sub-fund, and shall not be available for any such purpose. While the provisions of the OEIC Regulations provide for segregated liability between sub-funds, the concept of segregated liability is relatively new. Accordingly, where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known how those foreign courts will react to regulations 11A and 11B (segregated liability and cross- investment provisions) of the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a Sub-fund will always be completely insulated from the liabilities of another Sub-fund of the Company in every circumstance.

The assets of each Sub-fund will be treated as separate from those of every other Sub-fund and will be invested in accordance with the investment objective and investment policy applicable to

that Sub-fund. Investment of the assets of each of the Sub-funds must comply with the COLL Sourcebook and the investment objective and policy of the relevant Sub-fund. Details of the Sub-funds, including their investment objectives and policies, are set out in Appendix I.

The eligible securities markets and eligible derivatives markets on which the Sub-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 Sub-fund is set out in Appendix III.

Subject to the above, each Sub-fund will be charged with the liabilities, expenses, costs and charges of the Company attributable to that Sub-fund, and within each Sub-fund charges will be allocated between 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 Sub-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 Sub-funds.

### 2.2.2. Shares

Shares of different Classes may from time to time be issued in respect of each Sub-fund. The differences between Classes may be the minimum subscription, the minimum holding, the charges to be borne and/or the Class Currency, as detailed in Appendix I. In most cases either income Shares or accumulation Shares are offered. The Classes currently available in each Sub-fund are set out in Appendix I.

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 and the Regulations. On the introduction of any new Sub-fund or Class a revised prospectus will be prepared, setting out the details of each Sub-fund or Class.

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

The net proceeds from subscriptions to a Sub-fund will be invested in the specific pool of assets constituting that Sub-fund. The Company will maintain for each current Sub-fund a separate pool of assets, each invested for the exclusive benefit of the relevant Sub-fund.

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

To the extent that any Scheme Property, or any assets to be received as part of the Scheme Property, or any costs, charges or expenses to be paid out of the Scheme Property, are not attributable to one Sub-fund only, the ACD will allocate such Scheme Property, assets, costs, charges or expenses between Sub-funds in a manner which is fair to all Shareholders of the Company.

Where a Sub-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 Sub-fund will be adjusted accordingly. Also, each Class may have its own investment minima or other features, such as restricted access, at the discretion of the ACD.

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-fund for Shares of another Class within the same Sub-fund or for Shares of the same or another Class within a different Sub-fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 3.4 "Conversion and Switching".

**Registered Shares**

All Shares are in registered form. Certificates will not be issued in respect of Shares. Ownership of Shares will be evidenced by an entry in the Company's register of Shareholders.

At least twice per year the ACD will send a statement to each person who holds shares or has held shares since the previous statement. Where shares are jointly held, statements are sent to the first named Shareholder. The statement will describe the current holding(s) of Shares at the date of the statement and any transactions in Shares since the date of the last statement. Individual statements will also be issued at any time on request by the registered Shareholder.

**Larger and smaller denomination Shares**

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

**Class of Shares**

The Instrument of Incorporation currently provides for Income and Accumulation shares which can be further classified in accordance with the Instrument.

**Income and accumulation Shares**

Each Sub-fund may issue income and accumulation Shares. Further details of the Shares presently available for each Sub-fund, including details of their criteria for subscription and fee structure, are set out in Appendix I.

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 Sub-fund on the relevant interim and/or annual accounting dates. This is reflected in the price of an accumulation Share.

Where a Sub-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 Sub-fund will be adjusted accordingly.

Shareholders are entitled (subject to certain restrictions) to Switch all or part of their Shares in a Class or a Sub-fund for Shares of another Class within the same Sub-fund or for Shares of the same or another Class within a different Sub-fund of the Company. Details of this switching facility and the restrictions are set out in paragraph 3.4 "Conversion and Switching".

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

The dealing office of the ACD is normally open from 9.00 a.m. to 5.00 p.m. (London time) on each Business 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. The initial purchase 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).

The ACD may also, at its discretion, introduce further methods of dealing in Shares in the future.

In its dealings in Shares of the Sub-funds the ACD is dealing as principal. The ACD does not actively seek to make a profit from dealing in Shares as principal but does so in order to facilitate the efficient management of the Company. The ACD is not accountable to Shareholders or the Depositary for any profit it makes from dealing in Shares as principal.

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 a Sub-fund 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 investor's money onto the Depositary by the close of the Business Day following receipt. Similarly, when Shareholders sell Shares, 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. 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 or is unable 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 a 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 invest without providing any justification for doing so.

### 3.2. Buying Shares

#### 3.2.1. Procedure

Shares may be bought directly from the ACD or through a professional adviser or other intermediary. In addition, the ACD may from time to time make arrangements to allow Shares to be bought through other communication media. 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 Sub-fund will be processed at the Share price calculated, based on the Net Asset Value per Share (or the relevant proportion of the Net Asset Value), at the next Valuation Point following receipt of the application, except in the case where dealing in a Sub-fund has been suspended as set out in paragraph 3.11.

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

A purchase of Shares in writing or any other communication media made available is a legally binding contract. Applications to purchase, once made are, except in the case where cancellation rights are applied, irrevocable. 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. Such instructions will only be executed by the ACD once they have been verified and confirmed and the ACD's processing procedure has been satisfactorily completed. Please note that the ACD will not be liable for any losses or lost opportunities which may result from delays or rejections that arise from unclear instructions.

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

**3.2.2. Documents the buyer will receive**

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

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

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. In the event of such a sale or realisation, the ACD shall be entitled to transfer such investments to such persons as it shall specify and, recover any shortfall from that original investor.

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

No interest will be paid on funds held prior to investment. Shares that have not been paid for cannot be redeemed.

Settlement must be made by electronic bank transfer to the bank account detailed on the application form.

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

#### 3.2.3. Minimum subscriptions and holdings

The minimum initial subscriptions, subsequent subscriptions and holdings levels for each Class of Share in a Sub-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, Switch or transfer does not remove this right.

### 3.3. Redeeming Shares

#### 3.3.1. Procedure

Every Shareholder is entitled on any Dealing Day to redeem its Shares, which shall be purchased by the ACD dealing as principal.

Valid instructions to the ACD to redeem Shares in a Sub-fund 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 Sub-fund has been suspended as set out in paragraph 3.11.

A redemption instruction in respect of Shares in writing 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.

#### 3.3.2. 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.

#### 3.3.3. 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 Sub-fund to be redeemed is less than the minimum stated in respect of the appropriate Class in the Sub-fund in question (see Appendix I).

#### 3.3.4. Deferred redemption of the ACD

The ACD may limit the total number of shares of a Sub-fund which may be redeemed on any Dealing Day to a number representing 10% of the net assets of that Sub-fund. The ACD will ensure consistent treatment of all Shareholders who have sought to redeem Shares at any Dealing Day at which redemption requests to the stated level (i.e. 10% of the Sub-fund's value) and will defer the remainder until the next dealing day. The ACD will ensure that all deals relating to an earlier Dealing Day are completed before those relating to a later Dealing Day are considered.

### 3.4. Conversion and Switching

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

(i) Convert all or some of his Shares of one Class in a Sub-fund (the "Original Shares") for Shares in another Class in the same Sub-fund (the "New Shares"); or

(ii) Switch all or some of his Shares in a Sub-fund (the "Original Shares") for Shares in another Sub-fund in the Company (the "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.

Shareholders are required to provide written switching or conversion instructions to the ACD (which, in the case of joint Shareholders, must be signed by all the joint Shareholders) before

switching or conversion is effected. Conversions will be effected by the ACD recording the change of Share Class on the Register.

The ACD may at its discretion make a charge on the switching or conversion of Shares between Sub-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 Conversion and Switching".

If a partial Switch or conversion 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 or conversion) or refuse to effect any Switch or conversion 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 Sub-fund or Sub-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 or conversion requests received after a Valuation Point will be held over until the next day which is a Dealing Day in each of the relevant Sub-fund or Sub-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 Sub-fund for Shares in any other Sub-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. 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 Sub-fund for Shares in any other Sub-fund (or who converts between Classes of Shares) will not be given a right by law to withdraw from or cancel the transaction.**

### 3.5. Market timing

The ACD may refuse to accept a new subscription in the Company or a switch from another Sub-fund if, in the opinion of the ACD, it has reasonable grounds for refusing to accept a subscription or a switch from them. In particular, the ACD may exercise this discretion if it believes the Shareholder has been or intends to engage in market timing.

For these purposes, market timing activities include investment techniques which involve short term trading in and out of shares generally to take advantage of variation in the price of Shares between the daily valuation points in the Company. Short term trading of this nature may often be detrimental to long term Shareholders, in particular, the frequency of dealing may lead to additional dealing costs which can affect long term performance.

### 3.6. Dealing Charges

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

#### 3.6.1. Initial charge

The ACD may impose a charge on the purchase of Shares in each Class. The current initial charge, if any, is calculated as a percentage of the amount invested by a potential Shareholder in respect of each Sub-fund with such percentage being 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 (if any) of a Class may only be increased in accordance with the Regulations.

#### 3.6.2. Redemption Charge

The ACD may make a charge on the redemption of Shares in each Class. The current redemption charge, if any, is calculated as a percentage of the redemption proceeds with such percentage, in respect of each Share Class in a Sub-fund, being set out in Appendix I. The ACD may waive or discount the redemption charge at its discretion.

The redemption charge (which is deducted from redemption proceeds) is payable by the Shareholder to the relevant Sub-fund. The ACD may only introduce or increase a redemption charge in accordance with the Regulations. Also, if such a charge was introduced in respect of a specific Class of Shares, it would not apply to Shares issued before the date of the introduction (i.e., those not previously subject to a redemption charge).

#### 3.6.3. Charges on Conversion and Switching

On the switching of Shares between Sub-funds or 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.

The ACD's current policy is to only levy a charge on switching between Sub-funds that is no more than the excess of the initial charge applicable to New Shares over the initial charge applicable to the Original Shares as specified in Appendix I. There is currently no charge for converting Shares in one Class of a Sub-fund for Shares in another Class of the same Sub-fund.

**3.6.4. Dilution Adjustment**

The basis on which the Sub-funds' investments are valued for the purpose of calculating the price of Shares as stipulated in the Regulations and the Instrument of Incorporation is summarised in paragraph 4.2. Shares in the Sub-funds are single priced, meaning the Sub-funds apply a single mid-market price which will apply to both the purchase and redemption of Shares.

However, the actual cost of purchasing or selling investments for a Sub-fund may deviate from the mid-market value used in calculating the price of Shares in the Sub-fund due to dealing costs such as broking charges, taxes, and any spread between the buying and selling prices of the underlying investments.

These dealing costs can have an adverse effect on the value of the Sub-fund, known as "dilution". For example, as a result of Shareholders redemptions, Shares would be cancelled at the mid-market price. Investments may be sold from the Sub-fund to accommodate such redemptions and the market bid price, less costs, is received. That difference in price is suffered by the ongoing Sub-fund and not those investors who redeemed their Shares.

It is not, however, possible to predict accurately whether dilution will occur at any point in time.

The Regulations allow the cost of dilution to be met directly from a Sub-fund's assets or to be recovered from investors on the purchase or redemption of Shares by means of a dilution adjustment to the dealing price (also known as swinging single pricing). The ACD has adopted dilution adjustment as its mechanism to protect investors from the impacts of dilution. The ACD shall comply with COLL 6.3.8 in its application of any such dilution adjustment. The ACD's policy is designed to minimise the impact of dilution on the Sub-funds.

The dilution adjustment for the Sub-funds will be calculated by reference to the estimated costs of dealing in the underlying investments of a Sub-fund, including any dealing spreads, commissions and transfer taxes. The ACD may, at its absolute discretion, apply a dilution adjustment on the issue and redemption of such Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might be adversely affected, and if in applying a dilution adjustment, so far as practicable, it is fair to all Shareholders and potential Shareholders.

The ACD reserves the right to make a dilution adjustment on every Dealing Day where the ACD is of the opinion that it is in the best interest of Shareholders to do so.

Unless the ACD considers it would be detrimental to Shareholders, in specie transfers will not be taken into account when determining any dilution adjustment and any incoming portfolio will be

valued on the same basis as each Sub-fund is priced (i.e. offer plus notional dealing charges, mid, or bid less notional dealing charges). When a dilution adjustment is not applied there may be a dilution of the assets of a Sub-fund which may constrain the future growth of that Sub-fund.

The ACD may alter its current dilution adjustment policy in accordance with the Regulations.

The ACD reserves the right to adjust the price by a lesser amount (subject to the rate of dilution being greater than 0%) but will always make such an adjustment in a fair manner solely to reduce dilution and not for the purpose of creating a profit or avoiding a loss for the account of the ACD or an associate of the ACD. It should be noted that as dilution is related to inflows and outflows of monies and the purchase and sale of investments it is not possible to predict accurately if and when dilution will occur and to what extent.

The dilution adjustment methodology has been in place since 29 May 2026 and so there is no historical data on how often a dilution adjustment has been applied to the Sub-funds. The ACD expects that the average dilution adjustment applied to the Sub-funds will be between 0.2% and 1.25% increase or decrease on the mid-market value in normal market conditions, however, the actual rate applied could be higher or lower than this.

Further information on the dilution adjustment in relation to the Sub-funds is available from the ACD on request.

#### 3.6.5. SDRT

The SDRT charge on the surrender of Shares in the Company applies only to in specie redemptions made otherwise than on a pro rata basis. A surrender of Shares to the Company will therefore generally be exempt from SDRT. Any SDRT arising in connection with a non-pro rata in specie redemption will be treated as a cost of that redemption and borne by the relevant redeeming Shareholder.

### 3.7. 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. The ACD may refuse to register a transfer unless any provision for SDRT due has been paid.

### 3.8. Restrictions and compulsory transfer, conversion and redemption

The ACD may from time to time take such action and/or 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 otherwise suffering (in the ACD's absolute discretion) any other adverse consequence. In this connection, the ACD may, inter alia,

reject in its discretion any application for the purchase, redemption, transfer or switching of Shares or require the conversion of shares in one class to another class.

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 sanction, penalty, burden or other disadvantage (whether pecuniary, administrative or operational) which the Company (including its Shareholders) or its delegates might not otherwise have incurred or suffered (including a requirement to register under any securities or investment or similar laws or governmental regulation of any country or territory); or

(c) are held in any manner by virtue of which the 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;

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 or conversion of such Shares in accordance with the COLL Sourcebook. If any Shareholder upon whom such a notice is served does not within 30 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 or conversion (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, conversion or cancellation 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. The ACD can effect compulsory conversions of Shares in certain circumstances.

Subject to any restrictions on the eligibility of investors for a particular Share Class, with the agreement of the Depositary the ACD may effect a mandatory Conversion of all or some of a

Shareholder's shares in one Share Class for shares of another Share Class if this is in the best interests of Shareholders.

**3.9. 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.

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 Sub-fund in exchange for assets the holding of which would be inconsistent with the investment objective or policy of that Sub-fund.

**3.10. In specie redemptions**

If a Shareholder requests the redemption of Shares the ACD may, where it considers that deal to be substantial in relation to the total size of a Sub-fund or in some way detrimental to the Sub-fund, arrange for scheme property having the appropriate value to be transferred to the Shareholder (an 'in specie transfer'), in place of payment for the Shares in cash. Before the redemption is effected, the ACD will give written notice to the Shareholder of the intention to make an in specie transfer. The Scheme Property to be transferred (or, if agreed by the ACD and properly authorised by the Shareholder, the proceeds of sale of such Scheme Property) is subject to stamp duty reserve tax or stamp duty unless the Scheme Property is transferred pro-rata.

The ACD will select the property to be transferred in consultation with the Depositary. The ACD and Depositary must ensure that the selection is made with a view to achieving no more advantage or disadvantage to the Shareholder requesting the redemption than to the continuing Shareholders. The Company may retain out of the property to be transferred (or the proceeds of sale) property or cash value or amount equivalent to any stamp duty reserve tax to be paid in relation to the cancellation of shares.

**3.11. Suspension of dealings in the Company**

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

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 Company 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. On a resumption of dealings following suspension, the calculation of Share prices and dealing will take place at the Dealing Day and times stated in this Prospectus.

### 3.12. Governing law

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

## 4. VALUATION OF THE COMPANY

### 4.1. General

The price of a Share is calculated by reference to the Net Asset Value of the Sub-fund to which it relates. The Net Asset Value per Share of a Sub-fund is currently calculated at 12 noon (London time) (this being the Valuation Point) on each Dealing Day.

The ACD may at any time during a Business Day carry out an additional valuation if it considers it desirable to do so. 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 dealings. 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 Sub-fund and the amount of any dilution adjustment applicable 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 Scheme Property 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 paragraph 4.2.3 and 4.2.4 below) shall be valued as follows and the prices used shall (subject as follows) be the most recent prices which it is practicable to obtain:

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

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

(ii) if separate buying and redemption 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 redemption price has been increased by any exit or redemption charge attributable thereto; or

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

(b) exchange traded derivative contracts:

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

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

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

(d) any other investment:

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

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

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

(e) Scheme Property other than that described in paragraphs 4.2.2(a) to 4.2.2(d) above, at a value which, in the opinion of the ACD, is fair and reasonable;

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

**4.2.4.** 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 paid or received and all consequential action required by the Regulations or this Instrument of Incorporation shall be assumed (unless the contrary has been shown) to have been taken.

**4.2.5.** Subject to paragraphs 4.2.6 and 4.2.7 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.

**4.2.6.** Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph 4.2.5.

**4.2.7.** All agreements are to be included under paragraph 4.2.5 which are, or ought reasonably to have been, known to the person valuing the Scheme 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.

**4.2.8.** Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where the liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, VAT, stamp duty, SDRT and any foreign taxes or duties.

**4.2.9.** Deduct an estimated amount for any liabilities payable out of the Scheme Property and any tax or duty thereon, treating periodic items as accruing from day to day.

**4.2.10.** Deduct the principal amount of any outstanding borrowings whenever repayable and any accrued but unpaid interest on borrowings.

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

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

**4.2.13.** Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.

**4.2.14.** 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.

**4.3. Price per Share in each Sub-fund and each Class**

The price per Share at which Shares are bought or are redeemed is the Net Asset Value per Share at the Valuation Point subject to any dilution adjustment. Any initial charge or redemption charge, (or SDRT on a specific deal, if applicable) is payable in addition to the price or deducted from the proceeds and is taken from the gross subscription or redemption monies.

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

**4.4. 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. Shares in the Company are single priced.

**4.5. Publication of prices**

The prices of all Shares are published on the ACD's website (www.valu-trac.com). The prices of Shares may also be obtained by calling 0330 678 4760 during the ACD's normal business hours. Please note that telephone calls may be recorded.

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 in other third party websites or 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 following risk factors before investing in the Company (or in the case of specific risks applying to specific Sub-funds, in those Sub-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 Sub-funds to different degrees, and for a given Sub-fund this degree could increase or reduce through time.

### 5.1. General

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 the Sub-funds will actually be achieved and no warranty or representation is given to this effect. The level of any yield for a Sub-fund may be subject to fluctuations and is not guaranteed.

Inflation will affect the future buying power of any investment. If the returns on an investment in the Company have not beaten the rate of inflation, such investment will have less buying power in the future.

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

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

Where an initial charge or redemption charge is imposed, an investor who realises his Shares 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

A Sub-fund may suffer a reduction in the value of its Scheme Property due to dealing costs incurred when buying and selling investments. To offset this dilution effect the ACD may apply a dilution adjustment to the price of Shares when bought or sold.

**5.4. Charges to capital**

Where the investment objective of a Sub-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, or a fund is seeking total returns through a combination of capital growth and income all or part of the ACD's fee (and where appropriate fixed expenses) may be charged against capital instead of against income. The treatment of the ACD's fee (and where appropriate fixed expenses) may increase the amount of income (which may be taxable) available for distribution to Shareholders in the Sub-fund concerned but will erode capital and may constrain capital growth. It may also have tax implications for certain investors.

**5.5. Market Risk**

External factors can cause an entire asset class to decline in value. Prices and values of all shares or all bonds could decline at the same time. Some of the recognised exchanges on which each Sub-fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which each Sub-fund may liquidate positions to meet repurchase requests or other funding requirements.

**5.6. 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.

**5.7. Currency exchange rates**

Currency fluctuations may adversely affect the value of a Sub-fund's investments and the income thereon and, depending on an investor's currency of reference, currency fluctuations may adversely affect the value of his investment in Shares. Exchange rate changes may also cause the value of underlying overseas investments of a Sub-fund and any income from them to go down as well as up.

The Net Asset Value per Share of a Sub-fund will be computed in the Base Currency, whereas the investments held for the account of that Sub-fund may be acquired in other currencies. The Base Currency value of the investments of a Sub-fund designated in another currency may rise and fall due to exchange rate fluctuations in respect of the relevant currencies. Adverse movements in currency exchange rates (e.g. between the Base Currency and the currency of the assets of the Sub-funds) can result in a decrease in return and a loss of capital. The Investment Manager(s) may or may not try to mitigate such risk by using financial instruments where they consider it to be in the best interests of shareholders. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase.

As noted, it may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances where it is believed to be in the best interests of shareholders,

the relevant Investment Manager may consider it desirable not to hedge against such risk. Accordingly, the investments of each Sub-fund may or may not be fully hedged into its Base Currency. Currency management transactions, while potentially reducing the currency risks to which a Sub-fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty.

Where a Sub-fund engages in foreign exchange transactions which alter the currency exposure characteristics of its investments, the performance of such Sub-fund may be strongly influenced by movements in exchange rates as currency positions held by the Sub-fund may not fully correspond with the securities positions held.

Investors should be aware that any currency hedging process may not give a precise hedge. Furthermore, there is no guarantee that the hedging will be totally successful.

**5.8. Derivatives**

An Investment Manager may employ derivatives with the aim of reducing the risk profile of the Sub-funds, reducing costs or generating additional capital or income, in accordance with EPM and also, where specified in Appendix I, for investment purposes. The use of derivatives and forward transactions for investment purposes may increase the risk profile of that Sub-fund.

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

Investment in derivatives may result in gains or losses that are greater than the original amount invested.

Where a Sub-fund enters into swap arrangements (including total return swaps) and derivative techniques, they will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-funds could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the ACD, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the ACD's policy to net exposures of each Sub-fund against its counterparties.

Since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain derivatives have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered into. The swap market has grown substantially in recent

years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the ACD's use of derivative techniques may not always be an effective means of achieving and sometimes could be counter productive to, the Sub-fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the ACD that might in turn require, if there is insufficient cash available in the portfolio, the sale of the relevant Sub-fund's investments under disadvantageous conditions.

For more information in relation to investment in derivatives, please see paragraphs 17 in Appendix III.

**5.9. Credit and fixed interest securities**

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

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

**5.10. Counterparty and settlement**

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

**5.11. Concentration Risk**

Sub-funds which invest in a narrow range of investments or in specialised sectors may be more volatile than those with a more broadly diversified portfolio.

**5.12. Tax**

Tax laws currently in place may change in the future which could affect the value of your investments. See the section headed 'Taxation' for further details about taxation of the Sub-funds.

**5.13. Inflation and interest rates**

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

**5.14. Custody**

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

**5.15. Liquidity**

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

Investments made may become less liquid in response to market developments or adverse investor perceptions.

Liquidity risk also includes the risk that a Sub-fund will not be able to pay redemption proceeds within an allowable time period because of unusual market conditions, and unusually high volume of redemption requests, or other uncontrollable factors. To meet redemption requests, the Sub-fund may be forced to sell investments, at an unfavourable time and/or conditions.

**5.16. Leverage**

A proportion of the capital may be leveraged. While leverage presents opportunities for increasing the capital return, it has the effect of potentially increasing losses as well. Any event which adversely affects the underlying vehicles would be magnified to the extent the capital is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to the underlying investment vehicles could result in a substantial loss to capital that would be greater than if capital were not leveraged.

**5.17. Legal and regulatory risks**

Legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as the Company is subject to change. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

**5.18. Risks associated with the UK leaving the European Union ("Brexit")**

Following the UK's departure from the European Union (informally known as "Brexit"), the UK's political, economic and legal landscape continues to evolve. In particular, the UK's laws and regulations concerning funds now diverge from those of the European Union and may diverge further in the future. 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.

**5.19. Political Risk**

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

Events and evolving conditions in certain economies or markets may alter the risks associated with investments in countries or regions that historically were perceived as comparatively stable becoming riskier and more volatile. These risks are magnified in countries in emerging markets.

**5.20. Collective Investment Scheme**

A Sub-fund may invest in other collective investment schemes (including those managed by the ACD or an Investment Manager). As an investor in another collective investment scheme, a Sub-fund will bear, along with the other investors, its portion of the expenses of the other collective investment scheme, including the management performance and/or other fees. These fees will be in addition to the management fees and other expenses which a Sub-fund bears directly with its own operations.

**5.21. Counterparty risk in over-the-counter markets**

A Sub-fund may enter into transactions in over-the-counter markets, which will expose the Sub-fund to the credit of its counterparties and their ability to wholly or partially satisfy the terms of such contracts. For example, the Sub-fund may enter into agreements or use other derivative techniques, each of which expose the Sub-fund to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Sub-fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Company seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. The Company may only be able to achieve limited or, in some circumstances no, recovery in such circumstances. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. In such circumstances, investors may be unable to recover any losses incurred.

**5.22. Cyber Security**

As the use of technology has become more prevalent in the course of business, funds have become more susceptible to operational and financial risks associated with cyber security, including: theft, loss, misuse, improper release, corruption and destruction of, or unauthorised access to, confidential or highly restricted data relating to the 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 Sub-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 a Sub-fund 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 a Sub-fund invests or with which it does business.

**5.23. Structured Products**

The Sub-funds may invest in structured products in accordance with COLL. For the purposes of the FCA's rules, structured products may be regarded as either transferable securities, collective investment schemes or derivatives depending on the product in question. The common feature of these products is that they are designed to combine the potential upside of market performance with limited downside. Structured products typically are investments which are linked to the performance of one or more underlying instruments or assets such as market prices, rates, indices, securities, currencies and commodities and other financial instruments that may introduce significant risk that may affect the performance of the Sub-funds.

However, in addition to providing exposure to the asset classes described in the investment objective, the intention is that the use of structured products in the context of the Sub-funds should assist with keeping the volatility levels of the Sub-funds relatively low.

## 6. MANAGEMENT AND ADMINISTRATION

### 6.1. Regulatory Status

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

**Registered office**: Level 4, Dashwood House, 69 Old Broad Street, London EC2M 1QS.

**Principal place of business**: Mains of Orton, Orton, Moray, IV32 7QE.

**Share capital**: It has a share capital of £3,398,295 ordinary shares of £1 each issued and paid up.

**Ultimate holding company**: 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.

It has therefore delegated to the Investment Manager the function of managing and acting as the investment manager for the investment and reinvestment of the assets of the Sub-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.

The ACD Agreement may be terminated by either party after on not less than six months written notice or earlier upon the happening of certain specified events.

The ACD Agreement contains detailed provisions relating to the responsibilities of the ACD and excludes it from any liability to the Company or any Shareholder for any act or omission except in the case of negligence, wilful default, fraud, bad faith, breach of duty or breach of trust in relation to the Company on its part.

The ACD Agreement provides indemnities to the ACD to the extent allowed by the Regulations and other than for matters arising by reason of its negligence, wilful default, fraud, bad faith, breach of duty or breach of trust in the performance of its duties and obligations. Subject to certain limited exceptions set out in the Regulations, the ACD may retain the services of any person to assist it in the performance of its functions.

Details of the fees payable to the ACD are set out in paragraph 7.2 "Charges payable to the ACD" below.

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

#### 6.2.3. Remuneration Policy

FCA Rules require that the ACD applies remuneration policies and practices that are consistent with, and promote, effective risk management for certain categories of staff (namely those whose activities have a material impact on the risk profile of the ACD or the UCITS funds that it manages ("Code Staff"). The ACD, taking account of the principle of proportionality, has in place a remuneration policy (the "Remuneration Policy") which is reviewed at least annually.

The ACD considers the Remuneration Policy to be appropriate to the size, internal operations, nature, scale and complexity of the Sub-fund(s) and in line with the risk profile, risk appetite and the strategy of the Sub-fund(s).

The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the Code Staff.

In respect of any investment management delegates, the ACD requires that: (i) the entities to which such activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the European Securities and Market's Authority's ("ESMA's") Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD/Article 14 of the UCITS Directive; or (ii) appropriate contractual arrangements are put in place with entities to which such activities have been delegated in order to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines or the FCA Handbook.

The ACD's remuneration policy requires, amongst other items, that the remuneration practices within the ACD:

(i) are consistent with and promote sound and effective risk management;

(ii) do not encourage risk taking and are consistent with the risk profiles of the funds which the ACD manages; and

(iii) do not impair the ACD's ability to comply with its duty to act in the best interests of the funds which it manages.

Details of the Remuneration Policy, including a description of how remuneration and benefits are calculated, and the identities of persons responsible for awarding the remuneration and benefits, will be made available on the ACD's website (www.valu-trac.com) and a paper copy will be made available free of charge from the ACD upon request.

**6.3. The Depositary**

*General*

The Bank of New York Mellon (International) Limited is the Depositary of the Company and, for the avoidance of doubt, acts as the global custodian to the Company.

The Depositary is a private company limited by shares incorporated in England and Wales on 9 August 1996. Its ultimate holding company is The Bank of New York Mellon Corporation, a public company incorporated in the United States.

The registered office address is at 160 Queen Victoria Street, London, EC4V 4LA.

The principal business activity of the Depositary is the provision of custodial, banking and related financial services. The Depositary is authorised by the Prudential Regulation Authority and is dual-regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

*Duties of the Depositary*

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

*Terms of Appointment*

The Depositary was appointed under a depositary agreement between the ACD, the Company and the Depositary, effective 17 April 2026 (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.

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 the Depositary's breach of its duties under the Depositary Agreement, fraud, bad faith, negligence, or intentional failure.

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

Details of the fees payable to the Depositary are given in paragraph 7.2.3.

*Delegation of Safekeeping Functions*

The Depositary acts as global custodian and may delegate safekeeping to one or more global sub-custodians (such delegation may include the powers of sub-delegation). The Depositary has delegated safekeeping of the assets of the Company to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon (the "Global Sub-Custodians").

The Global Sub-Custodians may sub-delegate safekeeping of assets in certain markets in which the Company may invest to various sub-delegates. A list of the sub-delegates is set out in Appendix II. Investors should note that, except in the event of material changes requiring a prompt update of this Prospectus, the list of sub-delegates is updated only at each Prospectus review. An up to date list of sub-delegates may be obtained from the ACD on request.

Conflicts of Interest

(i) Definitions relevant to Depositary conflicts of interest

For the purposes of this section, the following definitions shall apply:

"BNY Affiliate" means any entity in which The Bank of New York Mellon Corporation (a Delaware corporation with registered office at 240 Greenwich St, New York, New York 10286, U.S.A) controls (directly or indirectly) an interest of no less than 30% in the voting stock or interests in such entity.

"Link" means a situation in which two or more natural or legal persons are either linked by a direct or indirect holding in an undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the undertaking in which that holding subsists.

"Group Link" means a situation in which two or more undertakings or entities belong to the same group within the meaning of Article 2(11) of Directive 2013/34/EU, as implemented or given direct effect in the UK, or international accounting standards adopted in accordance with Regulation (EC) No. 1606/2002, as it forms part of the law of the UK by virtue of the EU Withdrawal Act 2018, as amended, modified and reinstated from time to time, and any succeeding UK law or regulation which becomes enforceable by law from time to time.

(ii) Company, ACD and investors

The following conflicts of interests may arise between the Depositary, the Company and the ACD:

- A Group Link where the ACD has delegated administrative functions to The Bank of New York Mellon (International) Limited or any BNY Affiliate.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary and the ACD will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its investors.

If a Link exists between the Depositary and any investors in the Company, the Depositary shall take all reasonable steps to avoid conflicts of interests arising from such Link, and ensure that its functions comply with Article 23 of the UCITS V Regulations as applicable.

(iii) Delegation

The following conflicts of interests exist as a result of the delegation arrangements relating to safekeeping outlined above:

- A Group Link where the Depositary has delegated, or where any Global Sub-Custodian has sub-delegated, the safekeeping of the Scheme Property to a BNY Affiliate.

The Depositary shall ensure that policies and procedures are in place to identify all conflicts of interests arising from such Group Link and shall take all reasonable steps to avoid such conflicts of interests. Where such conflicts of interests cannot be avoided, the Depositary will ensure that such conflicts of interests are managed, monitored and disclosed in order to prevent adverse effects on the interests of the Company and its investors.

The Depositary may, from time to time, act as the depositary of other open-ended investment companies with variable capital and as trustee or custodian of other collective investment schemes.

Up-to-date information stated above with regards to the Depositary will be made available to unitholders on request.

(iv) Depositary Conflicts of Interest

The Depositary or any BNY Affiliates may have an interest, relationship or arrangement that is in conflict with or otherwise material in relation to the services it provides to the ACD and the Company. Conflicts of interest may also arise between the Depositary's different clients.

As a global financial services provider, one of the Depositary's fundamental obligations is to manage conflicts of interest fairly and transparently. As a regulated business, the Depositary is required to prevent, manage and, where required, disclose information regarding any actual or potential conflict of interest incidents to relevant clients.

The Depositary is required to and does maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps designed to prevent conflicts of interest from adversely affecting the interests of its clients.

The Depositary maintains an EMEA Conflicts of Interest Policy (the "Conflicts Policy"). The Conflicts Policy (in conjunction with associated policies):

a) identifies the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;

b) specifies the procedures or measures which should be followed or adopted by the Depositary in order to prevent or manage and report those conflicts of interest;

c) sets out effective procedures to prevent or control the exchange of information between persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;

d) includes procedures to ensure the separate supervision of persons whose principal functions involve carrying out activities with or for clients and whose interests may conflict, or who otherwise represent different interests that may conflict, including with the interests of the Depositary;

e) includes procedures to remove any direct link between the remuneration of individuals principally engaged in one activity and the remuneration of, or revenues generated by, different individuals principally engaged in another activity, where a conflict of interest may arise in relation to those activities;

f) specifies measures to prevent or limit any person from exercising inappropriate influence over the way in which an individual carries out investment or ancillary services or activities; and

g) sets out measures to prevent or control the simultaneous or sequential involvement of an individual in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

Disclosure of conflicts of interest to clients is a measure of last resort to be used by the Depositary to address its regulatory obligations only where the organisational and administrative arrangements established by the Depositary (and any BNY Affiliates where applicable) to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of clients will be prevented.

The Depositary must assess and review the Conflicts Policy at least once per year and take all appropriate measures to address any deficiencies.

The Depositary shall make available to its competent authorities, on request, all information which it has obtained while performing its services and which may be required by the competent authorities of the Company.

**6.4. The Investment Manager(s)**

**6.4.1. General**

The ACD has appointed North Capital Management Limited (registered number SC509360) and having its registered office at 3rd Floor Wemyss House, 6 - 8 Wemyss Place, Edinburgh, EH3 6DH to provide investment management services to the ACD.

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

The terms of each Investment Management Agreement between the ACD and the Investment Manager (where the ACD does not perform the role of investment manager itself) provide that the Investment Manager has authority to make decisions on behalf of the ACD on a discretionary basis in respect of day to day investment management of the Scheme Property including authority to place purchase orders and sale orders. Subject to the agreement of the ACD, the Investment Manager may appoint sub-investment advisers to discharge some or all of these duties. The Agreement may be terminated by either party on not less than six months' written notice or earlier upon the happening of certain specified events.

The Investment Manager will receive a fee paid by the ACD out of its remuneration received each month from the Company as explained in paragraph 7.4 below.

**6.5. The Registrar**

The ACD will also act as Registrar with responsibility for maintaining the Register. The Register will be kept at the offices of the ACD at Mains of Orton, Orton, Moray, IV32 7QE, where it can be inspected by Shareholders during normal business hours.

**6.6. The Auditors**

The auditors of the Company are Johnston Carmichael LLP whose principal place of business is at Strathlossie House, Elgin Business Park, Kirkhill Avenue, Elgin IV30 8DE.

**6.7. Sponsor**

North Capital Management Limited act as sponsor to the Company.

**6.8. Conflicts of interest**

The ACD, the Investment Manager and other companies within the ACD and/or an Investment Manager's group may, from time to time, act as investment manager or advisers to other funds or Sub-funds which follow similar investment objectives to those of the Sub-funds. It is therefore possible that the ACD and/or the Investment Manager may in the course of their business have potential conflicts of interest with the Company or a particular Sub-fund or that a conflict exists between the Company and other funds managed by the ACD. Each of the ACD and the Investment Manager will, however, have regard in such event to their obligations under the ACD Agreement and the Investment Management Agreement respectively 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. Where a conflict of interest cannot be avoided, the ACD and the Investment Manager will ensure that the Company and other collective investment schemes it manages are fairly treated.

The ACD acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Company or its shareholders will be prevented. Should any such situations arise the ACD will disclose these to shareholders in the report and accounts or otherwise in another appropriate format.

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

Details of the ACD's conflicts of interest policy are available on its website at: www.valu-trac.com.

**7. FEES AND EXPENSES**

**7.1. Ongoing**

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

The Company or each Sub-fund (as the case may be) may, so far as the COLL Sourcebook allows, pay out of the Scheme Property all relevant costs, charges, fees and expenses including, but not limited to, the following:

**7.1.1.** the fees and expenses and other charges (including for the avoidance of doubt any performance fee) payable to the ACD, the Investment Manager, the Registrar/Administrator and the Depositary;

**7.1.2.** broker's commission, fiscal charges (including stamp duty and/or stamp duty reserve tax) and other disbursements which are necessary to be incurred in effecting transactions for the Sub-funds and normally shown in contract notes, confirmation notes and difference accounts as appropriate;

**7.1.3.** fees and expenses in respect of establishing and maintaining the register of Shareholders, including any sub-registers and any associated incurred expenses whether they are provided by the ACD, its associates or any other person;

**7.1.4.** any costs incurred in or about the listing of Shares in the Company on any Stock Exchange, and the creation, conversion and cancellation of Shares;

**7.1.5.** any costs incurred in establishing or maintaining any services or facilities for electronic dealing in shares;

**7.1.6.** any costs incurred by the Company in publishing the price of the Shares in a national or other newspaper or any other form of media;

**7.1.7.** any costs incurred in producing and dispatching any payments made by the Company or a Sub-fund (as the case may be), or the yearly and half-yearly reports of the Company;

**7.1.8.** any fees, expenses or disbursements of any legal or other professional adviser of the Company or of the ACD or Investment Manager in relation to the Company;

**7.1.9.** any costs incurred in taking out and maintaining any insurance policy in relation to the Company and ACD;

**7.1.10.** any costs incurred in respect of meetings of Shareholders convened for any purpose;

**7.1.11.** any payment permitted by section 6.7.15R of the COLL Sourcebook;

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

**7.1.13.** taxation and duties payable in respect of the Scheme Property or the issue or redemption of Shares;

**7.1.14.** the audit fees of the Auditors (including VAT) and any expenses of the Auditors;

**7.1.15.** the fees of the FCA, in accordance with FCA's Fee Manual, together with any corresponding periodic fees of any regulatory authority in a country or territory outside

the United Kingdom in which shares in the Company or any Sub-fund are or may be marketed;

**7.1.16.** any expense incurred in relation to company secretarial duties including the cost of maintenance of minute books and other documentation required to be maintained by the Company;

**7.1.17.** any costs incurred in modifying the Instrument of Incorporation, Prospectus, KIIDs and other materials of the Company (including costs in respect of meetings of shareholders and/or directors convened for the purposes);

**7.1.18.** any costs incurred in printing reports, accounts, the Instrument of Incorporation, Prospectus and KIIDs of the Company, and any costs incurred as a result of periodic updates of such documents and any other administrative expenses;

**7.1.19.** any expense incurred in relation to each dealing transaction of Shares of the Company by way of example, including the cost of telephone, fax, postage and bank charges required to process a dealing transaction.

**7.1.20.** all fees and expenses of paying agents in countries other than the UK where shares in the Company are registered for retail sale;

**7.1.21.** the total amount of any cost relating to the authorisation and incorporation of any additional Sub-fund and of its initial offer or issue of shares;

**7.1.22.** any other fee, cost, charge or expense otherwise due or permitted to be deducted from the Company under the Regulations and/or by virtue of a change to the Regulations;

**7.1.23.** any value added or similar tax relating to any charge or expense set out herein;

**7.1.24.** expenses properly incurred by the ACD in the performance of its duties as ACD of the Company, including without limitation any costs incurred in preparing, translating, producing (including printing), distributing and modifying, any instrument of incorporation any prospectus or key investor information document (apart from the cost of distributing the key investor information document), or reports, accounts, statements, contract notes and other like documentation or any other relevant document required under the Regulations;

**7.1.25.** such other expenses as the ACD resolves are properly payable out of the Sub-funds property;

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

VAT will be added to these fees, charges and expenses where appropriate and will be payable by the Company.

## 7.2. Charges payable to the ACD and Depositary

### 7.2.1. ACD charges

In payment for carrying out its management duties and responsibilities the ACD is entitled to take an annual fee out of each Sub-fund as set out in Appendix I. The annual management charge will accrue on a daily basis in arrears by reference to the Net Asset Value of the Sub-fund on the immediately preceding Dealing Day and the amount due for each month is payable on the last Dealing Day of each month.

The current annual management charges for the Sub-funds (expressed as a percentage per annum of the Net Asset Value of each Sub-fund) are set out in Appendix I.

The fees payable to the Investment Manager are payable by the ACD out of its own fee income.

### 7.2.2. ACD Expenses

The ACD is also entitled to all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties as set out above, including stamp duty, stamp duty reserve tax on transactions in shares and expenses incurred in effecting regulatory changes to the Company or any Sub-fund.

The ACD is also entitled to be paid out of the Scheme Property any fees, expenses and disbursement in respect of the administration of the Company or a Sub-fund, including in respect of the provision of transfer agency services as follows:

| | |
|---|---|
| **Registration fee:** | £10 per shareholder per annum |
| **Transaction charge:** | £2.75 per STP (automated) trade<br>£10 per manual trade |

The Registration fee shall be calculated based on the number of shareholders on the shareholder register on the last business day of the previous month. Such transfer agency fees shall accrue daily during the current month and shall be payable on the first business day of the following month. VAT is payable on the charges or expenses mentioned above, where appropriate.

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.

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

### 7.2.3. Depositary's fee and expenses

The Depositary receives for its own account a periodic fee which will accrue daily 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 rate of the periodic fee is agreed between the ACD and the Depositary from time to time and is based on the value of each Sub-fund:

- Up to £100 million – 1.75 bps (0.0175%) per annum
- £100 million to £250 million – 1.0 bps (0.01%) per annum
- £250 million to £500 million – 0.75 bps (0.0075%) per annum
- Thereafter – 0.5 bps (0.005%) per annum

The Depositary's annual fee is subject to a minimum of £10,000 (plus VAT) per Sub-fund for each of the first three years of the Depositary's appointment.

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

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 | 0.001% to 0.25% |
| Transaction charges | £2 to £100 per transaction |

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.

Where relevant, the Depositary may make a charge for (or otherwise benefit from) providing services in relation to: distributions, proxy voting, related tax services, 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 Regulations.

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 Regulations or the general law.

On a winding up, redemption or termination of the Company or a Sub-fund, the Depositary will be entitled to its pro rata fees, charges and expenses to the date of winding up, redemption or

termination (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 Handbook.

**7.3. Investment Manager's fee**

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

An Investment Manager is also entitled to be repaid out of the assets of the Company, all reasonable, properly documented, out of pocket expenses incurred in the proper performance of its duties.

Further details of this agreement are summarised in paragraph 6.4 above.

**7.4. Allocation of fees and expenses between Sub-funds**

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

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

Allocation of expenses

Expenses are allocated between capital and income in accordance with the Regulations. However, the approach for a given Sub-fund is set out in Appendix I. **Deducting charges from capital may erode or constrain capital growth.**

Where expenses are deducted in the first instance from income, if and only if this is insufficient, the ACD and Depositary have agreed that all or part of the deductions will be made from capital (save for any charge made in respect of SDRT). If deductions were made from capital, this would result in capital erosion and constrain growth.

The ACD and the Depositary have agreed that the fees payable to the ACD and the Depositary will be apportioned as is set out in Appendix I in respect of each share class of each Sub-fund.

## 8. INSTRUMENT OF INCORPORATION

The Instrument of Incorporation is available for inspection at the ACD's offices at Mains of Orton, Orton, Moray, IV32 7QE.

## 9. SHAREHOLDER MEETINGS AND VOTING RIGHTS

### 9.1. Class, Company and Sub-fund meetings

The Company has dispensed with the holding of annual general meetings.

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

### 9.2. 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.

### 9.3. 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.

### 9.4. 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, such date to be decided by the ACD.

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 most senior Shareholder 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 Sub-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 on the date seven days before the notice of the relevant meeting was sent out but excludes holders who are known to the ACD not to be Shareholders at the time of the meeting.

### 9.5. Variation of Class or Sub-fund rights

The rights attached to a Class or Sub-fund may not be varied without the sanction of an extraordinary resolution passed at a meeting of Shareholders of that Class or Sub-fund or otherwise in accordance with the COLL Sourcebook.

## 10. TAXATION

### 10.1. General

The information below is a general guide based on current United Kingdom law and HM Revenue & Customs practice, all of which are subject to change. It is not intended to be exhaustive and there may be other tax considerations which may be relevant to prospective investors.

It summarises the tax position of the Company and of investors who are resident in the United Kingdom for tax purposes and hold Shares as investments. The regime for taxation of income and capital gains received by investors depends on the tax law applicable to their particular circumstances and/or the place where the Scheme Property is invested.

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.

### 10.2. The Company

Each Sub-fund will be treated as a separate entity for United Kingdom tax purposes.

The Company is generally exempt from United Kingdom tax on capital gains realised on the disposal of its investments. However, in some cases, gains realised on holdings in non-reporting offshore funds will incur a tax charge on disposal.

Any dividend distribution received by the Company will not normally be charged to corporation tax provided that it falls within one of the exempt classes set out in the relevant legislation. The Company will be subject to corporation tax on most other types of income but after deducting allowable management expenses and the gross amount of any interest distributions. Where the Company suffers foreign tax on income received, this will normally be an irrecoverable tax expense.

The Company will make dividend distributions except where more than a certain percentage of its property has been invested throughout the distribution period in interest- paying investments, in which case it will make interest distributions.

## 10.3. Shareholders

### 10.3.1. Income distributions

Any income distribution made by the Company, unless designated by the Company as an interest distribution, will be treated as if it were a dividend from a UK company. No deduction of UK income tax is made from a dividend distribution.

Corporate Shareholders within the charge to UK corporation tax receive this income distribution as franked investment income to the extent that the distribution relates to underlying franked investment income (before deduction of expenses, but net of UK corporation tax) for the period in respect of which the distribution is made. Any part of the distribution which is not received as franked investment income is taxable as if it were an annual payment in the hands of the Shareholder and is subject to corporation tax.

### 10.3.2. Capital gains

Shareholders who are resident in the UK for tax purposes may be liable to capital gains tax or, where the Shareholder is a company, corporation tax in respect of gains arising from the sale, exchange or other disposal of Shares (including Switches between Sub-funds but not Switches between Classes in respect of the same Sub-fund).

Capital gains made by individual Shareholders on disposals from all chargeable sources of investment will be tax free if the net gain (after deduction of allowable losses) falls within an individual's annual capital gains exemption.

Shareholders chargeable to UK corporation tax must include all chargeable gains realised on the disposal of Shares in their taxable profits.

Special provisions apply to a UK corporate Shareholder which invests in a bond fund (see above). Where this is the case, the corporate Shareholder's Shares in the Sub-fund are treated for tax

purposes as rights under a creditor loan relationship. This means that the increase or decrease in value of the Shares during each accounting period of the corporate Shareholder is treated as a loan relationship credit or debit, as appropriate and constitutes income (as opposed to a capital gain) for tax purposes and, as such, is taxed in the year that it arises.

The amount representing the income equalisation element of the Share price is a return of capital and is not taxable as income in the hands of Shareholders. This amount should be deducted from the cost of Shares in computing any capital gain realised on a subsequent disposal.

#### 10.3.3. Income Equalisation

The first income allocation received by an investor after buying Shares may include an amount of income equalisation, which will be shown on the issued tax voucher. 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.

### 10.4. Reporting of tax information

The Company and the ACD are subject to obligations which require them to provide certain information to relevant tax authorities about the Company, investors and payments made to them.

Under the Automatic Exchange of Information (AEOI) Regime the Company is obliged to share certain information in relation to investors with HMRC which will be shared with other tax authorities. AEOI refers to US Foreign Account Tax Compliant Act ("FATCA") and associated inter-governmental agreements and OECD's Common Reporting Standard ("CRS") as applicable in participating jurisdictions.

Failure to comply with these requirements will subject a Sub-fund to US withholding taxes on certain US-sourced income and gains under FATCA and various penalties as applicable in different participating jurisdictions for being non-compliant with CRS regulations.

Shareholders may be asked to provide additional information to the ACD to enable the Sub-fund to satisfy these obligations. Failure to provide requested information under FATCA may subject a Shareholder to liability for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in a Sub-fund.

To the extent a Sub-fund is subject to withholding tax as a result of:

- a Shareholder failing (or delaying) to provide relevant information to the ACD;
- a Shareholder failing (or delaying) to enter into a direct agreement with the IRS;
- the Sub-fund becoming liable under FATCA or any legislation or regulation to account for tax in any jurisdiction in the event that a Shareholder or beneficial owner of a Share

receives a distribution, payment or redemption, in respect of their Shares or disposes (or be deemed to have disposed) of part or all of their Shares in any way;

(each a "Chargeable Event"),

the ACD may take any action in relation to a Shareholder's or beneficial owner's holding to ensure that such withholding is economically borne by the relevant Shareholder or beneficial owner, and/or the ACD and/or its delegate or agent shall be entitled to deduct from the payment arising on a Chargeable Event an amount equal to the appropriate tax. The action by the ACD may also include, but is not limited to, removal of a non-compliant Shareholder from the Company or the ACD or its delegates or agents redeeming or cancelling such number of Shares held by the Shareholder or such beneficial owner as are required to meet the amount of tax. Neither the ACD nor its delegate or agent, will be obliged to make any additional payments to the Shareholder or beneficial owner in respect of such withholding or deduction.

Each investor agrees to indemnify the Company, each Sub-fund and/or the ACD and its delegates/agents for any loss caused by such investor arising to the Company, a Sub-fund and/or ACD and/or its delegates/agents by reason of them becoming liable to account for tax in any jurisdiction on the happening of a Chargeable Event.

**The foregoing statements are based on UK law and HMRC practice as known at the date of this Prospectus, which is subject to change, are intended to provide general guidance only. Shareholders and applicants for Shares are recommended to consult their professional advisers if they are in any doubt about their tax position. No liability is accepted by the ACD for such interpretation.**

## 11. WINDING UP OF THE COMPANY OR A SUB-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 Sub-fund may be terminated under the COLL Sourcebook instead of by the court provided that the Sub-fund is solvent and the steps required by regulation 21 of the OEIC Regulations are complied with.

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

The Company shall be wound up or a Sub-fund must be terminated under the COLL Sourcebook:

**11.1.** if an extraordinary resolution to that effect is passed by Shareholders; or

**11.2.** when the period (if any) fixed for the duration of the Company or a particular Sub-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 Sub-fund is to be wound up or terminated (as appropriate)(for example, if the Share capital of the Company or (in relation to any Sub-fund) the Net Asset Value of the Sub-fund is below £1 million, or if a change in the laws or regulations of any country means that, in the ACD's opinion, it is desirable to terminate the Sub-fund);

**11.3.** on the date stated in any agreement by the FCA in response to a request by the ACD for the winding up of the Company or for a request for the termination of the relevant Sub-fund;

**11.4.** on the effective date of a duly approved scheme of arrangement which is to result in the Company or Sub-fund ceasing to hold any Scheme Property; or

**11.5.** on the date on which all of the Sub-funds of the Company fall within 11.4 or have otherwise ceased to hold any Scheme Property, notwithstanding that the Company may have assets and liabilities that are not attributable to any particular Sub-fund.

On the occurrence of any of the above:

**11.6.** 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 Sub-fund (except in respect of the final calculation);

**11.7.** the Company will cease to issue and cancel Shares in the Company or the relevant Sub-fund and the ACD shall cease to sell or redeem Shares or arrange for the Company to issue or cancel them for the Company or the relevant Sub-fund (except in respect of a final cancellation);

**11.8.** 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;

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

**11.10.** the corporate status and powers of the Company and subject to 11.6 to 11.9 above, the powers of the ACD shall continue until the Company is dissolved. The ACD must ensure that it keeps Shareholders appropriately informed about the winding up or termination including, if known, its likely duration.

The ACD shall, as soon as practicable after the winding up or termination commences, realise the assets and meet the liabilities of the Company or the Sub-fund and, after paying out or retaining adequate provision for all liabilities properly payable and retaining provision for the costs of winding up, 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 Scheme Property. The ACD must instruct the Depositary how the proceeds must be held prior to being utilised to meet liabilities or make distributions to Shareholders with a view to the prudent protection of creditors and Shareholders against loss. If the ACD has not previously notified Shareholders of the proposal to wind up the Company or terminate the Sub-fund, the ACD shall, as soon as practicable after the commencement of winding up of the Company or the termination of the Sub-fund, give written notice of the commencement to Shareholders. When the ACD has caused all of the Scheme Property to be realised and all of the liabilities of the Company or the particular Sub-fund to be 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 Sub-fund.

As soon as reasonably practicable after completion of the winding up of the Company or the termination of a particular Sub-fund, the Depositary shall notify the FCA that the winding up or termination has been completed.

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

Following the completion of a winding up the Company or termination of a Sub-fund, the ACD must prepare a final account showing how the winding up or termination took place and how the Scheme Property was distributed. The Auditors of the Company shall make a report in respect of the final account stating their opinion as to whether the final account has been properly prepared. Within four months of the completion of the winding up or termination this final account and the auditors' report must be sent to the FCA and to each person who was a Shareholder (or the first named of joint Shareholders) immediately before the winding up or termination commenced.

As the Company is an umbrella company, with each Sub-fund having segregated liability, any liabilities attributable or allocated to a particular Sub-fund under the COLL Sourcebook shall be met out of the Scheme Property attributable or allocated to that particular Sub-fund.

## 12. GENERAL INFORMATION

### 12.1. Accounting periods

The annual accounting period of the Company ends each year on 31 March (the accounting reference date). Details of the interim accounting periods for each Sub-fund are set out in Appendix I.

**12.2. Notice to Shareholders**

All notices or other documents sent by the ACD to a Shareholder will be sent by normal post (or by email if the Shareholder agrees) to the last address (or email address as appropriate) notified in writing to the Company by the Shareholder.

**12.3. Income allocations**

Some Sub-funds may have interim and final income allocations. For each of the Sub-funds income is allocated in respect of the income available at each accounting date set out in Appendix I.

In relation to income Shares, distributions of income for each Sub-fund in which income Shares are issued are paid by bank transfer directly into a Shareholder's bank account on or before the relevant income allocation date in each year as set out in Appendix I.

In relation to income Shares, distributions of income for each Sub-fund in which income Shares are issued will be paid in GBP, irrespective of the currency in which each Class of Shares is denominated.

The ACD may at its option carry out any authentication procedures that it considers appropriate to verify, confirm or clarify shareholder payment instructions relating to dividend payments. This aims to mitigate the risk of error and fraud for the Company, each Sub-fund, its agents or Shareholders. Where it has not been possible to complete any authentication procedures to its satisfaction, the ACD and transfer agent may, at its discretion, delay the processing of payment instructions until authentication procedures have been satisfied, to a date later than the envisaged dividend payment date.

If the ACD is not satisfied with any verification or confirmation, it may decline to execute the relevant dividend payment until satisfaction is obtained. Neither the ACD nor the Company shall be held responsible to the Shareholder or anyone if it delays execution or declines to execute dividend payments in these circumstances.

For Sub-funds in which accumulation Shares are issued, income will become part of the capital property of the Sub-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 Sub-fund (or, if that no longer exists, to the Company).

The amount available for distribution in any accounting period is calculated by taking the aggregate of the income received or receivable for the account of the relevant Sub-fund in respect of that period, and deducting the charges and expenses of the relevant Sub-fund paid or payable out of income in respect of that accounting period. The ACD then makes such other adjustments as it considers appropriate (and after consulting the 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.

**12.4. Annual reports**

Annual reports of the Company will be published within four months of each annual accounting period and half yearly reports will be published within two months of each interim accounting period. The report containing the full accounts will be available upon request free of charge.

**12.5. 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 Mains of Orton, Orton, Moray, IV32 7QE.

**12.5.1.** the Prospectus;

**12.5.2.** the most recent annual and half yearly reports of the Company; and

**12.5.3.** the Instrument of Incorporation (and any amending documents).

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

**12.6. 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:

**12.6.1.** the ACD Agreement between the Company, and the ACD;

**12.6.2.** the Depositary Agreement between the Company, the Depositary and the ACD; and

**12.6.3.** the Investment Management Agreement between the Investment Manager, the ACD and the Company.

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

**12.7. Provision of investment advice**

All information concerning the Company and about investing in Shares of the Company is available from the ACD at Mains of Orton, Orton, Moray, IV32 7QE.

Neither the ACD nor any of its officers, representatives or advisers shall be regarded as giving 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.

**12.8. Telephone recordings**

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

**12.9. Complaints**

Complaints may be brought in writing to Valu-Trac Investment Management Limited, Mains of Orton, Orton, Moray, IV32 7QEor by telephone to 0330 678 4760.

In the event that an unsatisfactory response is provided, you can refer your complaint to the Financial Ombudsman Service at:

Financial Ombudsman Service Exchange Tower

London E14 9SR

Please note that a copy of the ACD's guide to making a complaint is available upon request.

The Financial Services Compensation Scheme (FSCS) offers compensation when an authorised firm is unable to pay claims against it, usually because the firm has gone out of business. The ACD is covered by the Financial Services Compensation Scheme. Investors may be entitled to compensation from the scheme if the ACD cannot meet its obligations. Most types of investment business are covered for 100% of the first £85,000 only. Further information is available from:

The Financial Services Compensation Scheme

PO Box 300
Mitcheldean
GL17 1DY

Tel: 0800 678 1100

Website: www.fscs.org.uk

**12.10. Risk management**

The ACD will provide upon the request of a Shareholder further information relating to:

**12.10.1.** the quantitative limits applying in the risk management of any Sub-fund;

**12.10.2.** the methods used in relation to 12.10.1; and

**12.10.3.** any recent development of the risk and yields of the main categories of investment.

**12.11. Indemnity**

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

**12.12. Strategy for the exercise of voting rights**

The ACD has a strategy for determining when and how voting rights attached to ownership of the Scheme Property are to be exercised for the benefit of each Sub-fund. A summary of this strategy is available from the ACD on request or on the ACD's website at www.valu-trac.com. Voting records and further details of the actions taken on the basis of this strategy in relation to each Sub-fund are available free of charge from the ACD on request.

**12.13. Best execution**

The ACD's order execution policy sets out the factors which the ACD expects the Investment Manager to consider when effecting transactions and placing orders in relation to the Company. This policy has been developed in accordance with the ACD's obligations under the Regulations to obtain the best possible result for the Company.

Details of the order execution policy are available on the ACD's website at www.valu-trac.com

**12.14. Genuine diversity of ownership**

Shares in the Company and information on the Company are and will continue to be marketed and made easily and widely available to reach the intended categories of investors. The intended categories of investors are retail investors and non-retail, professional investors. Different Share Classes of a sub-fund are issued to different types of investors. Shares in the Company are and will continue to be marketed and made available widely to reach the intended categories of investors and in a manner appropriate to attract those categories of investors.

## APPENDIX I

## SUB-FUND DETAILS

| VT North Capital Active Equity Fund | |
|---|---|
| **Type of Scheme:** | UCITS scheme |
| **Investment Manager:** | North Capital Management Limited |
| **PRN:** | 924849 |
| **Investment Objective & Policy:** | The investment objective of the Fund is to achieve capital growth over the long term (5 + years).<br><br>The Fund will seek to achieve its objective by investing at least 80% in collective investment funds (such as OEICS, Unit Trusts and Investment Trusts, and which may include funds managed and/or operated by the ACD or Investment Manager) which will provide exposure to equities.<br><br>The Fund may also invest in equities, fixed income, money market instruments, deposits, cash and near cash.<br><br>The Fund will be actively managed. The funds which it will invest, will be selected based on the Investment Manager's assessment as to wider market conditions and, which investments will best assist in achieving the Fund's objective.<br><br>Save as noted above the Fund will not have any particular geographic, industry or economic sector focus and as such weightings in these may vary as required. |
| **Derivatives:** | The Fund may hold derivatives for Efficient Portfolio Management purposes (including hedging). It is not intended that the use of derivatives for EPM purposes will increase the risk profile of the Fund. |

| | |
|---|---|
| **Benchmark:** | The Fund is not managed to or constrained by a benchmark, and nor does the ACD use a benchmark in order to assess performance.<br><br>However, many funds sold in the UK are grouped into sectors by the Investment Association (the "IA") (the trade body that represents UK investment managers), to help investors to compare funds with broadly similar characteristics.<br><br>In order to assess the Fund's performance, investors may find it useful to compare the Fund against the performance of the IA Global Sector, which serves as a method of comparing the Fund's performance with other funds which have broadly similar characteristics over the long term (5+ years). |
| | |
| **Accounting date:** | Final: 31 March<br><br>Interim: 30 September |
| **Income distribution/allocation dates:** | Final: By 31 May<br><br>Interim: By 30 November |
| | |
| **Shares Classes:** | Class A (Accumulation) |
| | |
| **Initial charge:** | Nil |
| **Redemption Charge:** | Nil |
| **Switching Charge:** | Nil |

| | |
|---|---|
| **Annual Management Charge:** | £69,738.46[1] per annum; plus<br>- Up to £100 million Net Asset Value – 0.015% per annum<br>- £100 million to £250 million Net Asset Value – 0.0075% per annum<br>- £250 million to £500 million Net Asset Value – 0.005% per annum<br>- thereafter – 0.0025% per annum; plus<br>Class A – 0.65% per annum,<br>the above percentages being percentages of the Net Asset Value of the Sub-fund attributable to the relevant Class (plus VAT if applicable). |
| **Charges taken from:** | Income |
| | |
| **Investment minima:**[2] | |
| Lump sum subscription | £1,000 |
| Top-up | £100 |
| Holding | £1,000 |
| Regular saving: | £100 per month |
| Redemption | N/A (provided minimum holding is maintained) |
| Switching | N/A (provided minimum holding is maintained) |
| | |
| **Initial price of Shares:** | £1 |

[1] The fixed element of the fee shall rise annually in line with the rate of inflation (calculated in accordance with the Consumer Prices Index) on 1 January each year). The stated fee is accurate as of 1 January 2026. In the event of negative inflation, this fee will remain unchanged.

[2] **The ACD may waive the minimum levels (and initial charge and redemption charge) at its discretion.**

**Past Performance:**[3]

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Class A Accumulation Shares | 9.2 | 13.7 | 13.3 | -18.2 | 13.9 |

**NOTE: PAST PERFORMANCE SHOULD NOT BE TAKEN AS A GUIDE TO THE FUTURE. THE VALUE OF INVESTMENTS AND INCOME FROM THEM CAN GO DOWN AS WELL AS UP AND INVESTORS MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED.**

[3] The share class and Fund both launched on 8 June 2020 and therefore past performance data is only available from 2021.

| | |
|---|---|
| **Profile of a Typical Investor/Target Market:** | **Type of clients:** retail, professional clients and eligible counterparties (subject to the applicable legal and regulatory requirements in the relevant jurisdiction).<br><br>**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.<br><br>**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.<br><br>**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 to high risk tolerance. They should be willing to accept price fluctuations in exchange for the opportunity of higher returns.<br><br>**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 Sub-fund.<br><br>**Clients' who should not invest:** shares in the Company is deemed incompatible for investors which:<br><br>▪ are looking for full capital protection or full repayment of the amount invested and clients who want a guaranteed return (whether income or capital)<br>▪ are fully risk averse/have no risk tolerance<br>▪ need a fully guaranteed income of fully predictable return profile<br><br>**Distribution channel:** This product is eligible for all distribution channels (e.g. investment advice, portfolio management, non-advised sales and pure execution services). |

## APPENDIX II
## PART I – ELIGIBLE SECURITIES MARKETS AND ELIGIBLE DERIVATIVES MARKETS

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

Each Sub-fund may also deal through the securities and derivatives markets and derivatives markets indicated below:

**Eligible Securities Markets:**

| | |
|---|---|
| **United States of America** | NYSE Euronext New York |
| | The NASDAQ Stock Market (NASDAQ) NYSE Amex Equities |
| | Chicago Mercantile Exchange (CME) Chicago Board of Trade (CBOT) |
| | The market in transferable securities issued by or on behalf of the United States of America conducted through those persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealers |
| **Australia** | Australian Securities Exchange (ASX) |
| **Canada** | Toronto Stock Exchange (TSX) |
| | TSX Venture Exchange |
| **Cyprus** | Cyprus Stock Exchange |
| **Hong Kong** | Hong Kong Stock Exchange |
| **India** | National Stock Exchange of India (NSE) |
| **Indonesia** | Indonesian Stock Exchange |
| **Japan** | Tokyo Stock Exchange |
| | Nagoya Stock Exchange |
| **Korea** | Korea Exchange (KRX) |
| **Malaysia** | Bursa Malaysia Securities Bhd |
| **Mexico** | Bolsa Mexicana de Valores (BMV) |

| | |
|---|---|
| **New Zealand** | New Zealand Stock Exchange (NZX) |
| **Philippines** | Philippine Stock Exchange |
| **Singapore** | Singapore Exchange (SGX) |
| **South Africa** | JSE Limited |
| **Switzerland** | SIX Swiss Exchange (SWX) |
| **Taiwan** | Taiwan Stock Exchange |
| **Thailand** | The Stock Exchange of Thailand (SET) |
| **Eligible Derivatives Markets:** | |
| **United Kingdom** | The London International Financial Futures and Options Exchange |
| | (NYSE LIFFE) |
| **United States of America** | Chicago Mercantile Exchange (CME) |
| | Chicago Board of Trade (CBOT) |

## PART II – LIST OF SUB-CUSTODIANS (AS AT THE DATE OF THIS PROSPECTUS)

| Country/Market | Subcustodian | Address |
|---|---|---|
| **Argentina** | The Branch of Citibank, N.A. in the Republic of, Argentina | Ciudad de Buenos Aires |
| **Australia** | Citigroup Pty Limited | Melbourne |
| **Australia** | The Hongkong and Shanghai Banking Corporation Limited | Hong Kong |
| **Austria** | UniCredit Bank Austria AG | Vienna |
| **Bahrain** | HSBC Bank Middle East Limited | Kingdom of Bahrain |
| **Bangladesh** | The Hongkong and Shanghai Banking Corporation | Hong Kong |
| **Belgium** | The Bank of New York Mellon SA/NV | Brussels |
| **Bermuda** | HSBC Bank Bermuda Limited | Hamilton |
| **Botswana** | Stanbic Bank Botswana Limited | Gaborone |
| **Brazil** | Citibank N.A., Brazil | Sao Paulo |
| **Brazil** | Banco Santander (Brasil) S.A. | Sao Paulo |
| **Bulgaria** | Citibank Europe plc, Bulgaria Branch | Sofia |
| **Canada** | CIBC Mellon Trust Company (CIBC Mellon) | Toronto |
| **Cayman Islands** | The Bank of New York Mellon | New York |
| **Channel Islands** | The Bank of New York Mellon | New York |
| **Chile** | Banco Santander Chile | Santiago |
| **China** | HSBC Bank (China) Company Limited | Shanghai |
| **China** | Bank of China Limited | Beijing |
| **China** | Agricultural Bank of China Limited | Beijing |
| **Colombia** | Cititrust Colombia S.A. Sociedad Fiduciaria | Bogota |
| **Colombia** | S3 CACEIS Colombia S.A. Sociedad Fiduciaria | Bogota |

| | | |
|---|---|---|
| **Costa Rica** | Banco Nacional de Costa Rica | San José |
| **Croatia** | Privredna banka Zagreb d.d. | Zagreb |
| **Cyprus** | Citibank Europe Plc, Greece Branch | Athens |
| **Czech Republic** | Citibank Europe plc, organizacni slozka | Prague |
| **Denmark** | Skandinaviska Enskilda Banken AB (Publ) | Stockholm |
| **Denmark** | The Bank of New York Mellon SA/NV | Brussels |
| **Egypt** | HSBC Bank Egypt S.A.E. | Cairo |
| **Estonia** | AS SEB Pank | Tallinn |
| **Estonia** | The Bank of New York Mellon SA/NV, Asset Servicing,<br>Niederlassung Frankfurt am Main | Frankfurt |
| **Euromarket** | Clearstream Banking S.A. | Luxembourg |
| **Euromarket** | Euroclear Bank SA/NV | Brussels |
| **Finland** | Skandinaviska Enskilda Banken AB (Publ) | Stockholm |
| **France** | BNP Paribas SA | Paris |
| **France** | The Bank of New York Mellon SA/NV | Brussels |
| **Germany** | The Bank of New York Mellon SA/NV | Frankfurt |
| **Ghana** | Stanbic Bank Ghana Limited | Accra |
| **Greece** | Citibank Europe Plc, Greece Branch | Athens |
| **Hong Kong** | Citibank N.A. | Hong Kong |
| **Hong Kong** | The Hongkong and Shanghai Banking Corporation Limited | Hong Kong |
| **Hungary** | Citibank Europe plc. Hungarian Branch Office | Budapest |
| **Iceland** | Landsbankinn hf. | Reykjavik |

| | | |
|---|---|---|
| **India** | Standard Chartered Bank, India Branch | Mumbai |
| **India** | Deutsche Bank AG | Mumbai |
| **India** | The Hongkong and Shanghai Banking Corporation Limited | Hong Kong |
| **Indonesia** | Standard Chartered Bank, Indonesia Branch | Jakarta |
| **Indonesia** | Deutsche Bank AG | Jakarta |
| **Ireland** | The Bank of New York Mellon | New York |
| **Israel** | Bank Hapoalim B.M. | Tel Aviv |
| **Italy** | The Bank of New York Mellon SA/NV | Brussels |
| **Japan** | Mizuho Bank, Ltd. | Tokyo |
| **Japan** | MUFG Bank, Ltd. | Tokyo |
| **Jordan** | Bank of Jordan PLC | Amman |
| **Kazakhstan** | Citibank Kazakhstan Joint-Stock Company | Almaty |
| **Kenya** | Stanbic Bank Kenya Limited | Nairobi |
| **Kuwait** | HSBC Bank Middle East Limited, Kuwait | Safat |
| **Latvia** | AS SEB banka | Kekavas novads |
| **Latvia** | The Bank of New York Mellon SA/NV, Asset Servicing,<br>Niederlassung Frankfurt am Main | Frankfurt |
| **Lithuania** | AB SEB bankas | Vilnius |
| **Lithuania** | The Bank of New York Mellon SA/NV, Asset Servicing,<br>Niederlassung Frankfurt am Main | Frankfurt |
| **Luxembourg** | Euroclear Bank SA/NV | Brussels |
| **Malawi** | Standard Bank PLC | Lilongwe |

| | | |
|---|---|---|
| **Malaysia** | Standard Chartered Bank Malaysia Berhad | Kuala Lumpur |
| **Malta** | The Bank of New York Mellon SA/NV, Asset Servicing,<br>Niederlassung Frankfurt am Main | Frankfurt |
| **Mauritius** | The Hongkong and Shanghai Banking Corporation Limited | Ebene |
| **Mexico** | Banco Citi México, S.A. Institución de Banca Múltiple, Grupo Financiero Citi México | Ciudad de Mexico |
| **Mexico** | Banco S3 CACEIS Mexico, S.A., Institución de Banca Multiple | Ciudad de Mexico |
| **Morocco** | Citibank Maghreb S.A. | Casablanca |
| **Namibia** | Standard Bank Namibia Limited | Kleine Kuppe, Windhoek |
| **Netherlands** | The Bank of New York Mellon SA/NV | Brussels |
| **New Zealand** | The Hongkong and Shanghai Banking Corporation Limited | Auckland |
| **Nigeria** | Stanbic IBTC Bank Ltd | Lagos |
| **Norway** | Skandinaviska Enskilda Banken AB (Publ) | Stockholm |
| **Oman** | Standard Chartered Bank | Ruwi |
| **Pakistan** | Deutsche Bank AG | Karachi |
| **Panama** | Citibank N.A., Panama Branch | Panama City |
| **Peru** | Citibank del Peru S.A. | Lima |
| **Philippines** | Standard Chartered Bank Philippines Branch | Makati City |
| **Poland** | Bank Polska Kasa Opieki S.A. | Warszawa |
| **Portugal** | Citibank Europe Plc | Dublin |
| **Qatar** | Qatar National Bank | Doha |
| **Qatar** | The Hongkong and Shanghai Banking Corporation Limited | Hong Kong |
| **Romania** | Citibank Europe plc Dublin, Romania Branch | Bucharest |

| | | |
|---|---|---|
| **Russia** | AO RenCap Bank | Moscow |
| **Russia** | Tbank | Moscow |
| **Saudi Arabia** | HSBC Saudi Arabia | Riyadh |
| **Serbia** | UniCredit Bank Serbia JSC Belgrade | Belgrade |
| **Singapore** | DBS Bank Ltd | Singapore |
| **Singapore** | Standard Chartered Bank (Singapore) Limited | Singapore |
| **Slovak Republic** | Citibank Europe plc, pobocka zahranicnej banky | Bratislava |
| **Slovenia** | UniCredit Banka Slovenija d.d. | Ljubljana |
| **South Africa** | Standard Chartered Bank, Johannesburg Branch | Sandton |
| **South Africa** | The Standard Bank of South Africa Limited | Johannesburg |
| **South Korea** | Standard Chartered Bank Korea Limited (SCB) | Seoul |
| **South Korea** | The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch | Seoul |
| **South Korea** | Deutsche Bank AG | Seoul |
| **Spain** | Banco Bilbao Vizcaya Argentaria, S.A. | Bilbao |
| **Spain** | CACEIS Bank Spain, S.A.U. | Madrid |
| **Sri Lanka** | The Hongkong and Shanghai Banking Corporation Limited | Hong Kong |
| **Sweden** | Skandinaviska Enskilda Banken AB (Publ) | Stockholm |
| **Switzerland** | UBS Switzerland AG | Zurich |
| **Taiwan** | HSBC Bank (Taiwan) Limited | Taipei City |
| **Taiwan** | Citibank Taiwan Limited | Taipei City |
| **Tanzania** | Stanbic Bank Tanzania Limited | Dar es Salaam |
| **Thailand** | The Hongkong and Shanghai Banking Corporation Limited | Bangkok |

| | | |
|---|---|---|
| **Tunisia** | Union Internationale de Banques | Tunis |
| **Turkey** | Deutsche Bank A.S. | Istanbul |
| **U.A.E.** | HSBC Bank Middle East Limited (HBME) | Dubai |
| **U.K.** | The Bank of New York Mellon | New York |
| **U.S.A.** | The Bank of New York Mellon | New York |
| **U.S.A. Precious Metals** | HSBC Bank, USA, N.A. | New York |
| **Uganda** | Stanbic Bank Uganda Limited | Kampala |
| **Ukraine** | JSC "Citibank"<br>Full name Joint Stock Company "Citibank" | Kiev |
| **Uruguay** | Banco Itaú Uruguay S.A. | Montevideo |
| **Vietnam** | HSBC Bank (Vietnam) Ltd | Ho Chi Minh City |
| **WAEMU** | Société Générale Côte d'Ivoire | Abidjan |
| **Zambia** | Stanbic Bank Zambia Limited | Lusaka |
| **Zimbabwe** | Stanbic Bank Zimbabwe Limited | Harare |

Note: Benin, Burkina-Faso, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal and Togo are members of the West African Economic and Monetary Union (WAEMU).

## APPENDIX III

## INVESTMENT AND BORROWING POWERS OF THE COMPANY

### 1. General

The Scheme Property of a Sub-fund will be invested with the aim of achieving the investment objective of that Sub-fund but subject to the limits set out in a Sub-fund's investment policy and the limits set out in Chapter 5 of the COLL Sourcebook ("COLL 5") and this Prospectus. These limits apply to each Sub-fund as summarised below.

Normally, the Sub-funds will be fully invested save for an amount to enable redemption of shares, efficient management of the Sub-funds in relation to their strategic objectives and other purposes which may be reasonably regarded as ancillary to the investment objectives of the Sub-funds.

This amount will vary depending upon prevailing circumstances and although it would normally not exceed 10% of the total value of each Sub-fund, there may be times when the Investment Manager considers bond 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 objectives and policy of each Sub-fund, the Scheme Property of each Sub-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 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 a Sub-fund under any other of those rules has also to be provided for.

1.2.2. Where 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:

(a) it must be assumed that in applying any of those rules, a Sub-fund must also simultaneously satisfy any other obligation relating to cover; and

(b) no element of cover must be used more than once.

**2. UCITS Schemes – general**

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

2.1.1. transferable securities;

2.1.2. approved money-market instruments;

2.1.3. permitted units in collective investments schemes;

2.1.4. permitted derivatives and forward transactions; and

2.1.5. permitted deposits.

2.2. It is not intended that the Sub-funds will have an interest in any immovable property or tangible movable property.

**3. Transferable securities**

3.1. A transferable security is an investment which is any of the following; (a) a share; (b) a debenture; (c) an alternative debenture; (d) a government and public security; (e) a warrant; or (f) a certificate representing certain securities.

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.

3.3. In applying paragraph 3.2 of this Appendix to an investment which is issued by a body corporate, and which is a share or debenture, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

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.

3.5. A Sub-fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:

3.5.1. the potential loss which a Sub-fund may incur with respect to holding the transferable security is limited to the amount paid for it;

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 FCA Handbook;

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;

3.5.4. appropriate information is available for it as follows:

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

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

3.5.5. it is negotiable; and

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

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:

3.6.1. not to compromise the ability of the ACD to comply with its obligation to redeem Shares at the request of any qualifying Shareholder; and

3.6.2. to be negotiable.

**4. Closed end funds constituting transferable securities**

4.1. A unit or a share in a closed end fund shall be taken to be a transferable security for the purposes of investment by a Sub-fund, provided it fulfils the criteria for transferable securities set out in paragraph 3.5 and either:

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

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

(b) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

4.1.2. Where the closed end fund is constituted under the law of contract:

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

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

**5. Transferable securities linked to other assets**

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

5.1.1. fulfils the criteria for transferable securities set out in 3.5 above; and

5.1.2. is backed by or linked to the performance of other assets, which may differ from those in which a Sub-fund can invest.

5.2. Where an investment in 5.1 contains an embedded derivative component, the requirements of this section with respect to derivatives and forwards will apply to that component.

**6. Approved money-market instruments**

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

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

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

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

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

6.2.4. has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in 6.2.1 or 6.2.2 or is subject to yield adjustments as set out in 6.2.3.

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

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

6.4.1. enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the Scheme Property of a Sub-fund could be exchanged between knowledgeable willing parties in an arm's length transaction; and

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

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

**7. Transferable securities and money-market instruments generally to be admitted or dealt in on an Eligible Market**

7.1. Transferable securities and approved money-market instruments held within a Sub-fund must be:

7.1.1. admitted to or dealt in on an eligible market as described in 8.3.1; or

7.1.2. dealt in on an eligible market as described in 8.3.2; or

7.1.3. admitted to or dealt in on an eligible market as described in 8.4; or

7.1.4. for an approved money-market instrument not admitted to or dealt in on an eligible market, within 9.1; or

7.1.5. recently issued transferable securities provided that:

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

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

7.2. However, a Sub-fund may invest no more than 10% of its Scheme Property in transferable securities and approved money-market instruments other than those referred to in 7.1.

**8. Eligible markets regime: purpose and requirements**

8.1. To protect Shareholders the markets on which investments of the Sub-funds 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.

8.2. Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction in 7.2 above on investing in non approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as an inadvertent breach.

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

8.3.1. a regulated market as defined in the FCA Handbook; or

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

8.3.3. a market in paragraph 8.4 of this Appendix.

8.4. A market not falling within paragraph 8.3 of this Appendix is eligible for the purposes of COLL 5 if:

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

8.4.2. the market is included in a list in the prospectus; and

8.4.3. the Depositary has taken reasonable care to determine that:

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

(b) all reasonable steps have been taken by the ACD in deciding whether that market is eligible.

8.5. In paragraph 8.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of Shareholders.

8.6. The Eligible Markets for the Sub-funds are set out in Appendix II.

**9. Money-market instruments with a regulated issuer**

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

9.1.1. the issue or the issuer is regulated for the purpose of protecting Shareholders and savings; and

9.1.2. the instrument is issued or guaranteed in accordance with paragraph 10 (Issuers and guarantors of money-market instruments) below.

9.2. The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting Shareholders and savings if:

9.2.1. the instrument is an approved money-market instrument;

9.2.2. appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 11 (Appropriate information for money-market instruments) below; and

9.2.3. the instrument is freely transferable.

**10. Issuers and guarantors of money-market instruments**

10.1. A Sub-fund may invest in an approved money-market instrument if it is:

10.1.1. issued or guaranteed by any one of the following:

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

(b) a regional or local authority of an EEA State;

(c) the European Central Bank or a central bank of an EEA State;

(d) the European Union or the European Investment Bank;

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

(f) a public international body to which one or more EEA States belong; or

10.1.2. issued by a body, any securities of which are dealt in on an eligible market; or

10.1.3. issued or guaranteed by an establishment which is:

(a) subject to prudential supervision in accordance with criteria defined by European Community law; or

(b) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by European Community law.

10.2. An establishment shall be considered to satisfy the requirement in 10.1.3(b) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:

10.2.1. it is located in the European Economic Area;

10.2.2. it is located in an OECD country belonging to the Group of Ten;

10.2.3. it has at least investment grade rating;

10.2.4. on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by European Community law.

**11. Appropriate information for money-market instruments**

11.1. In the case of an approved money-market instrument within 10.1.2 or issued by a body of the type referred to in COLL 5.2.10E G, or which is issued by an authority within 10.1.1(b) or a public international body within 10.1.1(f) but is not guaranteed by a central authority within 10.1.1(a), the following information must be available:

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

11.1.2. updates of that information on a regular basis and whenever a significant event occurs; and

11.1.3. available and reliable statistics on the issue or the issuance programme.

11.2. In the case of an approved money-market instrument issued or guaranteed by an establishment within 10.1.3, the following information must be available:

11.2.1. information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;

11.2.2. updates of that information on a regular basis and whenever a significant event occurs; and

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

11.3. In the case of an approved money-market instrument:

11.3.1. within 10.1.1(a), 10.1.1(d) or 10.1.1(e); or

11.3.2. which is issued by an authority within 10.1.1(b) or a public international body within 10.1.1(f) and is guaranteed by a central authority within 10.1.1(a);

information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

**12. Spread: general**

12.1. This rule on spread does not apply to government and public securities.

12.2. For the purposes of this requirement companies included in the same group for the purposes of consolidated accounts as defined in accordance with Directive 83/349/EEC or in the same group in accordance with international accounting standards are regarded as a single body.

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

12.4. Not more than 5% in value of the Scheme Property of a Sub-fund is to consist of transferable securities or approved money-market instruments issued by any single body, except that the limit of 5% is raised to 10% in respect of up to 40% in value of the Scheme Property (covered bonds need not be taken into account for the purposes of applying the limit of 40%). For these purposes certificates representing certain securities are treated as equivalent to the underlying security.

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

12.6. The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property of a Sub-fund. This limit is raised to 10% where the counterparty is an Approved Bank.

12.7. Not more than 20% in value of the Scheme Property of a Sub-fund is to consist of transferable securities and approved money-market instruments issued by the same group.

12.8. Not more than 20% in value of the Scheme Property of a Sub-fund is to consist of the units of any one collective investment scheme.

12.9. The COLL Sourcebook provides that in applying the limits in 12.3, 12.4 and 12.6 and subject to 12.5, not more than 20% in value of the Scheme Property of a Sub-fund is to consist of any combination of two or more of the following:

12.9.1. transferable securities (including covered bonds) or approved money-market instruments issued by; or

12.9.2. deposits made with; or

12.9.3. exposures from OTC derivatives transactions made with;

a single body.

**13. Counterparty risk and issuer concentration**

13.1. The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in paragraphs 12.6 and 12.9 above.

13.2. When calculating the exposure of a Sub-fund to a counterparty in accordance with the limits in paragraph 12.6 the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.

13.3. An ACD may net the OTC derivative positions of a Sub-fund with the same counterparty, provided they are able legally to enforce netting agreements with the counterparty on behalf of the Sub-fund.

13.4. The netting agreements in paragraph 13.3 above are permissible only with respect to OTC derivatives with the same counterparty and not in relation to any other exposures the Sub-fund may have with that same counterparty.

13.5. The ACD may reduce the exposure of Scheme Property to a counterparty of an OTC derivative through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.

13.6. The ACD must take collateral into account in calculating exposure to counterparty risk in accordance with the limits in paragraph 12.6 when it passes collateral to an OTC counterparty on behalf of a Sub-fund.

13.7. Collateral passed in accordance with paragraph 13.6 may be taken into account on a net basis only if the ACD is able legally to enforce netting arrangements with this counterparty on behalf of that Sub-fund.

13.8. The ACD must calculate the issuer concentration limits referred to in paragraph 12.6 on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.

13.9. In relation to the exposure arising from OTC derivatives as referred to in paragraph 12.6 the ACD must include any exposure to OTC derivative counterparty risk in the calculation.

13.10. The ACD measures the creditworthiness of counterparties as part of the risk management process. The counterparties of these transactions will be highly rated financial institutions specialising in these types of transactions and approved by the ACD which may give rise to a conflict of interest. For further details of the ACD's conflict of interest policy please see "Conflicts of Interest".

**14. Spread: government and public securities**

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

(a) an EEA state;

(b) a local authority of an EEA state;

(c) a non-EEA state; or

(d) a public international body to which one or more EEA states belong.

14.2. Where no more than 35% in value of the Scheme Property of a Sub-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.

14.3. The Company or a Sub-fund may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

14.3.1. 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 relevant Sub-fund;

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

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

14.3.4. the disclosures required by the FCA have been made (it being noted that the Sub-funds may invest more than 35% of their value in UK government bonds (or gilts).

14.4. Notwithstanding 12.1 and subject to 14.2 and 14.3 above, in applying the 20% limit in paragraph 12.9 with respect to a single body, government and public securities issued by that body shall be taken into account.

**15. Investment in collective investment schemes**

15.1. Save as noted in Appendix I in respect of a particular Sub-fund, up to 100% of the value of the Scheme Property of a Sub-fund may be invested in units or shares in other collective investment schemes ("Second Scheme") provided the Second Scheme satisfies all of the following conditions and provided that no more than 30% in value of the Scheme Property of a Sub-fund is invested in Second Schemes within 15.1.1(b) - 15.1.1 (e) below.

15.1.1. The Second Scheme must:

(a) satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive; or

(b) 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

(c) be authorised as a non-UCITS retail scheme (provided the requirements of Article 50(1)(e) of the UCITS Directive are met);

(d) be authorised in another EEA State provided the requirements of Article 50(1)(e) of the UCITS Directive are met; or

(e) be authorised by the competent authority of an OECD member country (other than another EEA State) which has:

(i) signed the IOSCO Multilateral Memorandum of Understanding; and

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

(provided the requirements of article 50(1)(e) of the UCITS Directive are met).

15.1.2. The Second Scheme must have terms which prohibit it from having more than 10% in value of the scheme property consisting of units in collective investment schemes. Where the Second Scheme is an umbrella, the provisions in this paragraph 15.1.2, paragraph 15.1.3 and paragraph 12 (Spread: General) apply to each sub fund as if it were a separate scheme.

15.1.3. Investment may only be made in other collective investment schemes managed by the ACD or an Associate of the ACD if the Sub-fund's Prospectus clearly states that it may enter into such investments and the rules on double charging contained in the COLL Sourcebook are complied with.

**15.2. The Sub-funds may, subject to the limit set out in 15.1 above, invest in collective investment schemes managed or operated by, or whose authorised corporate director is, the ACD of the Sub-funds or one of its Associates.**

15.3. If a substantial proportion of a Sub-fund's assets are invested in other collective investment schemes, the maximum level of management fees which may be charged by an investee collective investment scheme to the Sub-fund will be 6%.

15.4. Sub-funds in the Company are permitted to invest in other Sub-funds of the Company provided that the limits set out in 15.1 to 15.3 above are complied with.

**16. Investment in nil and partly paid securities**

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 a Sub-fund, at the time when payment is required, without contravening the rules in COLL 5.

**17. Derivatives: general**

Unless otherwise stated in the Prospectus (see Appendix I for the approach of each Sub-fund), the Investment Manager may employ derivatives for the purposes of meeting the investment objectives of the Sub-funds. It may further employ derivatives for the purposes of hedging with the aim of reducing the risk profile of the Sub-funds, or reducing costs, or generating additional capital or income, in accordance with Efficient Portfolio Management ("EPM"), further information on EPM is provided in paragraph 18. To the extent that derivative instruments are utilised for hedging purposes, the risk of loss to the Sub-funds may be increased where the value of the derivative instrument and the value of the security or position which it is hedging prove to be insufficiently correlated.

17.1. A transaction in derivatives or a forward transaction must not be effected for the Company unless the transaction is of a kind specified in paragraph 19 (Permitted transactions (derivatives and forwards)) below, and the transaction is covered, as required by paragraph 31 (Cover for investment in derivatives and forward transactions) of this Appendix.

17.2. Where the Company invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in the COLL Sourcebook in relation to COLL 5.2.11R (Spread: general) and COLL 5.2.12R (Spread: government and public securities) except for index based derivatives where the rules below apply.

17.3. 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.

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

17.4.1. 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;

17.4.2. its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and

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

17.5. 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.

17.6. Where the Company invests in an index based derivative, provided the relevant index falls within paragraph 20 (Financial Indices underlying derivatives), the underlying constituents of the index do not have to be taken into account for the purposes of COLL 5.2.11R and COLL 5.2.12R.

**18. Efficient Portfolio Management**

18.1. The Company may enter into derivative and forward transactions for the purposes of Efficient Portfolio Management ("**EPM**"). EPM permits techniques and instruments which relate to transferable securities and approved money-market instruments and satisfy the following criteria:

18.1.1. the transaction must be economically appropriate;

18.1.2. the exposure on the transaction must be fully covered; and

18.1.3. the transaction must be entered into for one of the following specific aims:

(a) the reduction of risk;

(b) the reduction of costs; or

(c) the generation of additional capital or income for the Fund with a risk level which is consistent with the risk profile of the Fund and the risk diversification rules laid down in COLL.

18.2. A transaction which is regarded as speculative will not be permitted. A list of the current eligible derivatives markets is set out in Appendix II. Further derivatives markets may be added following consultation with the Depositary in accordance with COLL.

18.3. A derivatives or forward transaction which would or could lead to delivery of property to the Depositary may be entered into only if such property can be held by the Company and the ACD has taken reasonable care to determine that delivery of the property pursuant to the transaction will not lead to a breach of the relevant provisions in COLL.

18.4. Where a transaction is entered into for hedging purposes and relates to the actual or potential acquisition of transferable securities, the ACD must intend that the Company should invest in such transferable securities within a reasonable time and the ACD must ensure that, unless the position has itself been closed out, that intention is realised within such time.

**19. Permitted transactions (derivatives and forwards)**

19.1. A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 23 (OTC transactions in derivatives).

19.2. A transaction in a derivative must have the underlying consisting of any one or more of the following to which a Sub-fund is dedicated:

19.2.1. transferable securities;

19.2.2. approved money-market instruments permitted under paragraphs 7.1.1 to 7.1.4;

19.2.3. deposits permitted under paragraph 26.1;

19.2.4. permitted derivatives under this paragraph;

19.2.5. collective investment scheme units permitted under paragraph 15 (Investment in collective investment schemes);

19.2.6. financial indices which satisfy the criteria set out in paragraph 20 (Financial indices underlying derivatives);

19.2.7. interest rates;

19.2.8. foreign exchange rates; and

19.2.9. currencies.

19.3. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.

19.4. A transaction in a derivative must not cause a Sub-fund to diverge from its investment objectives as stated in the Instrument constituting a Sub-fund and the most recently published version of this Prospectus.

19.5. A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more, transferable securities, approved money-market instruments, units in collective investment schemes, or derivatives.

19.6. Any forward transaction must be with an Eligible Institution or an Approved Bank.

19.7. A derivative includes an investment which fulfils the following criteria:

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

19.7.2. it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR, including cash;

19.7.3. in the case of an OTC derivative, it complies with the requirements in paragraph 23; and

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

19.8. A Sub-fund may not undertake transactions in derivatives on commodities.

**20. Financial Indices underlying derivatives**

20.1. The financial indices referred to in 19.2.6 are those which satisfy the following criteria:

20.1.1. the index is sufficiently diversified;

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

20.1.3. the index is published in an appropriate manner.

20.2. A financial index is sufficiently diversified if:

20.2.1. it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

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

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

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

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

20.3.2. it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and

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

20.4. A financial index is published in an appropriate manner if:

20.4.1. its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and

20.4.2. material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

20.5. Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to 19.2, be regarded as a combination of those underlyings.

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

21.1. A derivative or forward transaction which will or could lead to the delivery of property for the account of a Sub-fund may be entered into only if that property can be held for the account of that Sub-fund, 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 COLL Sourcebook.

**22. Requirement to cover sales**

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

**23. OTC transactions in derivatives**

23.1. Any transaction in an OTC derivative under paragraph 19.1 must be:

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

23.1.2. 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 can enter into one or more further transactions to sell, liquidate or close out that transaction at any time, at its fair value; and

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

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

(b) if the value referred to in 23.1.3(a) is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and

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

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

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

23.2. For the purposes of paragraph 23.1.2, "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.

23.3. When a Sub-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 Sub-fund's investment objective and policy. The counterparty does not have discretion over the composition or management of a Sub-fund's portfolio or over the underlying of financial derivative instruments used by a Sub-fund. Counterparty approval is not required in relation to any investment decision made by a Sub-fund.

23.4. The maximum proportion of the assets under management of a Sub-fund which can be subject to total return swaps is 110% although the expected proportion of the assets under management of a Sub-fund that, in practice, could be subject to total return swaps is 100%.

23.5. 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.

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

- placed on deposit with entities prescribed in Article 50(f) of the UCITS Directive;
- invested in high-quality government bonds;
- 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
- invested in short-term money market funds as defined in the Guidelines on a Common Definition of European Money Market Funds

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

23.8. 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 13 (Counterparty risk and issuer concentration).

23.9. 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 Sub-funds which receive collateral for at least 30% of their assets, the associated liquidity risk is assessed.

23.10. At as the date of this Prospectus, the Sub-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.

23.11. 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 Sub-fund in accordance with the Depositary's safekeeping duties under the Depositary Agreement. The Depositary will verify the ownership of the Sub-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.

23.12. 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.

23.13. All revenues, after the deduction of appropriate fees, arising from total return swaps will be returned to the relevant Sub-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 Sub-funds as set out in this Prospectus.

**24. Valuation of OTC derivatives**

24.1. For the purposes of paragraph 23.1.2 the ACD must:

24.1.1. establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Sub-fund to OTC derivatives; and

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

24.2. Where the arrangements and procedures referred to in paragraph 24.1 above involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13 R (Additional requirements for a management company) and COLL 6.6A.4 R (5) to (6) (Due diligence requirements of AFMs of UCITS schemes).

24.3. The arrangements and procedures referred to in 24.1 must be:

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

24.3.2. adequately documented.

**25. Risk management**

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

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

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

25.2. The ACD must notify the FCA in advance of any material alteration to the details above.

**26. Investment in deposits**

26.1. A Sub-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.

**27. Significant influence**

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

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

27.1.2. the acquisition gives the Company that power.

27.2. For the purposes of paragraph 27.1, the Company is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held by it, exercise or control the exercise of 20% or more of the voting rights in that

body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

**28. Concentration**

28.1. A Sub-fund of the Company:

28.1.1. must not acquire transferable securities other than debt securities which:

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

(b) represent more than 10% of these securities issued by that body corporate;

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

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

28.1.4. need not comply with the limits in paragraphs 28.1.2 or 28.1.3 of this Appendix if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

**29. Derivative exposure**

29.1. The Sub-funds may invest in derivatives and forward transactions as long as the exposure to which a Sub-fund is committed by that transaction itself is suitably covered from within its Scheme Property and/or as otherwise provided by COLL. Exposure will include any initial outlay in respect of that transaction.

29.2. Cover ensures that a Sub-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 Sub-fund must, subject to any other provisions of COLL, hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which that Sub-fund is committed. Paragraph 31 (Cover for investment in derivatives and forward transactions) below sets out detailed requirements for cover of that Sub-fund.

29.3. A future is to be regarded as an obligation to which a Sub-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 a Sub-fund 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).

29.4. 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.

**30. Schemes replicating an index**

30.1. Notwithstanding paragraph 12 (Spread: general),a Sub-fund may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the stated investment policy is to replicate the composition of a relevant index as defined below.

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

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

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

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

30.5.1. the composition is sufficiently diversified;

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

30.5.3. the index is published in an appropriate manner.

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

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

30.8. An index is published in an appropriate manner if:

30.8.1. it is accessible to the public;

30.8.2. the index provider is independent from the index-replicating UCITS scheme; this does not preclude index providers and the UCITS scheme from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

**31. Cover for investment in derivatives and forward transactions**

31.1. A Sub-fund may invest in derivatives and forward transactions as part of its investment policy provided:

31.1.1. its global exposure relating to derivatives and forward transactions held in the Sub-fund does not exceed the net value of the Scheme Property; and

31.1.2. its global exposure to the underlying assets does not exceed in aggregate the investment limits laid down in paragraph 12 above.

**32. Cover and borrowing**

32.1. Cash obtained from borrowing, and borrowing which the ACD reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under paragraph 31 (Cover for investment in derivatives and forward transactions) except where 32.2 below applies.

32.2. Where, for the purposes of this paragraph a Sub-fund borrows an amount of currency from an Eligible Institution or an Approved Bank; and keeps an amount in another currency, at least equal to such borrowing for the time being in 32.1 on deposit with the lender (or his agent or nominee), then this paragraph 32.2 applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

**33. Calculation of global exposure**

33.1. The ACD must calculate the global exposure of a Sub-fund on at least a daily basis.

33.2. The ACD must calculate the global exposure of any Sub-fund it manages either as:

33.2.1. the incremental exposure and leverage generated through the use of derivatives and forward transactions (including embedded derivatives as referred to in paragraph 17 (Derivatives: general), which may not, subject to compliance with other provisions of COLL, exceed 100% of the net value of the Scheme Property; or

33.2.2. the market risk of the Scheme Property.

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

33.4. The ACD must calculate the global exposure of a Sub-fund by using:

33.4.1. commitment approach; or

33.4.2. the value at risk approach.

33.5. The ACD must ensure that the method selected above is appropriate, taking into account:

33.5.1. the investment strategy pursued by the Sub-fund;

33.5.2. types and complexities of the derivatives and forward transactions used; and

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

33.6. Where a Sub-fund employs techniques and instruments including Reverse Repurchase Transactions (Repo Contracts) or stock lending transactions in accordance with paragraph 42 (Stock Lending) in order to generate additional leverage or exposure to market risk, the authorised fund manager must take those transactions into consideration when calculating global exposure.

**34. Cash and near cash**

34.1. Cash and near cash must not be retained in the Scheme Property of the Sub-funds except to the extent that, where this may reasonably be regarded as necessary in order to enable:

34.1.1. the pursuit of a Sub-fund's investment objectives; or

34.1.2. redemption of Shares; or

34.1.3. efficient management of a Sub-fund in accordance with its investment objectives; or

34.1.4. other purposes which may reasonably be regarded as ancillary to the investment objectives of a Sub-fund.

34.1.5. During the period of the initial offer the Scheme Property of the Sub-funds may consist of cash and near cash without limitation.

**35. General**

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

35.2. Where a Sub-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 a Sub-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.

35.3. A potential breach of any of these limits does not prevent the exercise of rights conferred by investments held by a Sub-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.

35.4. The COLL Sourcebook permits the ACD to use certain techniques when investing in derivatives in order to manage a Sub-fund's exposure to particular counterparties and in relation to the use of collateral to reduce overall exposure with respect to over-the- counter ("OTC") derivatives; for example a Sub-fund may take collateral from counterparties with whom they have an OTC derivative position and use that collateral to net off against the exposure they have to the counterparty under that OTC derivative position, for the purposes of complying with counterparty

spread limits. The COLL Sourcebook also permits a Sub-fund to use derivatives to effectively short sell (agree to deliver the relevant asset without holding it in a Sub-fund) under certain conditions.

35.5. A Sub-fund may invest in Shares of another Sub-fund within the Company.

**36. Underwriting**

36.1. 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 a Sub-fund.

**37. General power to borrow**

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

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

37.3. The ACD must ensure that borrowing does not, on any Business Day, exceed 10% of the value of a Sub-fund.

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

**38. Restrictions on lending of money**

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

38.2. Acquiring a debenture is not lending for the purposes of paragraph 38.1, nor is the placing of money on deposit or in a current account.

38.3. Nothing in paragraph 38.1 prevents the Company from providing an officer of the Company with funds to meet expenditure to be incurred by him for the purposes of the Company (or for the purposes of enabling him properly to perform his duties as an officer of the Company) or from doing anything to enable an officer to avoid incurring such expenditure.

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

39.1. Scheme Property of the Sub-funds other than money must not be lent by way of deposit or otherwise.

39.2. The Scheme Property of the Sub-funds must not be mortgaged.

39.3. Where transactions in derivatives or forward transactions are used for the account of the Company in accordance with COLL 5, nothing in this paragraph prevents the Company or the Depositary at the request of the Company: from lending, depositing, pledging or charging its Scheme Property for margin requirements; or transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the 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.

**40. General power to accept or underwrite placings**

40.1. Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this section applies, subject to compliance with any restriction in the Instrument of Incorporation. This section applies, to any agreement or understanding: which is an underwriting or sub-underwriting agreement, or which contemplates that securities will or may be issued or subscribed for or acquired for the account of a Sub-fund.

40.2. This ability does not apply to an option, or a purchase of a transferable security which confers a right to subscribe for or acquire a transferable security, or to convert one transferable security into another.

40.3. The exposure of a Sub-fund to agreements and understandings as set out above, on any Business Day be covered and be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in the COLL Sourcebook.

**41. Guarantees and indemnities**

41.1. The Company or the Depositary for the account of the Company must not provide any guarantee or indemnity in respect of the obligation of any person.

41.2. None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.

41.3. Paragraphs 41.1 and 41.2 do not apply to in respect of the Company:

41.3.1. any indemnity or guarantee given for margin requirements where the derivative or forward transactions are being used in accordance with COLL 5; and

41.3.2. an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;

41.3.3. an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Depositary against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and

41.3.4. an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Company and the holders of units in that scheme become the first Shareholders in the Company.

**42. Stock lending**

42.1. The entry into stock lending transactions or Repo Contracts for the account of a Sub-fund is permitted for the generation of additional income for the benefit of that Sub-fund, and hence for its Shareholders. 'Stock Lending and Reverse Repurchase Transactions involve counterparty risk in that the borrower or seller may default on a loan or a transaction, become insolvent or otherwise be unable to meet, or refuse to honour, its obligations to sell (in the case of Reverse Repurchase Transactions) or return loaned or equivalent securities (in the case of Stock Lending). In this event, the relevant Fund could experience delays in recovering the securities, may not be able to recover the securities and may incur a capital loss which might result in a reduction in the net asset value of the Fund.

42.2. 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. Collateral may be in the form of cash or other acceptable collateral as set out in this prospectus.

42.3. The stock lending permitted by this section may be exercised by a Sub-fund when it reasonably appears to a Sub-fund to be appropriate to do so with a view to generating additional income with an acceptable degree of risk.

42.4. The Company or the Depositary at the request of the 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 a Sub-fund, are in a form which is acceptable to the Depositary and are in accordance with good market practice, the counterparty meets the criteria set out in COLL 5.4.4, and collateral is obtained to secure the obligation of the counterparty. Collateral must be acceptable to the Depositary, adequate and sufficiently immediate.

42.5. 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 plus a premium. 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.

42.6. 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 a Sub-fund.

42.7. There is no limit on the value of the Scheme Property of a Sub-fund which may be the subject of stock lending transactions or Repo Contracts.

**APPENDIX IV**

**LIST OF OTHER INTERESTS OF DIRECTORS AND OTHER AUTHORISED COLLECTIVE INVESTMENT SCHEMES OPERATED BY THE ACD**

| **Directors of the ACD and their significant business activities not connected with the business of the Company as at 1st August 2026** | |
|---|---|
| Anne Laing | None |
| Jeremy Brettell | Non-Executive Director:<br>- Anderson Strathern Asset Management Ltd<br>- Chair of Alba Co Ltd<br>- Foster Denovo Ltd<br>- Foster Denovo Group Ltd<br><br>Risk Consultant: Vertus Collective Ltd |
| Aidan O'Carroll | Chair of Revenue Scotland<br>Chair of The Water Industry Commission for Scotland. |
| Andrew Lewis | Non-Executive Director: Apex Depositary UK Ltd<br>Non-Executive Director & Chair: BlackRock Fund Managers Ltd |
| John Brett | Non-Executive Director (and Chair):<br>- Royal London Unit Trust Managers Limited<br>- RLUM Limited<br>- Anderson Strathern Asset Management Ltd<br><br>Non-Executive Director:<br>- TrinityBridge Ltd |
| Adrian Bond | None |
| Jonathan Sim | Chair:<br>- Opmodal Ltd<br><br>Director:<br>- Balthazar Consulting Ltd |

| AUTHORISED COLLECTIVE INVESTMENT SCHEMES OF WHICH THE ACD IS THE AUTHORISED CORPORATE DIRECTOR | | | |
|---|---|---|---|
| **Name** | **Place of Registration** | **Registration Number** | **Product Reference** |
| Alligator Fund ICVC | England and Wales | IC000203 | 407790 |
| The Beagle Fund* | England and Wales | IC000789 | 505177 |
| The Discovery Fund | England and Wales | IC000365 | 413970 |
| The Mulben Investment Funds | England and Wales | IC000816 | 516628 |
| The Teal Fund | England and Wales | IC000257 | 227831 |
| The VT Cindabbella Fund | England and Wales | IC001049 | 714901 |
| Valu-Trac Investment Funds ICVC | Scotland | IC000953 | 581955 |
| VT AI-FUNDS ICVC | England and Wales | IC016426 | 913889 |
| VT Aspen Asset Management | England and Wales | IC293866 | 1032084 |
| VT Asset Intelligence Fund Solutions ICVC* | England and Wales | IC035155 | 940231 |
| VT Astute Funds ICVC | England and Wales | IC029376 | 928663 |
| VT Avastra Funds | England and Wales | IC000854 | 532059 |
| VT Brompton Funds ICVC | England and Wales | IC001077 | 762880 |
| VT Cantab Funds ICVC | England and Wales | IC001114 | 808050 |

| | | | |
|---|---|---|---|
| VT Chelsea Managed ICVC | England and Wales | IC001085 | 773989 |
| VT Dominium Holdings ICVC* | England and Wales | IC001093 | 778841 |
| VT Downing Investment Funds ICVC | England and Wales | IC000824 | 521374 |
| VT Evelyn Partners Investment Funds | England and Wales | IC017239 | 914471 |
| VT Freedom UCITS OEIC | England and Wales | IC031441 | 932492 |
| VT Garraway Investment Fund Series IV | England and Wales | IC000534 | 465988 |
| VT Greystone ICVC | England and Wales | IC000403 | 434235 |
| VT Greystone Cautious Managed ICVC* | England and Wales | IC000407 | 435265 |
| VT Greystone Conservative Managed ICVC* | England and Wales | IC000533 | 465365 |
| VT Halo Funds ICVC | England and Wales | IC001018 | 629070 |
| VT Highlight ICVC | England and Wales | IC011866 | 841768 |
| VT Holland Advisors Funds ICVC | England and Wales | IC040266 | 947634 |
| VT Investor Funds ICVC | England and Wales | IC024590 | 921279 |
| VT Johnston Financial Funds ICVC | England and Wales | IC027796 | 926097 |
| VT Momentum Investment Funds | England and Wales | IC000851 | 531222 |

| | | | |
|---|---|---|---|
| VT Momentum Investment Funds II | England and Wales | IC000342 | 407990 |
| VT Munro Funds | England and Wales | IC000551 | 467964 |
| VT North Capital Funds ICVC | England and Wales | IC026575 | 924848 |
| VT Plain English Finance Funds ICVC | England and Wales | IC001096 | 782737 |
| VT PortfolioMetrix Funds ICVC | England and Wales | IC035161 | 940234 |
| VT Portfolio Solutions ICVC | England and Wales | IC030801 | 931577 |
| VT Price Value Partners Funds ICVC | England and Wales | IC001033 | 671132 |
| VT Redlands Funds | England and Wales | IC001043 | 694999 |
| VT Redlands NURS ICVC* | England and Wales | IC001089 | 776548 |
| VT RM Funds ICVC | England and Wales | IC001108 | 800855 |
| VT Rossie House Investment Management Funds ICVC* | England and Wales | IC000991 | 607962 |
| VT Shackleton ICVC | England and Wales | IC001105 | 794635 |
| VT SG Defined Return Assets ICVC | England and Wales | IC001097 | 784172 |
| VT Sorbus Vector Funds ICVC | England and Wales | IC001059 | 731963 |
| VT Teviot Funds ICVC | England and Wales | IC001094 | 780433 |

| | | | |
|---|---|---|---|
| VT Tyndall Funds ICVC | England and Wales | IC001050 | 715282 |
| VT Ursus Arctos Funds ICVC | Scotland | IC001004 | 613236 |
| VT Vanneck Funds ICVC | England and Wales | IC001112 | 806954 |
| VT Vanneck Global Equity Income Fund | England and Wales | IC001003 | 613235 |
| VT WHI Investment Fund | England and Wales | IC000584 | 472521 |
| VT Woodhill Investment Funds ICVC | England and Wales | IC001009 | 618204 |

** Denotes a Non-UCITS Retail Scheme*

## APPENDIX V

## DIRECTORY

**The Company and Head Office:**

Level 4 Dashwood House
69 Old Broad Street
London
EC2M 1QS

**Authorised corporate director:**

Valu-Trac Investment Management Limited
Mains of Orton
Orton
Moray
IV32 7QE

**Depositary:**

The Bank of New York Mellon (International) Limited
160 Queen Victoria Street
London
EC4V 4LA

**Investment Manager:**

North Capital Management Limited
3rd Floor Wemyss House
6 - 8 Wemyss Place
Edinburgh
EH3 6DH

**Auditors:**

Johnston Carmichael LLP
Strathlossie House
Elgin Business Park
Kirkhill Avenue
Elgin
IV30 8DE