



# SVS BAKER STEEL GLOBAL INVESTORS OEIC

(An open-ended investment company with variable capital incorporated with limited liability and registered in England and Wales under registered number IC069764)

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## PROSPECTUS

This document is the Prospectus of SVS Baker Steel Global Investors OEIC (the “**Company**”) 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.

Evelyn Partners Fund Solutions Limited, the Authorised Corporate Director of the Company (the “**ACD**”), is the person responsible for the information contained in this Prospectus. To the best of the ACD's knowledge, information and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus does not contain any untrue or misleading statements or omit any matters required to be included in it by the Collective Investment Schemes Sourcebook.

**This Prospectus is dated, and is valid as at 14 April 2025**

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## **NOTICE**

This Prospectus is intended for distribution in the United Kingdom. The distribution of this Prospectus and the offering of Shares in the Company may be restricted in other jurisdictions. Potential investors are required to inform themselves of the legal requirements and restrictions of their own jurisdiction and act accordingly. This Prospectus does not amount to a solicitation or offer by any person in any jurisdiction in which such solicitation or offer would be unauthorised or unlawful.

The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended. They may not be offered or sold in the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia or offered, sold, or transferred to a US Persons as that term is defined under Regulation S promulgated under the U.S. Securities Act of 1933. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The ACD has not been registered under the United States Investment Advisers Act of 1940.

Under the provisions of the Foreign Account Tax Compliance Act of the USA (FATCA), the Company may be required to disclose to 111\ARC personal details or other information about investors in the Company who are, or who become, US Persons for the purposes of FATCA.

The Company is offering Shares in its Sub-Funds on the basis of the information contained in this Prospectus. No person has been authorised by the Company to give any information or to make any representations in connection with the offering of the shares other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon.

The delivery of this Prospectus or the issue of Shares shall not, under any circumstances, imply that the affairs of the Company have not changed since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

This Prospectus is based on information, law and practice at the date hereof. The Company cannot be bound by an out of date prospectus when it has issued a new prospectus and investors should check with Evelyn Partners Fund Solutions Limited that this is the most recently published prospectus. Further copies of this Prospectus are available, free of charge from Evelyn Partners Fund Solutions Limited.

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.

**IMPORTANT: If you are in any doubt about the contents of this Prospectus you should consult your own financial adviser.**

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## DEFINITIONS

<b>"Accumulation Shares"</b>	means shares in the Sub--Funds of the Company as may be in issue from time to time in respect of which income allocated thereto is credited periodically to capital pursuant to the FCA rules;
<b>"ACD"</b>	Evelyn Partners Fund Solutions Limited, the authorised corporate director of the Company;
<b>"ACD Agreement"</b>	means an agreement between the Company and the ACD;
<b>"Administrator"</b>	Evelyn Partners Fund Solutions Limited, or such other entity as is appointed to act as administrator to the Company from time to time;
<b>"Auditor"</b>	Johnston Carmichael LLP, or such other entity as is appointed to act as auditor to the Company from time to time;
<b>"Business Day"</b>	a day on which the London Stock Exchange is open for business;
<b>"Class" or "Classes"</b>	in relation to Shares, means (according to the context) all of the Shares of a particular class or classes of Share related to a single Sub-Fund;
<b>"COLL "</b>	means the Collective Investment Schemes Sourcebook of the FCA Handbook;
<b>"Company"</b>	SVS Baker Steel Global Investors OEIC;
<b>"Custodian"</b>	CACEIS Bank UK Branch or such other entity as is appointed to act as custodian to the Company from time to time;
<b>"Dealing Day"</b>	means Monday to Friday inclusive except for Bank Holidays in (UK England and Wales) and other days at the ACD's discretion;
<b>"Depository"</b>	means NatWest Trustee & Depositary Services Limited, or such other entity as is appointed to act as depository;
<b>"EEA State"</b>	means a member state of the European Union and any other state which is within the European Economic Area;
<b>"Eligible Institution"</b>	means an eligible institution as defined in the Glossary of the FCA Handbook;
<b>"Eligible Market"</b>	means an eligible market as defined in the Glossary of the FCA Handbook and described in Appendix 3;
<b>"EPM" or "Efficient Portfolio Management"</b>	means investment techniques that may be used for the purposes of hedging or the efficient management of the Scheme Property as described in Appendix 2;
<b>"ESG Sourcebook"</b>	the Environmental, Social and Governance Sourcebook issued by the FCA and as amended from time to time;
<b>"FCA"</b>	means the Financial Conduct Authority or any successor body which may assume its regulatory responsibilities from time to time;

<b>"FCA Handbook"</b>	means the FCA Handbook of Rules and Guidance, as amended from time to time;
<b>"FSMA"</b>	means the Financial Services and Markets Act 2000 as amended from time to time;
<b>"Income Shares"</b>	means shares in the Sub-Funds of the Company as may be in issue from time to time in respect of which income is distributed periodically pursuant to the FCA rules;
<b>"Instrument"</b>	means the instrument of incorporation of the Company as amended from time to time;
<b>"Investment Manager"</b>	means Baker Steel Capital Managers LLP, an investment manager authorised and regulated by the FCA under reference number 208317.
<b>"Net Asset Value" or "NAV"</b>	means 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;
<b>"OEIC"</b>	means an open-ended investment company with variable capital;
<b>"OEIC Regulations"</b>	means the Open-Ended Investment Companies Regulations 2001 as amended or re-enacted from time to time;
<b>"Register"</b>	means the register of Shareholders of the Company;
<b>"Registrar"</b>	means Evelyn Partners Fund Solutions Limited, or such other entity as is appointed to act as registrar to the Company from time to time;
<b>"Regulations"</b>	means the OEIC Regulations and the FCA Handbook (including COLL);
<b>"Scheme Property"</b>	means the cash, transferable securities or any other asset of the Company or of a Sub-Fund (as the case may be) required under COLL to be held for safekeeping by the Depositary;
<b>"SDRT"</b>	means stamp duty reserve tax;
<b>"SDR"</b>	the FCA's sustainability disclosure requirements, including the anti-greenwashing rule, labelling requirements and naming and marketing rules as set out in the ESG Sourcebook;
<b>"Share" or "Shares"</b>	means a share or shares in the Company (including larger denomination shares, and fractions);
<b>"Shareholder"</b>	means a registered holder of Shares in the Company;
<b>"Sub-Fund"</b>	means a sub-fund of the Company being part of the Scheme Property of the Company which is pooled separately, to which specific assets and liabilities of the Company may be allocated and which is invested in accordance with the investment objective applicable to the sub-fund concerned;

<b>"Switch" or "Switching"</b>	means the exchange where permissible of Shares of one class of Shares or Sub-Fund for Shares of another class of Shares or Sub-Fund;
<b>"Transfer Agent"</b>	means Evelyn Partners Fund Solutions Limited, or such other entity as is appointed to act as Transfer Agent and Registrar to the Company from time to time;
<b>"UCITS"</b>	means an undertaking established in the United Kingdom or an EEA State in accordance with section 236 A of FSMA, as amended;
<b>"UCITS-related direct EU legislation"</b>	means a) Commission Regulation (EU) 2010/583 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards key investor information and conditions to be met when providing key investor information or the prospectus in a durable medium other than paper or by means of a website, or (b) Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries;
<b>"UCITS Scheme"</b>	means a UK UCITS constituted in accordance with FSMA so that its Shares can be sold to retail investors in the UK
<b>"UK"</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>"UK UCITS"</b>	means an undertaking established in accordance with section 236 A and 237 of FSMA, as amended;
<b>"Valuation Point"</b>	means 12:00 noon London time on each Dealing Day, at which time the ACD carries out a valuation of the Scheme Property for the purpose of determining the price at which Shares may be issued, cancelled or redeemed;
<b>"Value Added Tax" or "VAT"</b>	means the UK tax imposed on the supply of goods and services or any other tax substituted for that tax or in respect of supplies, turnover or value added sales.

## THE COMPANY

- 1.1. SVS Baker Steel Global Investors OEIC (the "**Company**") is incorporated in England and Wales as an ICVC under registration number IC069764, and is on the FCA register under Product Reference Number 973224. The Shareholders are not liable for the debts of the Company or of any Sub-Fund.
- 1.2. The Company is authorised by the FCA as a UK UCITS Scheme under COLL and is an umbrella company for the purposes of the Regulations with each Sub-Fund being a UK UCITS Scheme. Details of the investment objectives and policies of the Sub-Funds, including their borrowing powers and investment restrictions, are set out in Appendix 1 and Appendix 2 of this Prospectus. The Eligible Markets on which the Sub-Funds may invest are listed in Appendix 3.
- 1.3. At the date of this Prospectus the Company has one Sub-Fund. Details of this Sub-Fund is set out in Appendix 1.
  - 1.3.1. SVS Baker Steel Electrum Fund
- 1.4. 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 of the OEIC Regulations.
- 1.5. For the purposes of this Prospectus, each obligation, requirement, restriction, or other provision applicable to a Sub-Fund should be read as applying to each Sub-Fund individually and not collectively unless stated otherwise.
- 1.6. The Company's Head Office and the address for service in the UK on the Company of notices or other documents is at Evelyn Partners Fund Solutions Limited, 45 Gresham Street London EC2V 7BG.
- 1.7. The effective date of the authorisation order made by the FCA was 31 March 2022, The Instrument is filed with the FCA. The Instrument and most recent annual and half yearly long reports of the Company may be inspected at the Head Office address given above. Paper copies of the Instrument, this Prospectus and the most recent annual and half yearly reports are available on request from the head office.
- 1.8. The base currency of the Company is Pounds Sterling.
- 1.9. The minimum share capital of the Company is £1 and the maximum is £100,000,000,000.

## THE SHARES

- 2.1. The Company and each Sub-Fund currently issues the classes of Shares as detailed in Appendix 1 (please note that not all classes of Share may be available for all Sub- Funds):
- 2.2. The minimum initial investment for each class of Shares in the Sub-Fund is detailed in Appendix 1. The ACD may at its discretion accept subscriptions for holdings at less than the minimum amounts set out in Appendix 1.
- 2.3. The number of Shares issued will be the greatest number of larger denomination shares with the balance of the subscription amount being used to purchase smaller denomination shares.
- 2.4. Payment of the subscription amount is made by bank transfer to the account details on the application form. Payment will be made in the Share Class currency and accompany the application for Shares. 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. The purchaser remains liable for any loss incurred by the ACD in the case of non-settlement.

- 2.5. Share Certificates will not be issued in respect of Shares. Ownership of the Shares will be evidenced by entry of the applicant's name in the Register of Shareholders.
- 2.6. The ACD has the right to reject any application for Shares in whole or in part on reasonable grounds relating to the circumstances of the investor. If the ACD does reject the application, then the whole of the balance of the subscription amount will be returned at the risk of the investor. Applicants for Shares made during any period of suspension (see Section 3) will be notified that, unless withdrawn, their applications will be considered on the next Dealing Day immediately following the ending of the suspension.
- 2.7. The Company is subject to anti-money laundering legislation in force in the UK. In order to comply with the requirements of this legislation the ACD may require proof of the identity of any applicant for Shares or of the person on whose behalf the application is being made. Where such proof has been requested, the ACD reserves the right to refuse to issue Shares (or pay the proceeds of a redemption) to the applicant until sufficient information has been supplied to satisfy the ACD's identification requirements.
- 2.8. Each Class includes larger and smaller denomination shares in the ratio of 1:1,000. Rights of Smaller denomination Shares are therefore in proportion to those of the larger denomination Shares in the same ratio.
- 2.9. Different Classes of Share may attract different charges and subscription and redemption levels. Details of the minimum subscription for each class and the rates of charges and expenses of each Class are set out in Appendix 1.

#### **Limited Issue**

- 2.10. The ACD may in its discretion limit the issue of Shares in a Sub-Fund, or in a class of Shares in a Sub-Fund in accordance with the rules in COLL. The ACD may limit the issue of Shares either:
  - 2.10.1. When the NAV of the Scheme Property of a Sub-Fund has reached a specified value; or
  - 2.10.2. When the NAV of the proportion of the Scheme Property of a Sub-Fund that is attributable to a class of Shares in that Sub-Fund has reached a specified value.
- 2.11. In either case, the specified NAV at which limited issue will apply is determined by the ACD. Once the ACD has determined that limited issue will apply it will notify Shareholders in the Sub-Fund, or the Class, as appropriate of the Dealing Day from which subscriptions for the Sub-Fund or Class will no longer be accepted. Such Dealing Day will be the day on which the ACD determines that \based on the level of subscriptions received, the NAV will reach or exceed the value at which limited issue is to be applied.
- 2.12. The ACD may, in its absolute discretion, and when it is appropriate to do so, continue to accept subscriptions after limited issue has been applied. The ACD will only do so once it is satisfied on reasonable grounds that the proceeds of that subsequent issue can be invested without compromising the Sub-Fund's investment objective or materially prejudicing existing Shareholders.
- 2.13. The ACD may also refuse to accept subscriptions when it determines that, even though the specified NAV limit has not been reached, sufficient subscriptions have been received that it would still be appropriate to limit further issues of Shares in the Sub-Fund, or in a class of Shares. Subscriptions that the ACD has refused to accept will be refunded in full.
- 2.14. Details of the circumstances in which the ACD may limit issues in the Shares of the Sub-Fund are provided in Appendix 1.
- 2.15. Shareholders have the right (in accordance with COLL) to switch between Sub-Funds and between classes of Shares, subject to conditions as outlined in Appendix 1.



- 2.16. The Shares are not listed or traded on any Stock Exchange.
- 2.17. 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.
- 2.18. The ACD may, with the agreement of the Depositary and in accordance with the Instrument of Incorporation launch further Sub-Funds, or issue new Classes of Shares as are provided for in the Instrument. On the launch of any new Sub-Fund or Class, this Prospectus will be updated.
- 2.19. All transactions in Shares are governed by English law.

## **DEALING IN THE SHARES**

### **Buying Shares**

- 3.1. Where the minimum investment levels allow, initial investments can only be made by sending a completed application form to the ACD's Transfer Agency Team at 177 Bothwell Street, Glasgow, G2 7ER, either;
- (a) accompanied by a cheque (up to a maximum value of £50,000) or
  - (b) having made a telegraphic transfer to the ACD's bank account.

The ACD will accept written instructions accompanied by payment for subsequent transactions which can be carried out by writing to the Transfer Agency team at 177 Bothwell Street, Glasgow, G2 7ER. The ACD will also accept telephone purchases from FCA regulated entities for subsequent investments, which may purchase shares by telephoning the Transfer Agency Team on 0141 222 1150.

- 3.2. Applications received by the Transfer Agent up to 12 noon on a Dealing Day will be dealt with on that day. Applications received after that time will be dealt with on the next following Dealing Day.
- 3.3. Applicants will receive a contract note setting out the details of the transaction including the number and price paid for Shares. The contract note will normally be issued no later than the close of business on the day following the Dealing Day on which the purchase is made or (if later) the day on which the issue price is determined. Applicants will also receive (if applicable) a notice of their right to cancel the purchase. Further details concerning cancellation rights are given at Section 3.25.
- 3.4. The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared.
- 3.5. The minimum subscription value of Shares in each Class of Shares for each Sub-Fund is detailed in Appendix 1.
- 3.6. The ACD does not currently charge an initial fee for Share purchases. The ACD may only introduce an initial fee if it has given the Shareholders 60 days' notice of its intention to do so.

### **Redeeming Shares**

- 3.7. Shareholders are entitled to redeem part or all of their Shareholdings.
- 3.8. Instructions to redeem shares should be made to the ACD in writing between 9:00am and 5:00 pm on any Dealing Day to the Transfer Agency team at 177 Bothwell Street, Glasgow, G2 7ER. The Manager may also, at its discretion and by prior agreement, accept instructions to redeem units

from FCA regulated entities by telephone on 0141 222 1150 or by fax. The transaction will be executed at the next available Valuation Point.

- 3.9. Instructions received by the ACD up to 12 noon on a Dealing Day will be dealt with on that Dealing Day. Instructions received after that time will be dealt with on the next following Dealing Day.
- 3.10. The minimum value of Shares in each Class of Shares for each Sub-Fund which may be redeemed is detailed in Appendix 1.
- 3.11. The ACD may, in its absolute discretion, accept redemptions for lower amounts. The ACD may also at its discretion refuse to redeem Shares if as a result of the redemption the redeeming Shareholder will hold less than the minimum amount of Shares required to be held in the Class of Share concerned.
- 3.12. The ACD may charge a fee on the redemption of Shares although it does not currently do so. The ACD may only introduce a redemption charge if it has given the Shareholders 60 days' notice of its intention to do so.
- 3.13. Contract notes will normally be issued no later than the close of business on the day following the day on which the redemption is effected and the issue price is determined. Contract notes will be sent to the address of the Shareholder appearing on the Register of Shareholders, and in the case of joint Shareholders to the address of the first named Shareholder.
- 3.14. Settlement will normally be made by bank transfer in the Share Class currency, within 3 Business Days of receipt of a renunciation form or other signed confirmation of redemption from the Shareholder that is acceptable to the ACD. Where such shareholder document or information is incomplete, the ACD will hold the payment and notify the shareholder till the ACD received all required information.
- 3.15. Shares may not be redeemed during any period of suspension (except as described in Section 3.25 below). Shareholders requesting redemptions at such times will be notified of the suspension and, unless withdrawn, redemption applications will be considered as at the next Dealing Day following the end of such suspension.
- 3.16. Where the ACD becomes aware that for a Shareholder to continue to hold legally or beneficially any or all shares in the Company that would result in a breach of law or governmental regulation or requirement of any jurisdiction, or may result in the Company incurring any additional liability to taxation or any other liability, then the ACD may give notice to the Shareholder to transfer the shares to another person or to satisfy it that the Shareholder is suitably qualified to hold the shares or if no such action is taken within 30 days of the notice then the ACD may compulsorily redeem the shares.
- 3.17. As permitted by the Instrument, the ACD may permit deferrals of redemptions at any Valuation Point to the next Valuation Point if requested redemptions exceed 10% of the relevant Sub-Fund's Scheme Property. In such circumstances any redemption requests relating to the earlier Valuation Point will be dealt with in priority to redemption requests received at the next following Valuation Point.
- 3.18. 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. Currently there is no redemption charge levied on Shares. The Shares therefore should be viewed as medium to long term investments.
- 3.19. The ACD is permitted to hold Shareholder money in certain circumstances and any such money will be held in a designated client money bank account in accordance with the FCA's Rules. No interest is paid on any such balances.

## **Switching**

- 3.20. Shareholders are entitled (subject to certain restrictions and/or eligibility criteria that may apply to a particular Class of Shares as described in Appendix 1) to switch all or part of their Shareholding in a Class or a Sub-Fund for Shares in another Class within the same Sub-Fund or for Shares of the same or another Class within a different Sub-Fund where there is no change in the currency of the Share Class.
- 3.21. The ACD may, at its discretion, refuse an application to switch Shares if as a result of the switch the original shareholding will fall below the minimum amount for the Class concerned or if the Shareholder is applying for less than the minimum amount of Shares to be held in the new Class or Sub-Fund. Alternatively, the ACD may require the Shareholder to switch the entire Shareholding to Shares of the new Class or Sub-Fund in order to meet minimum holding requirements.
- 3.22. The ACD may at its discretion charge a fee on the switching of Shares between Sub-Funds or on a switch between Classes of the same Sub-Fund. The ACD does not currently make a charge for switching between Sub-Funds or for switching between Classes of the same Sub-Fund.
- 3.23. Please note that a switch of Shares in one Sub-Fund for Shares in any other Sub-Fund is treated as a redemption and sale and will, for persons subject to UK taxation, be a realisation for the purposes of capital gains taxation (see Section 7 for further explanation of taxation).

A Shareholder exchanging Shares in one Sub-Fund for Shares in any other Sub-Fund will not under any circumstances be entitled to withdraw from or cancel the transaction.

## **Conversions**

- 3.24. The ACD may make a mandatory conversion of the Class of Shares held by a group of Shareholders to cheaper but otherwise identical Class(es) of Shares in the same Sub-Fund without the prior written consent of the Shareholders, so long as:
- 3.24.1. such mandatory conversion is in the best interests of such Shareholders; and
- 3.24.2. a minimum of 60 days prior written notice is given to each Shareholder prior to the mandatory conversion.

## **Cancellation**

- 3.25. Applicants for Shares who have been given advice on the investment may have the right to cancel the transaction within 14 days of receipt of a cancellation notice sent to them by the ACD. An applicant will not have the right to cancel if:
- (a) the applicant is a professional investor;
  - (b) the applicant entered into the transaction on a non-advised execution only basis; or
  - (c) the purchase is made pursuant to a customer agreement with an authorised person or during negotiations with a view to entering into such an agreement.
- 3.26. Where the investment is made by lump sum payment an applicant opting to cancel may not get a full refund of the subscription amount if the purchase price of the Shares falls before the cancellation request is received by the ACD. In such cases an amount equal to the shortfall in the Share value will be deducted from the subscription repayment. Where the purchase price has not yet been paid the applicant will be required to pay the amount of the shortfall to the ACD.

## **Direct Issue and Cancellation of Shares by the ACD**

- 3.27. Not applicable. Shares are issued or cancelled by the ACD making a record of the issue or cancellation and of the number of shares of each class concerned.

### **In specie Redemptions**

- 3.28. When Shares are being redeemed, the ACD may at its discretion arrange to have transferred to the Shareholder concerned certain identified property of the relevant Sub-Fund instead of making a payment in cash for the price of the Shares. Such a transfer is known as an in specie redemption. In such cases, the ACD will serve a notice on the Shareholder within 2 days of receipt of the redemption instructions that it proposes to make an in specie redemption.
- 3.29. The Shareholder may within 3 days of receiving the notice serve a notice on the ACD requiring that the ACD realise the selected Scheme Property and pay the proceeds to the Shareholder. The selection of the Scheme Property will be made by the ACD in consultation with the Depositary to ensure that such a redemption will not result in any Shareholder (including the redeeming Shareholder) unfairly benefiting or being disadvantaged.

### **In specie Subscriptions**

- 3.30. The ACD may by special arrangement and at its discretion, in consultation with the Depositary, accept assets other than cash as payment for the issue of shares. The acceptance of the assets will be on the basis that the receipt of the property should not adversely affect the interests of the existing shareholders of the respective Sub-Fund and subject to the investment restrictions of that Sub-Fund.

### **Suspension of Dealing**

- 3.31. In exceptional circumstances, the ACD may, with the prior agreement of the Depositary, or shall immediately if the Depositary requires it, temporarily suspend dealing in Shares (which includes selling, redeeming and switching). This will only happen if the ACD (or the Depositary as appropriate) is of the opinion that there is good and sufficient reason for doing so and it is in the interests of the Shareholders. Any such suspension period will only be allowed to continue for as long as it is justified having regard to the interests of the Shareholders. The ACD will notify Shareholders as soon as is practicable of any decision to suspend dealings in Shares and the circumstances giving rise to the decision to do so.
- 3.32. The ACD and Depositary will keep the suspension under ongoing review and will conduct a formal review of the reasons for the suspension at least every 28 days. Shareholders will be kept informed in writing of updates concerning any suspension.
- 3.33. The FCA will also be notified immediately of the suspension (and the reasons for it) and will be kept informed of the results of the formal reviews and provided with any updated information concerning the suspension.
- 3.34. Shares may not be created or cancelled while the suspension remains in force. During such period the ACD will consider any requests to withdraw redemption applications made before the suspension.
- 3.35. Recalculation of prices will commence at 12 noon on the first Dealing Day immediately following the end of the suspension period.

## **VALUATION AND PRICING**

- 4.1. The Scheme Property of the Company and each Sub-Fund will normally be valued at 12 noon on each Dealing Day for the purpose of calculating the price at which Shares in the Company may be issued, sold, repurchased or redeemed.
- 4.2. The ACD reserves the right to revalue the Company or any Sub-Fund at any time if it considers it desirable to do so.
- 4.3. Additional valuations may also be carried out in accordance with the OEIC Regulations and the FCA Regulations in connection with a scheme of amalgamation or reconstruction, or on the day the annual or half yearly accounting period ends.

- 4.4. The Net Asset Value of the Scheme Property shall be the value of its assets less the value of its liabilities determined as follows.
- 4.5. All the Scheme Property (including receivables) is to be included, subject to the following provisions.
- 4.6. Property which is not cash (or other assets dealt with in paragraphs 4.7 and 4.8 below) or a contingent liability transaction 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 selling units or shares is quoted, at that price; or
    - (ii) If separate buying or selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any initial charge included in the buying price and the selling price has been increased by any exit or redemption charge attributable to the selling price; or
    - (iii) If, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the ACD, is fair and reasonable;
  - (b) exchange-traded derivative contracts:
    - (i) If a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
    - (ii) If separate buying and selling prices are quoted, at the average of the two prices;
  - (c) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the ACD and the Depositary;
  - (d) any other investment:
    - (i) If a single price for buying and selling the security is quoted, at that price; or
    - (ii) If separate buying and selling prices are quoted, at the average of the two prices; or
    - (iii) If, in the opinion of the ACD, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the ACD's best estimate of the value, at a value which, in the opinion of the ACD, is fair and reasonable.
  - (e) Property other than that described in (a), (b), (c) and (d) above, at a value which, in the opinion of the ACD, represents a fair and reasonable mid-market price.
- 4.7. Cash and amounts held in current and deposit accounts and in other time-related deposits shall be valued at their nominal values.
- 4.8. In determining the value of the scheme property, all instructions given to issue or cancel shares shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential actions required by the Regulations or the Instrument shall be assumed (unless the contrary is shown) to have been taken.
- 4.9. Subject to paragraphs 4.10 and 4.11 below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the ACD, their omission will not materially affect the final net asset amount.

- 4.10. 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 4.9.
- 4.11. All agreements are to be included under paragraph 4.9 which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the ACD's employment take all reasonable steps to inform it immediately of the making of any agreement.
- 4.12. Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and SDRT.
- 4.13. Deduct an estimated amount for any liabilities payable out of the scheme property and any tax thereon treating periodic items as accruing from day to day.
- 4.14. Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- 4.15. Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- 4.16. Add any other credits or amounts due to be paid into the scheme property.
- 4.17. 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.
- 4.18. Add the total amount of any cost determined to be, but not yet, amortised relating to the authorisation and incorporation of the Company and of its initial offer or issue of shares.
- 4.19. Currencies or values in currencies other than the base currency or (as the case may be) the designated currency of a Sub-Fund 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 shareholder or potential shareholders.
- 4.20. For the above purposes, instructions given to issue or cancel Shares are assumed to have been carried out (and any cash paid or received); and uncompleted arrangements for the unconditional sale or purchase of property are (with certain exceptions) assumed to have been completed and all consequential action taken.
- 4.21. Each Sub-Fund will have credited to it the proceeds of all Shares issued in respect of it, together with the assets in which such proceeds are invested or reinvested and all income, earnings, profits, or assets deriving from such investments. All liabilities and expenses attributable to a Sub-Fund will be charged to it.
- 4.22. Any assets, costs, charges or expenses which are not attributable to any particular Sub-Fund, and allocated in accordance with the FCA Handbook, may be reallocated by the ACD provided that such reallocation shall be done in a manner which is fair to all the Shareholders.

#### **Pricing Basis**

- 4.23. There is a single price for buying, selling and switching Shares in a Sub-Fund which represents the Net Asset Value of the Sub-Fund concerned.
- 4.24. The Share price is calculated on a forward pricing basis, that is at the next Valuation Point after the purchase or redemption is deemed to be accepted by the ACD.
- 4.25. The price of a Share in the Company shall be calculated by taking the proportion of the net asset value of all Shares (by reference to the most recent valuation of the scheme property) and dividing it by the number of Shares in issue immediately before the relevant Valuation Point. The price will be expressed in the Sub-Fund's base currency and will be expressed to four significant figures.

- 4.26. Shareholders can obtain the price of their shares on [www.trustnet.com](http://www.trustnet.com) or by telephoning 0141 222 1151. . Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices. The Shares in the Company will be issued and redeemed on a forward pricing basis which means that the price will not necessarily be the same as the published price.

### **Equalisation**

- 4.27. An income equalisation amount representing the value of income attributable to the Shares accrued since the record date for the last income distribution for Income Shares or deemed distribution for Accumulation Shares is included in the price of shares and so reflected as a capital sum in the price. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.
- 4.28. For Accumulation Shares, the equalisation amount is reinvested alongside the taxed income. This means that no adjustment need be made to the cost of the shares in calculating the relevant capital gains tax.
- 4.29. Equalisation only applies to shares purchased during the relevant accounting period. It is the average amount of income included in the price of all shares issued during that period.
- 4.30. Details of charges payable are contained in Section 6.

## **MANAGEMENT AND ADMINISTRATION**

### **5.1. The Authorised Corporate Director**

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

Registered Office and Head Office:

45 Gresham Street  
London  
EC2V 7BG

Share Capital: Issued and paid up 50,000 Ordinary £1 shares. The directors of the ACD are set out in Appendix 9. In relation to the Company and each Sub-Fund, the ACD must ensure that:

- (a) the Shareholders are treated fairly;
- (b) the interests of any group of Shareholders are not placed above the interests of any other group of shareholders;
- (c) it applies appropriate policies and procedures for preventing malpractices that might reasonably be expected to affect the stability and integrity of the market;
- (d) fair, correct and transparent pricing models and valuation systems are used for each Sub-Fund in order to comply with its duty to act in the best interests of the Shareholders;
- (e) it is able to demonstrate that the Scheme Property is accurately valued;
- (f) it acts in such a way as to prevent undue costs being charged to the Company, a Sub-Fund or Shareholders; and
- (g) in carrying out its functions it acts honestly, fairly, professionally and independently, and solely in the interests of the Company, each Sub-Fund and its Shareholders.

The ACD may act as an authorised fund manager or ACD to other clients and funds and to companies in which the Company may invest and these are listed in Appendix 4. It may also delegate its activities and retain the services of another person to assist in its functions.

The agreement between the ACD and the Company can be terminated by either party on 6 months' notice in writing or sooner upon mutual agreement between the ACD and the Company. The Company agrees to indemnify the ACD against losses, liabilities, costs, claims, actions, damages, or expenses (including all reasonable legal and other professional expenses) incurred by the ACD acting as ACD except where caused by the fraud, negligence, or wilful default of the ACD. A copy of the agreement between the ACD and the Company is available to shareholders on request from the head office of the ACD.

The ACD has a remuneration policy (the "Remuneration Policy") that is in accordance with the FCA's Rules. The Remuneration Policy is designed to ensure that the ACD's remuneration practices are consistent with and promote sound and effective risk management, do not encourage risk taking and are consistent with the risk profile of the Company and the Sub-Funds. The ACD considers the Remuneration Policy to be appropriate to the size, internal operations, nature scale and complexity of the Company and in line with the risk profile, risk appetite and the strategy of the Company.

The matters covered by the Remuneration Policy include:

- An assessment of the individual member of staff's performance;
- restrictions on the awarding of guaranteed variable remuneration;
- the balance between fixed and variable remuneration;
- any payment of remuneration in the form of units or shares in the Funds;
- any mandatory deferral periods for the payment of some or all of the variable remuneration component; and
- the reduction or cancellation of remuneration in the case of under-performance.

The Remuneration Policy will apply to the fixed and variable (if any) remuneration received by the identified staff, which includes senior management, risk takers, staff engaged in controlled functions where the person's professional activities have a material impact on the risk profiles of the ACD or the Company.

The up-to-date Remuneration Policy which gives a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, is available on the ACD's website at [www.evelyn.com/regulatory/remunerationcode-disclosure](http://www.evelyn.com/regulatory/remunerationcode-disclosure). A paper copy of the remuneration policy can be obtained free of charge by telephoning 0141 222 1151.

## 5.2. The Depositary

The Company has appointed NatWest Trustee & Depositary Services Limited as the depositary of the Company (the "**Depositary**").

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

### Duties of the Depositary

The Depositary has been entrusted with the custody and/or, as the case may be, recordkeeping and ownership verification of the Sub-Fund's assets, and it shall fulfil the obligations and duties



provided for in the UCITS laws, rules and regulations. In particular, the Depositary shall ensure an effective and proper monitoring of the Sub-Funds' cash flows.

In due compliance with the UCITS laws, rules and regulations the Depositary shall also:

- (i) ensure that the sale, issue, re-purchase, redemption and cancellation of units of the Sub-Funds are carried out in accordance with the applicable national law and the UCITS Rules or the Articles;
- (ii) ensure that the value of the Units is calculated in accordance with the UCITS Rules, the Articles and the procedures laid down in the Directive;
- (iii) carry out the instructions of the Sub-Funds (or the Management Company on behalf of the Sub-Funds), unless they conflict with the UCITS Rules, or the Articles;
- (iv) ensure that in transactions involving the Sub-Funds' assets any consideration is remitted to the Sub-Funds within the usual time limits; and
- (v) ensure that the Sub-Funds' income is received and applied in accordance with the UCITS Rules and the Articles.

The Depositary may not delegate any of the obligations and duties set out in (i) to (v) of this clause.

The Depositary may, under certain conditions, entrust part or all of the assets which are placed under its custody and/or recordkeeping to third parties as appointed from time to time. The Depositary's liability shall not be affected by any such delegation, unless otherwise specified, but only within the limits as permitted by the UCITS laws, rules and regulations.

### **Conflicts of Interest**

There are many situations in which a conflict of interest may arise, notably when the Depositary delegates its safekeeping functions or when the Depositary also performs other tasks on behalf of the Sub-Funds, such as administration services. These situations and the conflicts of interest thereto related have been identified by the Depositary. In order to protect the Sub-Funds' and its Shareholders' interests and comply with applicable regulations, a policy and procedures designed to prevent situations of conflicts of interest and monitor them when they arise have been set in place within the Depositary, aiming namely at:

- (i) identifying and analysing potential situations of conflicts of interest;
- (ii) recording, managing and monitoring the conflict of interest situations either in:
  - a. relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or
  - b. implementing a case-by-case management to (i) take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Sub-Funds, or (ii) refuse to carry out the activity giving rise to the conflict of interest.

The Depositary has established a functional, hierarchical and/or contractual separation between the performance of its Sub-Funds depositary functions and the performance of other tasks on behalf of the Sub-Funds, notably, administration services.

The Depositary has no decision-making discretion nor any advice duty relating to the Sub-Funds' investments. The Depositary is a service provider to the Sub-Funds and is not responsible for the preparation of this Prospectus and therefore accepts no responsibility for the accuracy of any information contained in this Prospectus or the validity of the structure and investments of the Sub-Funds.

### **Updated Information**

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

## **Depository Agreement**

The Depository was appointed pursuant to an agreement between the Company, the ACD and the Depository (the “**Depository Agreement**”).

Under the Depository Agreement, the Depository is free to render similar services to others and the Depository, the Company and the ACD are subject to a duty not to disclose confidential information.

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

Under the Depository Agreement the Depository 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 Depository's negligent or intentional failure to fulfil its obligations.

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

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

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

Shareholders have no direct contractual rights against the Depository pursuant to the Depository Agreement.

The Depository is entitled to receive remuneration out of the Scheme Property for its services, as explained in “Depository's fee and expenses” below. The Depository is under no obligation to account to the ACD, the Company or the Shareholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as Depository. The remuneration of the Depository is set out in Section “Depository's Remuneration and Expenses” of this Prospectus.

### **5.3. The Investment Manager**

The ACD has appointed Baker Steel Capital Managers LLP, 34 Dover Street, London, W1S 4NG, (the **Investment Manager**) to provide investment management and advisory services to the ACD with respect to each Sub-Fund as outlined in Appendix 1.

For the avoidance of doubt, the ACD may delegate investment management and advisory services for a Sub-Fund to Baker Steel Capital Managers LLP. Any reference herein to “Investment Manager,” “Investment Management Agreement,” or corresponding term shall be read to mean Baker Steel Capital Managers LLP, as applicable with respect to a Sub-Fund.

The Investment Manager's Agreement with the ACD (the Investment Management Agreement) may be terminated on 3 months' written notice by the Investment Manager or the ACD or sooner if mutual agreed by the ACD and the Investment Manager.

The Investment Manager is authorised by the ACD to exercise complete discretion to buy, sell, retain, exchange or otherwise deal in the Scheme Property of the Company and each Sub-Fund.

Under the Investment Management Agreement, the Investment Manager provides indemnities to the ACD and the Company for any losses suffered or imposed as a result of negligence, wilful default, fraud, breach of the Regulations or breach of the Investment Management Agreement by

the Investment Manager or any of its officers, employees, delegates or agents. The ACD may be entitled under the indemnities in the ACD Agreement to recover from the Company amounts paid by the ACD under the indemnities in the Investment Management Agreement.

#### **5.4. The Transfer Agent & Registrar**

**5.5.** The ACD has not delegated the role of the Transfer Agent & Registrar for the Company. The Register of Shareholders is maintained by the ACD's Transfer Agency Team at its office at 177 Bothwell Street, Glasgow, G2 7ER and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent. **The Administrator**

**5.6.** The ACD has not delegated the role of the Administrator for the Company. The Register of Shareholders is maintained by the ACD's Transfer Agency Team at its office at 177 Bothwell Street, Glasgow, G2 7ER and may be inspected at that address during normal business hours by any Shareholder or any Shareholder's duly authorised agent. **The Auditors**

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

## **CHARGES AND EXPENSES**

### **6.1. General**

This Section sets out details about the charges and expenses associated with the Sub-Funds. Where indicated, such fees and charges will be recovered from the Scheme Property and where it is permitted under COLL. The ACD may, in its discretion, waive a charge or cap the extent to which a particular type of charge may be applied to a Sub-Fund. The ACD will act in the best interests of the Shareholders in considering whether a charge should be waived or capped, and also in making the decision as to whether to reintroduce a charge. Shareholders will be notified of such changes to the charging structure in accordance with the rules in COLL.

The ongoing charges figure (the **OCF**) which represents these ongoing fees and charges made to the Sub-Funds is published in the Key Investor Information Document (**KIID**) for each Sub-Fund.

### **6.2. Dealing Charges**

Details, where applicable of the initial charges, redemption charges and switching charges for each Sub-Fund will be set out in Appendix 1.

### **6.3. ACD fees**

The ACD is permitted to take a periodic charge (the "ACD Fee") out of the property of the Company. The ACD Fee which will be calculated daily with reference to the previous business day's Net Asset Value and paid monthly in arrears. The amount due for each month is required to be paid as soon as practicable after the month-end. The current ACD Fee is set out below:

- £0-£100m net asset value – 0.05%;
- £100m-£300m net asset value – 0.04%;
- £300m+ - 0.03%,

subject to a minimum of £37,000.

The ACD may increase these fees on 60 day notice to investors.

The ACD is entitled to receive payment for expenses detailed in Section 6.11 below.

### **6.4. Investment Management Fee**

The Investment Manager is entitled to receive an Investment Management fee, the details of which are set out in Appendix 1 and which is payable out of the Scheme Property. The Investment

Management Fee accrues daily and is payable monthly in arrears and is calculated by reference to the previous day's Net Asset Value of the Sub-Funds.

Details of the Investment Manager's budgeted Research Charge is also available from the ACD upon request.

## **6.5. Research Charge**

In accordance with the FCA Handbook, the ACD has set, and has agreed with the Investment Manager, an annual research budget to establish how much it needs to spend on third party research to provide the investment services to the Company.

The Research Charge described in the paragraph above will be used to fund the purchase of third-party research that the Investment Manager believes will benefit the Sub-Fund by assisting the Investment Manager to make better investment decisions in respect of the Sub-Fund. The Investment Manager will take into account whether prospective research represents value for money for the Sub-Fund, and to what extent it is likely to lead to better investments decisions and enhanced performance in line with the Sub-Fund's investment objective, policy and investment strategy when considering whether to purchase that research for the benefit of the Sub-Fund.

Having been provided with a copy of the Investment Manager's policy regarding research, the ACD has satisfied itself that the Investment Manager has established a process whereby it will regularly assess the quality of the research purchased using the Research Charge. This assessment is based on robust quality criteria, including the extent to which in the Investment Manager's opinion that research contributes to its decision making process when making investment decisions on behalf of the Sub-Fund.

The Research Charge is applicable to below Sub-Fund:

- SVS Baker Steel Electrum Fund

The charge will accrue on a daily basis in arrears by reference to the Net Asset Value of the Sub-Fund and will be paid periodically into a Research Payment Account ("RPA") controlled by the Investment Manager and established in accordance with the FCA Handbook.

If at the end of the year the Research Payment Account is in surplus, any such surplus will be rebated to the Sub-Fund or off-set against the budgeted amount for research and the Research Charge applicable during the following annual reporting period.

A summary of the following information in respect of the most recent annual reporting period is available to investors from the ACD on request:

- the research providers paid using the Research Charge; and
- the total amount each provider was paid.

Details of the Investment Manager's budgeted Research Charge is also available from the ACD upon request.

## **6.6. Performance Fee**

In addition to the ACD's annual management charge, the ACD is entitled to a performance fee (the "**Performance Fee**") on the I Share Class of the Sub-Fund if certain conditions are met.

The Performance Fee is calculated over a period ("**Performance Period**") which is the same as the Sub-Fund's annual accounting period. The first Performance Period will start on the launch date of this Class and will end at the last Valuation Point of the accounting period during which the Class was launched.

The Performance Fee calculation refers to a "Benchmark NAV", which is created using both the "Fund Net Asset Value" ("Fund NAV") and the "Benchmark Index".

For details of Fund NAV, please refer to sections of Pricing Basis and Equalization under Valuation and Pricing in this Prospectus.

The Benchmark Index is measured using the price return of the MSCI ACWI Metals & Mining Index (Bloomberg ticker: MXWD0MM, in GBP). The price return (displayed as a percentage) is the change in index price over the Performance Period, which reflects the capital appreciation of the index and does not include any income/dividends generated from the underlining asset of the index.

The Benchmark NAV is set as below:

- On the launch date, as there is no Benchmark Index movement, the Benchmark NAV is the same as the Share Price.
- On subsequent valuation points, the Benchmark NAV is set by applying the Benchmark Index to the Fund Net Asset Value (Fund NAV) of the previous valuation point.

The Performance Fee calculation also refers to a "High-Water Mark" ("HWM") which is set as below:

- On launch date, the HWM is set to be the same as the Share Price, and
- In subsequent years, the HWM may or may not change at the start of the Performance Period depending on the following:
  - Where a performance fee has been accrued in the previous period, the HWM will be set at the closing Fund NAV at the end of the previous period, or
  - Where a performance fee hasn't been accrued in the previous period, the HWM will not change and will be the same as the HWM from the previous period that a performance fee was paid.

In order for a Performance Fee to be payable, two tests must be met:

- The Share Price must be above the Benchmark NAV; and
- The Share Price must be above the HWM.

Subject to the above two tests being met, the Performance Fee is calculated at each Valuation Point as up to 15% of any outperformance of the Share Price of that Class against the Benchmark NAV and is based on the number of shares in issue at the Valuation Point.

A Performance Fee accrual is determined at each Valuation Point and is taken into account in the calculation of the Share Price. The accrual is calculated by reference to the movements in the Share Price and Benchmark NAV since the start of the Performance Period. The Share Price used for the accrual calculation includes all other costs incurred by the Sub-Fund, but is adjusted to exclude the effect of any dilution adjustment and any existing Performance Fee accrual.

Where a Performance Fee is due, it will be paid to the ACD within 10 days of the end of the Performance Period.

Where Shares are cancelled during a Performance Period (this could happen when a Shareholder redeems Shares, for example), and at that Valuation Point the Share Price has outperformed the

Benchmark NAV, any Performance Fee accrued and reflected in the price of those Shares will crystallise at the time of redemption but shall not be paid until the end of the Performance Period.

Should the share cancellation result in the share class being closed, the crystallised fee will be payable to the ACD within 10 days of this event. Any such Performance Fee paid to the ACD will not be repaid even if at the end of the relevant Performance Period a Performance Fee would otherwise not be payable in respect of such Shares if they had continued to be held to the end of such Performance Period.

There is no limit on the amount of the Performance Fee which may be payable for a Performance Period. A Performance Fee can be earned in a following performance period where a performance fee has been paid in a prior Performance Period, provided that the Share Price is above the HWM (and also above the Benchmark NAV).

The Performance Fee is based on net realised and net unrealised gains and losses at the end of each Performance Period and, as a result, a Performance Fee may be charged on gains which are never subsequently realised. However, once a Performance Fee has been paid, no refund will be made.

The ACD will take steps to mitigate any imperfections that may arise in the calculation and accrual of a Performance Fee in the Sub-Fund, following agreement with the Company's Auditors, if required.

The ACD shall verify and the Company's Auditors shall review the calculation of the Performance Fee on an annual basis.

### Example Calculations

Please note that the following examples are purely for illustrative purposes. These examples are not a representation of the actual performance of the Sub-Fund, or of future returns to Shareholders, and have been simplified for the purposes of illustrating the effect of the Performance Fee in different scenarios.

The ACD considers these simplifications will allow the Performance Fee to be illustrated in a straightforward manner, without producing a material deviation from any actual Performance Fee calculation that will be carried out for the Sub-Fund.

	Fund Performance	Year-end Share Price (£)	Benchmark Performance	Benchmark NAV (£)	Over/ under Performance	Year-end Share Price above Benchmark NAV	Year-end Share Price above HWM	Performance Fee per Share (£)	Fund NAV per Share (£)	HWM (£)
Launch		100.00		100.00					100	
Year 1	10%	110.00	5%	105.00	5%	Yes	Yes	0.75	109.25	109.25
Year 2	-5%	103.79	10%	120.18	-15%	No	No		103.79	109.25
Year 3	15%	119.36	5%	108.98	10%	Yes	Yes	1.56	117.80	117.80
Year 4	-5%	111.91	-2%	115.44	-3%	No	No		111.91	117.80
Year 5	10%	123.10	5%	117.50	5%	Yes	Yes	0.84	122.26	122.26

**Year 1:** During the performance period, the Share Price increased by 10% to £110.00, compared to the Benchmark increase of 5%, which set the Benchmark NAV to £105.00. Therefore, the year-end Share Price outperformed the Benchmark by 5% or £5.00. The Performance Fee per Share was calculated as 15% of this outperformance of £5.00, equivalent to £0.75 per share. There were 10,000 shares in issue at the Valuation Point, so the total performance fee of £7,500 was paid to the Investment Manager and the Share Price decreased from £110.00 to £109.25 at the end of Year 1 and concluded as the Fund NAV.

**Year 2:** As a performance fee was paid at the end of year 1, the calculation in year 2 was based on the HWM being equal to the closing Share Price from Year 1, £109.25. During Year 2, the Share Price decreased by 5% to 103.79 and the Benchmark increased by 10%, which increased the

Benchmark NAV to £120.18 ( $£109.25 \times (1+10\%)$ ). The Share Price was below the Benchmark NAV and was below the HWM therefore, no Performance Fee was earned.

**Year 3:** As no performance fee was paid at the end of year 2, the HWM remained the same at £109.25. During the year, the Share Price increased by 15% from £103.79 to £119.36 and the Benchmark increased by 5%, which increased the Benchmark NAV to £108.98 ( $£103.79 \times (1+5\%)$ ). The Share Price was above the Benchmark NAV and was above the HWM of £109.25, therefore a Performance Fee per share was calculated and paid as 15% of the outperformance of £10.38 per share, equivalent to £1.56 per share. The Share Price was reduced by the performance fee from £119.36 to £117.80, and concluded as the Fund NAV, which also set the new HWM to be £117.80.

**Year 4:** During year 4, the Share Price decreased by 5% to £111.91, and the Benchmark decreased by 2%, which decreased the Benchmark NAV to £115.44 ( $£117.80 \times (1-2\%)$ ). The Share Price was below the Benchmark NAV and remained below the HWM, therefore no performance fee was earned during the performance period and no change to the HWM.

**Year 5:** During year 5, the Share Price increased by 10% to £123.10, and the Benchmark increased by 5%, which increased the Benchmark NAV to £117.50 ( $£111.91 \times (1+5\%)$ ). The Share Price was above the Benchmark NAV and above the HWM of £117.80, therefore a Performance Fee was earned and calculated as 15% of the outperformance of £5.60, equivalent to £0.84 per share. The closing Share Price was reduced by the Performance Fee from £123.10 to £122.26, and concluded as the Fund NAV, which set the new HWM to be £122.26.

#### **6.7. Transfer Agent & Registrar Fees**

The ACD is also entitled to receive out of the Scheme Property fees for its services both in respect of the register and any sub registers.

Fees for the services of establishing and maintaining the Register and any plan registers, and any associated expenses, will always be payable by the Company, whether those services are provided by the ACD, its associates or any other person.

The ACD as Transfer Agent & Registrar is entitled to receive out of the Scheme Property by way of remuneration a periodic charge, which will be calculated daily with reference to the previous business day's Net Asset Value and paid monthly in arrears.

The current rate of the periodic charge (expressed as a percentage per annum of the Net Asset Value of each Sub-Fund and subject to a minimum charge) is set out below.

- £0-£100m net asset value – 0.03%;
- £100m-£300m net asset value – 0.02%;
- £300m+ - 0.015%,

subject to a minimum of £5,000.

The ACD will additionally seek to recover all reasonable disbursement costs incurred as a result of the proper execution of its duties. These costs would include, but would not be restricted to, postage, printing, telephone, fax and stationery.

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

#### **6.8. Administrator Fees**

The ACD is entitled to receive out of the scheme property fees for its Fund Administration services, which will be calculated daily with reference to the previous business day's Net Asset Value and paid monthly in arrears.

The current rate of the Fund Administration fee (expressed as a percentage per annum of the Net Asset Value of each Fund and subject to a minimum charge) is set out below:

- £0-£100m net asset value – 0.03%;
- £100m-£300m net asset value – 0.02%;
- £300m+ - 0.015%,

subject to a minimum of £13,000.

## **6.9. Dilution Adjustment**

In order to counter the effects of dilution on a Sub-Fund's Net Asset Value brought about by large purchases and/or redemptions of a Sub-Fund's Shares, the ACD has implemented a swing pricing policy.

Dilution involves a reduction in the Net Asset Value brought about by investors purchasing, selling and/or exchanging in and out of a Sub-Fund at a price that does not reflect the dealing costs associated with the Sub-Funds trade activity undertaken to accommodate the corresponding cash inflows or outflows. Dilution occurs when the actual cost of purchasing or selling the underlying assets of a Sub-Fund deviates from the valuation of these assets in the Sub-Fund due to dealing charges, taxes and any spread between the buying and selling prices of the underlying assets. Dilution may have an adverse effect on the value of a Sub-Fund and therefore impact Shareholders. It is not 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, and this is the policy which has been adopted by the ACD. 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 any Sub-fund.

Under the ACD's swing pricing policy, if on any Business Day, the aggregate net investor inflows or outflows in Shares of a Sub-Fund exceed a pre-determined threshold, as determined from time to time by the ACD, the Net Asset Value of the Sub-Fund may be adjusted upwards or downwards to reflect the costs attributable to such net inflows or net outflows. The threshold is set by the ACD taking into account factors such as the prevailing market conditions, the estimated dilution costs and the size of a Sub-Fund. The level of swing pricing adjustment will be reviewed and may be adjusted on a periodic basis to reflect an approximation of dealing costs as determined by the ACD. The application of swing pricing will be triggered automatically on a daily basis upon crossing the relevant threshold. The swing pricing adjustment will be applicable to all Shares of a Sub-Fund (and all transactions) on that Business Day. The swing pricing adjustment may vary by Sub-Fund and is dependent upon the particular assets in which a Sub-Fund is invested. The swing pricing adjustment will generally not exceed 2% of the original Net Asset Value of a Sub-Fund.

Investors are advised that the application of swing pricing may result in increased volatility in a Sub-Funds valuation and performance, and a Sub-Funds Net Asset Value may deviate from the underlying investments' performance on a particular Business Day as a result of the application of swing pricing. Typically, such adjustment will increase the Net Asset Value per Share on a given Business Day when there are net inflows into a Sub-Fund and decrease the Net Asset Value per Share when there are net outflows. It should be noted that as dilution is directly related to the inflows and outflows of monies from the Sub-Fund it is not possible to predict accurately whether or not dilution will occur at any particular future point in time, and how frequently the ACD will need to make such a dilution adjustment.

If a dilution adjustment is required then, based on future projections, the estimated rate or amount of such adjustment will be 0.29% when buying and 0.29% when selling Shares.



## 6.10. Depositary's fees

The Depositary is entitled to receive out of the property of each Sub-Fund for its own account, by way of remuneration, a periodic charge (plus VAT) which will be calculated daily with reference to the previous business day's Net Asset Value and paid monthly in arrears. The rate of the Depositary's periodic charge will be the amount agreed by the Company and the Depositary from time to time.

The Depositary's current periodic charge in respect of each Sub-Fund is outlined in the table below. The Depositary Basis Point Fee will be calculated each day by multiplying the prior day NAV of each Fund/Sub Fund by the applicable basis point fee, dividing the result (or the sum of the results if tiered fees are applicable) by the actual number of days in year. This rate may be subject to change from time to time, with the agreement of the Depositary and the ACD.

NET ASSET VALUE (NAV)	ANNUAL FEE
First £50 million	0.0275%
Next £50 million	0.025%
Balance	0.02%

Subject to an annual minimum charge of £7,500 per Sub-Fund per annum (excluding VAT)

In addition, the Depositary will be entitled to make charges consisting of custody safekeeping fees, transaction fees and other related fees. The transaction fees payable range between £1.96 per transaction to £75.65 per transaction, and the custody safekeeping fees range between 0.001% and 0.5525%. A summary of the actual costs charged can be located within the financial statements.

The Depositary will be reimbursed by the Company for expenses properly incurred in performing or arranging for the performance of functions conferred on it by the Regulations, or the Depositary Agreement or by general law. These functions may (without limitation of the foregoing) include custody, insurance, acquisition and dealing with assets of the Company; making deposits or loans, dealing with borrowings, effecting foreign currency dealings and effecting efficient portfolio management transactions, as permitted by the FCA Regulations; collection of income or capital; submission of tax returns and handling tax claims; preparation of the Depositary's annual report; calling shareholders' meetings and communicating with shareholders; preparing, clearing and dispatching distribution warrants; obtaining professional advice; conducting legal proceedings; carrying out administration relating to the Company; and supervision of certain of the activities of the ACD.

The amount or rate of any expenses shall be determined either by the Depositary or by reference to the scale or tariff or other basis from time to time agreed between the ACD and the Depositary and notified to the ACD by the Depositary provided that in either case such charges shall be at least as favourable as if they had been affected on normal commercial terms negotiated at arm's length between the Depositary and a comparable customer.

Any service charges or additional remuneration payable to the Depositary as above shall accrue due when the relevant transaction or other dealing is affected or relevant service is provided or as may otherwise be agreed between the Depositary and the ACD and shall be paid to the Depositary as soon as practicable after they have accrued.

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

## 6.11. Other Expenses

The following expenses may also be paid out of the Scheme Property of each Sub-Fund so far as permitted by COLL:

- 6.11.1. broker's commission, fiscal charges and other disbursements (including stamp duty and/or stamp duty reserve tax) which are necessary to be incurred in effecting transactions for the Company and normally shown in contract notes, confirmation notes and difference accounts as appropriate;
- 6.11.2. any costs incurred in publishing the price of the Shares in a national or other newspaper or any other form of media;
- 6.11.3. any cost incurred in producing and dispatching payments made by the Company or a Sub-Fund (as the case may be), or the yearly and half yearly reports of the Company;
- 6.11.4. any fees, expenses or disbursements of any legal or other professional adviser of the Company including tax, legal counsel, foreign registration and translators;
- 6.11.5. any costs incurred in taking out and maintaining an insurance policy in relation to the Company;
- 6.11.6. any costs incurred in respect of meetings of Shareholders convened for any purpose;
- 6.11.7. any liability arising after the transfer of property to another authorised fund in consideration of units or shares in such other fund in accordance with COLL 6.7.15R;
- 6.11.8. interest on permitted borrowings and charges incurred in effecting or terminating such borrowings or in negotiating or varying the terms of such borrowings;
- 6.11.9. taxation and duties payable in respect of the Scheme Property or the issue or redemption of Shares;
- 6.11.10. the audit fees of the Auditors (including VAT) and any expenses of the Auditors;
- 6.11.11. periodic fees of the FCA, together with any corresponding fees of any regulatory authority in a country or territory outside the UK in which Shares in the Company and/or Sub-Funds are or may be marketed;
- 6.11.12. any expense incurred in relation to company secretarial duties and the duties of the Registrar including the cost of maintenance of minute books and other documentation required to be maintained by the Company;
- 6.11.13. any payment otherwise due by virtue of a change to the Regulations or other applicable law;
- 6.11.14. any costs incurred which are associated with independent risk monitoring or daily "value at risk" or "VaR" calculations (part of the risk monitoring process);
- 6.11.15. any costs incurred in producing or amending the Instrument of Incorporation or this Prospectus including costs in respect of meetings of shareholders and/or directors convened for the purposes which include the purpose of amending the Instrument of Incorporation or this Prospectus;
- 6.11.16. payments, costs of any other administrative expenses in relation to the preparation and distribution of literature required or necessary for the purpose of complying with the Regulations or of any other law or regulation (excluding the cost of distributing the KIID or equivalent successor documentation);
- 6.11.17. any cost incurred in the preparation, translation (where necessary) and production of reports required by regulation (in relation to taxation or for any other reason) in the United Kingdom and in any overseas territory in which Sub-Funds are or may be lawfully marketed;

- 6.11.18. costs (apart from promotional payments) in respect of communications with actual or potential investors;
- 6.11.19. fees of any paying, representative or other agents of the Company or ACD;
- 6.11.20. fees and expenses in respect of third party system providers to enable straight through processing (STP) with the Registrar;
- 6.11.21. additional fees charged in relation to clearing system arrangements in any jurisdiction where the shares of the Sub-Fund are registered for distribution;
- 6.11.22. royalties, licensing fees and other like payments in relation to the use of intellectual property;
- 6.11.23. any costs and expenses related to reporting of data in relation to any requirements under the Regulation or where the ACD or the Company has an obligation to submit data under International law and agreement;
- 6.11.24. any VAT or similar tax relating to any charge or expense set out herein;
- 6.11.25. fees to establish the umbrella company of the Sub-Funds; and
- 6.11.26. any other payment permitted to be paid out of the Scheme Property under the Regulations.

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.

Expenses are allocated between capital and income in accordance with the Regulations. The applicable policy for each Sub-Fund is set out in Appendix 1. Where expenses are deducted in the first instance from income if, and only if this is insufficient, deductions will be made from capital. If deductions are made from capital, this could have an adverse effect on the Sub-Fund's capital and constrain growth.

The establishment costs of any Sub-Fund launched after the issue of this Prospectus may be borne by that Sub-Fund.

Value Added Tax will be added to all these payments, where applicable.

Further charges for taxation may be paid out of the Scheme Property as described in Section 7 below.

## **TAXATION**

### **7.1. General**

The following information is only a summary of the taxation position of the Company and Shareholders. It does not constitute legal or tax advice and prospective investors should consult their own professional advisers as to the implications of subscribing for, purchasing, holding, switching or disposing of Shares in the Sub-Funds under the laws of the jurisdiction in which they may be subject to tax.

### **7.2. The Company**

- 7.2.1. Each Sub-Fund is treated as a separate entity for UK tax purposes. The Sub-Funds are exempt from UK tax on capital gains realised on the disposal of investments held within them.
- 7.2.2. Dividends from UK companies are received by a Sub-Fund with a tax credit and no further tax is payable by a Sub-Fund on that income. Income received by a Sub-Fund from transactions in futures or options contracts is exempt from tax.

- 7.2.3. The Sub-Funds will each be subject to corporation tax at 20% on other types of income but after deducting allowable expenses (which include the gross amount of any interest-type distributions made).
- 7.2.4. Income from foreign securities may be subject to withholding tax. Where this is the case the Company will be entitled to a tax credit for the withholding against its UK corporation tax liability.

### **7.3. Shareholders' Income**

#### **UK Resident Individuals**

- 7.3.1. Dividend distributions to UK resident individual Shareholders will be charged at the rates below on amounts received above a threshold set in each tax year. The threshold for the 2023/2024 tax year is £1000 and the amount paid will depend upon the individual's tax paying band. For the tax year 2023/2024 these are as follow:
- (a) basic rate taxpayers: 8.75%
  - (b) higher rate taxpayers: 33.75%
  - (c) additional rate taxpayers: 39.35%

#### **UK Resident Corporates**

- 7.3.2. Corporate Shareholders who receive dividend distributions may have to divide them into two parts (as will be shown on the tax voucher):
- (a) the part representing dividends received from a UK company will be treated as dividend income and are generally not taxable; and
  - (b) other income.
- 7.3.3. Shareholders liable to pay corporation tax will be treated as receiving interest with a 20% income tax credit attached which can be offset against the Shareholder's liability to corporation tax.

#### **Interest Distributions**

Interest will be paid to Shareholders without deduction of tax. Distributions are taxable as savings income and individual Shareholders may be eligible for the personal savings allowance which will vary depending on the individual's income tax band:

- (a) basic rate taxpayers: £1,000
- (b) higher rate taxpayers: £500
- (c) additional rate taxpayers: £0

### **7.4. SDRT**

SDRT is no longer chargeable on redemptions of Shares in a Sub-Fund. SDRT at 0.5% may however be charged on in specie redemptions which are not pro rata to holdings in a Sub-Fund. Where an SDRT charge is to be applied, The ACD may retain out of the property to be transferred (or the proceeds of sale) property or cash of value or amount equivalent to any SDRT to be paid in relation to the cancellation of the shares.

### **7.5. Income Equalisation**

Income equalisation applies in relation to the Sub-Funds.

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

The amount of income equalisation is either the actual amount of income included in the issue price of that Share or is calculated by dividing the aggregate of the amounts of income included in the price of Shares issued or sold to Shareholders in an annual or interim accounting period by the number of those Shares and applying the resultant average to each of the Shares in question.

## **7.6. Capital Gains**

Shareholders who are resident or ordinarily resident in the UK for tax purposes may be liable to capital gains tax or, if a company, corporation tax in respect of gains arising from the sale, exchange or other disposal of Shares (but not on switches between Classes within a Sub-Fund).

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

## **7.7. General**

These statements are based on UK law and HM Revenue & Customs practice as known at the date of this document. Shareholders are recommended to consult their professional advisers if they are in any doubt about their tax position.

# **RISK FACTORS**

All investments in the Company involve risk. Potential investors should consider the following risk factors before investing in the Company and a corresponding Sub-Fund. The risk descriptions below correspond to some of the main risk factors for the Company and each Sub-Fund.

The risks of some of the Sub-Funds may be comparatively high. A Sub-Fund could potentially be affected by risks beyond those listed for it or described here and these risk descriptions themselves are intended to be exhaustive.

Each risk is described as if for an individual Sub-Fund, as applicable. Sub-Fund specific risks listed in Appendix 1 are not intended to be exhaustive but instead informative for the benefit of potential investors consideration.

The investments of the Company are subject to market fluctuations and other risks inherent in investing in securities. 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 a Sub-Fund. There is no certainty that the investment objective of a Sub-Fund will actually be achieved. The ACD does not guarantee any yield or return on capital in any Sub-Fund.

## **8.1. Charges to Capital Risk**

- (a) Where the investment objective of a Sub-Fund is income generation rather than capital growth, or the generation of income and capital growth have equal priority, all or part of the ACD's fee may be charged against capital instead of against income. The treatment of the ACD's fee may increase the amount of income (which may be taxable) available for distribution to Shareholders in the Sub-Fund concerned but may constrain capital growth.
- (b) Where charges are made to the income of a Sub-Fund, but insufficient income is available to meet those charges, all or part of the charges may also be taken from the capital of the Sub-Fund, which may constrain capital growth.

Whether costs are taken from income or capital will be specified for each Sub-Fund in Appendix 1.

## **8.2. Concentration Risk**

The Sub-Fund will normally be invested in a diversified portfolio of securities however, there may be occasions when market conditions dictate that the Sub-Fund may invest in a relatively small number of securities (subject to the concentration limits set out in Appendix 2), which may result in portfolio concentration in sectors, countries, or other groupings. These potential concentrations mean that a loss arising in a single investment may cause a proportionately greater loss in the Sub-Fund than if a larger number of investments were made.

### **8.3. Counterparty and Custody Risk**

An entity with which a Sub-Fund trades or does business, such as temporary or long-term custody of Sub-Fund assets, could become insolvent, unwilling, or unable to meet its obligations to the Sub-Fund resulting in payments owed to a Sub-Fund being delayed, reduced, or eliminated.

### **8.4. Emerging Market Risk**

Emerging markets - Investments in emerging markets may be more volatile than investments in more developed markets. Some of these markets may have relatively unstable governments, economies based on only a few industries and securities markets that trade only a limited number of securities. Many emerging markets do not have well developed regulatory systems and disclosure standards may be less stringent than those of developed markets. The risks of expropriation, nationalisation and social, political and economic instability are greater in emerging markets than in more developed markets.

### **8.5. Credit and Fixed Interest Securities Risk**

- (a) Fixed interest securities (bonds) 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.
- (b) 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 rate of interest, 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.
- (c) Below Investment Grade Bonds. These securities are considered speculative. Compared to investment grade bonds, the prices and yields of below investment grade bonds are more volatile and more sensitive to economic events, and the bonds are less liquid and carry greater default risk.
- (d) Unrated Securities. Unrated securities will be considered for investment by a Sub-Fund when the Investment Manager believes that the financial condition of the issuers of such securities, or the protection afforded by the terms of the securities themselves, limits the risk to the Sub-Fund to a degree comparable to that of rated securities which are consistent with the Sub-Fund's objectives and policies.
- (e) Distressed Securities. Certain securities may become distressed when the issuer of such securities enters into default or is in high risk of default. While these securities can offer high rewards, they are highly speculative, can be very difficult to value or sell, and often involve complex and unusual situations and extensive legal actions involving multiple parties whose outcome is quite uncertain. There can be no assurance that investment will generate returns to compensate investors adequately for the risks assumed without experiencing a loss.
- (f) Sovereign Debt. Debt issued by governments and government-owned or -controlled entities can be subject to additional risks, especially in cases where the government is reliant on payments or extensions of credit from external sources, is unable to institute the necessary systemic reforms or control domestic sentiment, or is unusually vulnerable to changes in geopolitical or economic sentiment.

Even if a government issuer is financially able to pay off its debt, investors may have little recourse should it decide to delay, discount or cancel its obligations, as the main avenue to pursue payment is typically the sovereign issuer's own courts.

Investment in sovereign debt exposes the Sub-Fund to direct or indirect consequences of political, social, and economic changes in various countries.

#### **8.6. Currency Risk**

To the extent that the Sub-Fund holds assets that are denominated in currencies other than the base currency, any changes in currency exchange rates could reduce investment gains or income, or increase investment losses, in some cases significantly.

#### **8.7. Default Risk**

The issuers of certain bonds or other debt instruments could become unable to make payments.

#### **8.8. Over the counter (OTC) Derivatives risk**

Because OTC derivatives are in essence private agreements between a Sub-Fund and one or more counterparties, they are regulated differently than market-traded securities. They also carry greater counterparty and liquidity risks; in particular, it may be more difficult to force a counterparty to honour its obligations to a Sub-fund. A downgrade in the creditworthiness of counterparty can lead to a decline in the value of OTC contracts with that counterparty. If counterparty ceases to offer a derivative that a fund had been planning on using, the fund may not be able to find a comparable derivative elsewhere and may miss an opportunity for gain or find itself unexpectedly exposed to risks or losses, including losses from a derivative position for which it was unable to buy an offsetting derivative.

Because it is generally impractical for the Company to divide its OTC derivative transactions among a wide variety of counterparties, a decline in the financial health of any one counterparty could cause significant losses. Conversely, if any fund experiences any financial weakness or fails to meet an obligation, counterparties could become unwilling to do business with the Company, which could leave the Company unable to operate efficiently and competitively.

#### **8.9. Derivatives Risk**

The Company permits the use of derivatives for investment purposes by a Sub-Fund.

A Sub-Fund may invest in derivatives for the purposes of hedging and in accordance with the principles of Efficient Portfolio Management.

A Sub-Fund's use of hedging, EPM, borrowing, and cash holding is not intended to significantly raise the risk profile of the Sub-Fund or increase its volatility.

A Sub-Fund's ability to use derivatives may be limited by market conditions, regulatory limits and tax considerations. Any income or capital generated will be paid to the Sub-Funds. Use of derivatives can expose the Scheme Property to a higher degree of risk. For example,

- (a) because of the effect of gearing, relatively small market movements can result in disproportionately high levels of loss;
- (b) off exchange transactions can carry higher levels of risk due to lack of liquidity, difficulty in valuing the investment and determining a fair price;
- (c) a Sub-Fund can be exposed to counterparty risk through counterparty default or insolvency. The use of one or more separate counterparties will be made to undertake derivative transactions on behalf of these Sub-Funds. The Sub-Fund may be required to pledge or transfer collateral paid from within the assets of the relevant Sub-Fund to secure such contracts entered into including in relation to derivatives. There may be a risk that a

counterparty will wholly or partially fail to honour their contractual arrangements under the arrangement with regards the return of collateral and any other payments due to the relevant Sub-Fund;

- (d) the ACD and Investment Manager 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 Investment Manager.
- (e) a Sub-Fund's ability to settle derivative contracts on maturity may be affected by the level of liquidity in the underlying asset;
- (f) in adverse situations, a Sub-Fund's use of derivatives may become ineffective in hedging or EPM and a Sub-Fund may suffer significant loss as a result.

For an explanation of a Sub-Fund's permitted derivatives investment strategy please refer to Appendix 2.

The investment policy in relation to derivatives of a Sub-Fund is set out in Appendix 1.

#### **8.10. Dilution Provisions Risk**

In certain circumstances a dilution adjustment may be made on the purchase or redemption of Shares. In the case of purchases this will reduce the number of Shares acquired, in the case of redemptions this will reduce the proceeds. Where a dilution adjustment is not made, existing investors in the Sub-Fund in question may suffer dilution which will constrain capital growth.

#### **8.11. Equity Securities Risk**

Equities are securities that represent an ownership interest in an issuer. Equities can lose value rapidly, and typically involve higher (often significantly higher) market risks than bonds, money market instruments or other debt instruments. Fluctuation in value may occur in response to activities of individual companies, the general market, economic conditions, or changes in currency exchange rates.

Equities may be purchased in the primary or secondary market. Purchases in the primary market through initial public offerings may involve higher risks due to various factors including limited numbers of available shares, unfavourable trading conditions, lack of investor knowledge, and lack of operating history of the issuing company.

#### **8.12. ESG Investing Risk**

The Sub-Funds may use certain ESG criteria in their investment strategies. Where applicable, a Sub-Fund's investment strategy may limit the types and number of investment opportunities available, based on ESG criteria, to the Sub-Fund and, as a result, the Sub-Fund may underperform in relation to other funds that do not have an ESG focus. If ESG-based exclusionary criteria are used in a Sub-Fund's investment policy, it may result in the Sub-Fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their ESG characteristics when it might be disadvantageous to do so. In evaluating a security, the Investment Manager of such a Sub-Fund is dependent upon information and data obtained through voluntary or third-party reporting that may be incomplete, inaccurate or unavailable, which could cause the Investment Manager to incorrectly assess a company's business practices with respect to the environment, social responsibility and corporate governance ("ESG practices"). Socially responsible norms differ by region, and a company's ESG practices or Investment Manager's assessment of a company's ESG practices may change over time.

#### **8.13. Hedging Risk**

Hedging may be used in connection with managing a Sub-Fund as well as for certain currency hedge share classes including partially hedged share classes. Any attempts to reduce or eliminate



certain risks may not work as intended, and to the extent that they do work, they will generally eliminate potentials for gain along with risks of loss.

Any measures that a Sub-Fund takes that are designed to offset specific risks may work imperfectly, may not be feasible at times, or may fail completely.

Hedging involves costs, which could reduce investment performance. Therefore, with any share class that involves hedging both at the Sub-Fund level and the share class level, there could be two levels of hedging, some of which may yield no benefit (for example, at the Sub-Fund level, a fund may hedge sterling denominated assets to US dollars, while a sterling hedged share class of the Sub-Fund would then reverse that hedge as appropriate).

Risks related to share class currency hedging (such as counterparty risk) could affect investors of other share classes.

As there is no segregation of liabilities between the various share classes within a Sub-Fund, there is a remote risk that, under certain circumstances, currency hedging transactions in relation to a partially hedged share class could result in liabilities which might affect the Net Asset Value of the other share classes of the same Sub-Fund, in which case assets of the other share classes of the Sub-Fund may be used to cover the liabilities incurred by such partially hedged share class.

#### **8.14. Restricted Securities Risk**

Limitations on the resale of restricted securities may have an adverse effect on their marketability, and may prevent the Sub-Fund from disposing of them promptly at advantageous prices. Restricted securities may not be listed on an exchange and may have no active trading market. Transaction costs may be higher for restricted securities than unrestricted securities. Restricted securities may be difficult to value because market quotations may not be readily available, and the securities may have significant volatility. Also, the Sub-Fund may get only limited information about the issuer of a given restricted security, and therefore may be less able to predict a loss. Certain restricted securities may involve a high degree of business and financial risk and may result in substantial losses to the Fund.

#### **8.15. Inflation Risk**

If inflation falls or remains low, the yields on short-term inflation-linked securities will fall or remain low.

#### **8.16. Investment in Collective Investment Schemes Risk.**

The Company may make investments in collective investment schemes in accordance with the investment restrictions set out in Appendix 2. Such investments may involve risks not present in direct investments, including, for example, the possibility that an investee collective investment scheme may at any time have economic or business interests or goals which are not fully consistent with those of the Company, the possibility that investee collective investment schemes are subject to different or little regulatory regulation in the jurisdiction of their establishment, and that investments in investee collective investment schemes may be illiquid or difficult to value.

#### **8.17. Interest Rate Risk**

When interest rates rise, bond and other debt instruments values generally fall. This risk is generally greater the longer the duration of a bond investment is. For bank deposits and for money market instruments and other short- maturity investments, interest rate risk works in the opposite direction. Falling interest rates can be expected to cause investment yields to fall.

#### **8.18. Liquidity Risk**

The Company's investments may be subject to liquidity constraints, which means that the investments may trade infrequently and in small volumes, or that a particular instrument is difficult to buy or sell. Normally liquid investments may also be subject to periods of disruption in difficult

market conditions. As a result, changes in the value of investments may be unpredictable and, in certain circumstances, it may be difficult to deal an investment at the latest market price quoted or at a value considered by the ACD to be fair.

#### **8.19. Management Risk**

A Sub-Fund may be subject to management risk because it is an actively managed investment fund. When managing a Sub-Fund and applying investment techniques and risk analyses, the Investment Manager's assessment of market or economic trends, their choice or design of any software models they use, their allocation of assets, or other decisions regarding how the Sub-Fund's assets will be invested cannot be guaranteed to ensure returns on investments.

#### **8.20. Overseas Investments Risk**

- (a) A Sub-Fund which invests overseas in non-sterling denominated investments may be affected by fluctuations in rates of currency exchange in addition to the usual securities market fluctuations. Such fluctuations may cause the value of the shares to go up or down. Accordingly, investors may not receive back the amount invested.
- (b) Investments in some overseas markets such as emerging or frontier markets may carry risks associated with failed or delayed settlement of market transactions and with the registration and custody of securities. Where the Scheme Property of a Sub-Fund may consist of more than 10% of investments in emerging or frontier markets this will be described in the Sub-Fund's investment policy in Appendix 1

#### **8.21. Small and Mid-Cap Stock Risk**

Stocks of small and mid-size companies can be more volatile and less liquid than stocks of larger companies. These risks may be greater in emerging and frontier markets. Small and mid-size companies often have fewer financial resources, shorter operating histories, and less diverse business lines, and as a result can be at greater risk of long-term or permanent business setbacks. Initial public offerings (IPOs) can be highly volatile and can be hard to evaluate because of a lack of trading history and relative lack of public information.

#### **8.22. Suspension of Dealings in Shares Risk**

Investors are reminded that in certain circumstances their right to redeem Shares (including a redemption by way of switching) may be suspended (see Section 3.31).

#### **8.23. Warrants Risk**

Up to 100% of the value of the scheme property of the Sub-Fund may consist of warrants which may, at times, make the portfolio composition of the Sub-Fund highly volatile, provided that warrants may only be held if it is reasonably foreseeable that the exercise of the rights conferred by the warrants will not contravene the Regulations. Securities on which any sum is unpaid may be held provided that it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Sub-Fund at any time when the payment is required without contravening the Regulations.

#### **8.24. Effect of Initial Charge Risk**

Where an initial charge is imposed, a Shareholder who realizes his Shares after a short period may not (even in the absence of a fall in the value of the relevant investment) realise the amount originally invested. The Shares should therefore be viewed as medium to long term investments.

#### **8.25. Market Risk**

Prices and yields of many securities can change frequently and can fall based on a wide variety of factors. Examples of these factors include:

- (a) Political and economic news
- (b) Government policy
- (c) Changes in technology and business practice
- (d) Changes in demographics, cultures and populations
- (e) Natural or human-caused disasters
- (f) Weather and climate patterns
- (g) Scientific or investigative discoveries
- (h) Costs and availability of energy, commodities, and natural resources

The effects of market risk can be immediate or gradual, short term or long-term, narrow or broad. This risk can apply to both the design and operation of computer models and can apply whether a model is used to support human decision-making or to directly generate trading recommendations. Flaws in software programs can go undetected for long periods of time.

#### **8.26. Volatility Risk**

A Sub-Fund's use of derivatives can increase the volatility of the Sub-Fund. Volatility can be defined as the extent to which the price of an investment changes within a short time period. Small changes in the value of an underlying security on which the value of a derivative is based can cause a large change in the value of the derivative.

#### **8.27. Operational Risk**

The operations of the Sub-Fund could be subject to human error, faulty processes or governance, or technological failures. Operational risks may subject the fund to errors affecting valuation, pricing, accounting, tax reporting, financial reporting, custody and trading, among other things. Operational risks may go undetected for long periods of time, and even if they are detected it may prove impractical to recover prompt or adequate compensation from those responsible.

#### **8.28. Eurozone Risk**

A Fund's investments and its investment performance may be affected by economic or financial events relating to the Euro or the Eurozone. The ongoing deterioration of the sovereign debt of several Eurozone countries together with the risk of contagion to other more stable countries has exacerbated the global economic crisis. The growing risk that other Eurozone countries could be subject to an increase in borrowing costs and could face an economic crisis together with the risk that some countries could leave the Eurozone (either voluntarily or involuntarily), could have a negative impact on the Fund's investment activities. Furthermore, concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Company. If the Euro is dissolved entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of Shareholders' interests in the Company.

#### **8.29. Government Debt Risk**

Where a Fund invests in debt issued by governments, there is a risk that: (a) the governmental entity that controls the repayment of government debt may not be willing or able to repay the principal and/or to pay the interest when it becomes due, due to factors such as political considerations, the relative size of the governmental entity's debt position in relation to the

economy, cash flow problems, insufficient foreign currency reserves, the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies, and/or other national economic factors; (b) governments may default on their debt securities, which may require holders of such securities to participate in debt rescheduling or 20 restructuring, including loss of principal and accrued interest; and (c) there is no legal or bankruptcy process by which defaulted government debt may be collected in whole or in part.

### **8.30. Regulatory and Government Policy**

The laws that govern the Sub-Fund may change in future. Any such changes may not be in the best interest of the Sub-Fund and may have a negative impact on the value of your investment.

### **8.31. Single Swinging Price – Impact on Company value and performance**

The Company has a single swinging price. The single price can be swung up or down in response to inflows or outflows from the Company, in order to protect investors from the effect of dilution. Dilution occurs where the Company is forced to incur costs as a result of the investment manager buying or selling assets following inflows or outflows. A change to the pricing basis will result in a movement to the Company's published price and reported investment performance.

### **8.32. Suspension and Termination**

Investors should note that in exceptional circumstances, the ACD may, after consultation with the Depositary, suspend the issue, cancellation, sale and redemption (including switching) of shares in any and all Sub-Funds and Classes.

### **8.33. Cancellation rights**

When cancellation rights are applicable and are exercised, the full amount invested may not be returned if the price falls before the ACD is aware that the contract has been cancelled.

### **8.34. Risks associated with leaving the European Union**

On 31 January 2020, the UK left the European Union, a process known as Brexit, whilst the transition period part of it ended on until 31 December 2020. The political, economic and legal consequences of Brexit are still not completely defined. In the short term, from 2021 there may be increased volatility in the financial markets, particularly in the UK and across Europe. Changes in currency exchange rates may make it more expensive dealing in investments that are not denominated in pound Sterling. After the end of the transition period, and the conclusion of the EU regarding Brexit terms, there might be a period of political, regulatory and commercial uncertainty whilst the UK implements the terms of its new regime. There might be circumstances in which share transfers and redemptions may be impacted, in the event of high levels of redemption, the ACD may use certain liquidity management tools permitted by the FCA, including deferred redemptions, the implementation of fair value pricing or suspension of the Sub-Funds.

### **8.35. Taxation Risks**

A country could change its tax laws or treaties in ways that affect investors. Tax changes potentially could be retroactive and could affect investors with no direct investment in the country.

### **8.36. Pandemic/Epidemics/Outbreaks Risks**

The effects of epidemics, pandemics or outbreaks of communicable diseases may adversely affect the performance of the investment of the Sub-Fund, which in turns affects the performance of the Shares. In response to intensifying efforts to contain epidemics, pandemics or outbreaks of communicable diseases, governments around the world may take actions, including prohibiting residents' freedom of movement, encouraging or ordering employees to work remotely from home, and banning public activities and events, among others. Financial conditions may be negatively impacted as a result of any prolonged disruption of businesses. The performance of the Shares

could also be adversely affected to the extent that any of these epidemics, pandemics or outbreaks harms the economy in general.

## **TERMINATION AND AMALGAMATION**

The Company shall not be wound up except as an unregistered company under Part V of the Insolvency Act 1986 or under COLL. A Sub-Fund may only be terminated under COLL. Where the Company is to be wound up or a Sub-Fund is to be terminated under COLL, such winding up can only commence following approval by the FCA. The FCA may only give such approval if the ACD provides a statement (following an investigation into the affairs of the Company) either that the Company will be able to meet its liabilities within 12 months of the date of the statement or that the Company will be unable to do so. The Company may not be wound up under COLL if there is a vacancy in the position of the ACD at the relevant time.

The Company will be wound up if:

- 9.1.1. an extraordinary resolution to that effect is passed by the Shareholders;
- 9.1.2. the order declaring the Company to be an authorised collective investment scheme is revoked;
- 9.1.3. if the ACD or Depositary requests the FCA to revoke the order declaring the Company to be an authorised ICVC and the FCA has agreed that on the conclusion of the winding up of the Company it will accede to that request;
- 9.1.4. on the effective date of a duly approved scheme of amalgamation of the Company with another body or scheme;
- 9.1.5. if the Share capital of the Company falls below the prescribed minimum;
- 9.1.6. on the effective date of a duly approved scheme of reconstruction which results in all the property of the reconstructed scheme becoming the property of two or more authorised or recognised schemes; or if a court scheme is initiated under Part V of the Insolvency Act 1986 for an unregistered company.

A Sub-Fund may be terminated if:

- 9.1.7. an extraordinary resolution to that effect has been passed by meeting(s) of the Class(es) of Shares of the Sub-Fund;
- 9.1.8. the FCA has agreed to and approved a request by the ACD for the termination of the Sub-Fund; and
- 9.1.9. a solvency statement is lodged with the FCA in respect of the liabilities of the Company relating to the Sub-Fund.

The ACD may make a request to FCA to terminate a Sub-Fund if at any time after the first anniversary of the issue of the first Shares of the Sub-Fund the net value of the assets attributable to the Sub-Fund is less than £20,000,000.

The ACD will carry out the following procedure for winding up the Company or terminate a Sub-Fund as appropriate:

- 9.1.10. in the case of an amalgamation or reconstruction the ACD will wind up the Company in accordance with the approved scheme of amalgamation or reconstruction;
- 9.1.11. in any other case, the ACD shall as soon as practicable after the Company falls to be wound up or the Sub-Fund falls to be terminated and after notifying Shareholders of the proposal to wind up the Company or to terminate the Sub-Fund, realise the Scheme Property (and in the case of a Sub-Fund, the Scheme Property attributable to that Sub-Fund).

After paying out of all liabilities of the Company or Sub-Fund properly so payable and retaining provision for the costs of the winding up / termination, the ACD shall distribute the proceeds to the Shareholders and to itself (upon production by them of evidence as to their entitlement) proportionately to their respective interests in the Company or Sub-Fund.

On winding up the Company, any unclaimed net proceeds or other cash held to the account of the Company after the expiry of one month from the date of dissolution of the Company will be paid by the ACD into court subject to the ACD having a right to receive out of it any expenses incurred by it in making that payment into court. On completion of the winding up / termination, the Depositary shall notify the FCA and the ACD shall request the FCA to revoke the order of authorisation.

Following completion of a winding up of the Company or a termination of a Sub-Fund, the ACD must prepare a final account showing how the Scheme Property has been 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. The auditors' report together with the final account will be sent to the FCA and the Shareholders within two months of the completion of the winding up of the Company or termination of the Sub-Fund as appropriate.

## **GENERAL INFORMATION**

### **10.1. Instrument of Incorporation**

The Instrument of Incorporation (including any amendments to it) is available for inspection free of charge between 9.00 a.m. and 5.00 p.m. every business day at the offices of the ACD at 45 Gresham Street, London, EC2V 7BG.

The following documents may also be inspected free of charge at the same address:

- 10.1.1. the most recent annual and half-yearly reports of the Company; and
- 10.1.2. the material contracts referred to below.
- 10.1.3. Prospectus

Shareholders may obtain copies of the above documents from this address. The ACD may, at its discretion make a charge for copies of documents, except of the annual and half yearly reports which are available free of charge to any person on request.

### **10.2. 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:

- 10.2.1. the Agreement dated 29 April 2022 between the Company and the ACD;
- 10.2.2. the Depositary Agreement dated 29 April 2022 between the Company, the ACD and the Depositary;
- 10.2.3. the Investment Management Agreement dated 1 December 2019 between the ACD and the Investment Manager; and

Details of the above contracts are given in Section 5 above.

### **10.3. Meetings of Shareholders and voting rights**

- 10.3.1. The Company does not hold annual general meetings.
- 10.3.2. The ACD or the Depositary may requisition a general meeting at any time.

- 10.3.3. The following provisions applying to the Company as a whole also apply to meetings of a Class or a Sub-Fund as if they were general meetings of the Shareholders, but by reference to the Shares of the Class or Sub-Fund concerned and the Shareholders and prices of such Shares.
- 10.3.4. Shareholders who together hold not less than one-tenth in value of all of the shares may also requisition a general meeting of the Company. Such requisition must be in writing signed by the requisitioning Shareholders, state the objects of the meeting, and be deposited at the head office of the Company. The ACD must convene a general meeting within eight weeks of receiving a requisition.
- 10.3.5. Notices of meetings and adjourned meetings will be sent to Shareholders at their registered address. Shareholders who have consented to receiving notices by electronic means will be sent Notices at the email address supplied for that purpose. Shareholders will receive at least 14 days' notice of a general meeting.
- 10.3.6. The quorum for a meeting of shareholders is two shareholders present in person or by proxy. If at an adjourned meeting two shareholders are not present in person or by proxy then the quorum for that adjourned meeting will be one shareholder present in person or by proxy.
- 10.3.7. Except where an extraordinary resolution (requiring a majority of 75% of the votes validly cast in favour of the resolution) is required to be passed under COLL or the Instrument of Incorporation, each resolution shall be proposed as an ordinary resolution requiring a simple majority of the votes validly cast in favour to be passed.
- 10.3.8. At any meeting of Shareholders or a Class of the Company or a Sub-Fund on a show of hands every shareholder who (being an individual) is present in person or (being a corporation) is represented in person by its properly authorised representative has one vote. A poll may be demanded by the Chairman of the meeting, by the ACD, by the Depositary, or by two or more Shareholders present in person or by proxy. On a poll every shareholder who is present in person or by proxy will be entitled to a number of votes calculated in accordance with the value that his Shareholding bears in relation to the value of the Company or Sub-Fund as relevant. 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.
- 10.3.9. In the case of joint shareholders the vote of the senior Shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority is determined by the order in which the names stand in the Register of Shareholders.
- 10.3.10. The ACD is entitled to receive notice of and attend any meeting of Shareholders but is not entitled to vote or be counted in the quorum. Neither the ACD nor any associate (as defined in COLL) of the ACD holding shares shall be entitled to vote at such a meeting except in respect of shares which are held on behalf of a person who, if he himself were the registered Shareholder, would be entitled to vote and from whom voting instructions have been received.
- 10.3.11. 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 on a resolution required to conduct business at a general meeting, it shall not be necessary to convene such a meeting and the resolution (whether an ordinary resolution or extraordinary resolution) may, with the prior written agreement of the Depositary, instead be passed with the written consent of Shareholders representing the requisite majority of the Shares in issue.
- 10.3.12. Shareholders shall be those persons entered on the register at a time determined by the ACD (which shall be not less than 48 hours before the time fixed for the meeting) which shall be stated in the notice of the meeting.

#### **10.4. Variation of Class Rights**

The rights attached to a Class of Shares in a Sub-Fund may be varied in accordance with COLL.

## **10.5. Reports to Shareholders**

The annual accounting period of the Company ends on the last day of December in each year (the accounting reference date) and the interim accounting period ends on the last day of June in each year (the interim accounting reference date).

The Company's annual long report incorporating audited financial statements will be published within four months after the end of the financial year and the interim long report within two months of the end of the interim accounting period. Copies of the interim and annual long reports will be available on request from the ACD.

The ACD will provide the following information relating to the risk management of the Company to Shareholders on request:

- 10.5.1. the quantitative limits applying to the risk management of the Company;
- 10.5.2. the methods used in relation to 10.5.1; and
- 10.5.3. any recent development of the risk and yields of the main categories of investment.

## **10.6. Income Allocations**

- 10.6.1. The Sub-Fund issues Income Shares and Accumulation Shares (see details in Appendix 1). Income will be allocated on the income allocation dates as set out for each Sub-Fund in Appendix 1.
- 10.6.2. In the case of Income Shares, the ACD will distribute income for the Sub-Fund on or before the final and interim income distribution date[s] appropriate to the Sub-Fund as set out in Appendix 1.
- 10.6.3. In the case of Accumulation Shares, the ACD will reinvest the income allocated to the Sub-Fund concerned. Such income allocated will be reflected in the price of the Accumulation Shares as at the end of the relevant accounting period.
- 10.6.4. 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 Sub-Fund in respect of that period, and deducting the charges and expenses of the 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 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 any other adjustments (including for amortisation) which the ACD considers appropriate after consulting the auditors.
- 10.6.5. Distributions will be declared and paid as detailed in Appendix 1.
- 10.6.6. Distributions not claimed within a six year period from the date the distribution become due for payment will be forfeited and added back to the capital of the Sub-Fund or if the Sub-Fund has been wound up will be paid into court in accordance with the Regulations.
- 10.6.7. In accordance with the client money rules in the FCA Handbook, if client money is unclaimed for a period of six years the ACD may give unclaimed client money to a registered charity of its choice. The ACD will be able to do this only in accordance with general law, the FCA Handbook, and where it has taken all reasonable steps to trace the Shareholder and return the money. If the client money is equal to or below the 'de minimis level' set by the client money rules in the FCA Handbook (that is, £25 or less for retail clients and £100 or less for professional clients) then there are fewer requirements for the ACD to fulfil before it may pay the money or asset to charity but it will still attempt to contact the Shareholders at least once before doing so. The time periods set out above during which the money or assets may not be 'paid away' to charity



continue to apply. Payment of any unclaimed balance to charity will not prevent Shareholders from claiming the money or assets in the future.

#### **10.7. Complaints**

Complaints concerning the operation or marketing of the Company should be referred to the Compliance Officer of the ACD at 45 Gresham Street, London, EC2V 7BG in the first instance. If a complaint is not resolved to the satisfaction of the complainant it may be, subject to the status of the complainant, referred to the Financial Ombudsman Service at Exchange Tower, Harbour Exchange Square, London E14 9SR. A copy of the ACD's complaints handling procedure is available on request.

#### **10.8. Genuine Diversity Of Ownership (GDO)**

Shares in, and information on, the Sub-funds are and will continue to be marketed and made easily and widely available to reach the intended categories of investors and in a manner appropriate to attract those categories of investors.

The intended categories of investors are retail and institutional investors.

## APPENDIX 1 – THE FUND(S)

### SVS BAKER STEEL ELECTRUM FUND

Sustainability statement	<p>This product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. While the Investment Manager does consider sustainability factors in its investment decision making process, it does so in order to support the financial risk and return profile of the Company and does not seek a specific, positive sustainability goal or outcome. Nevertheless, the ACD and the Investment Manager have provided further information for investors on the Investment Manager's sustainable investing process. The Company's exclusions list is set out in Appendix 8.</p>
Investment objective	<p>The investment objective of the Sub-Fund is to achieve capital growth in excess of the price return of MSCI ACWI Metals &amp; Mining Index (the Target Benchmark) over a rolling 5 year period after the deduction of all fees.</p> <p>Although the Sub-Fund aims to deliver capital growth over a rolling 5 year period, there is no guarantee that this will be achieved over this time period, or any time period. The Fund's capital is at risk meaning that the Sub-Fund could suffer a decrease in value and the value of your investment would decrease as a result.</p>
Investment policy:	<p>The investment policy of the Sub-Fund aims to achieve its objective by investing at least 80% of the Sub-Funds' total value in shares of companies with a focus on speciality and precious metals equities. The Sub-Fund may also invest in companies whose business objective is the extraction, processing and marketing of primary resources.</p> <p>For the purpose of the Sub-Funds' Investment Policy, 'Speciality metals' are defined as metals which have specific applications in future facing technologies, such as battery technology, renewable energy or electrification, as opposed to bulk commodities. Examples of speciality metals include battery metals such as lithium, cobalt and nickel, selected industrial metals such as copper, platinum group metals including platinum and palladium, and rare earths. 'Primary resources' refers to those resources that are physically present, e.g. water, precious and industrial metals, and agricultural commodities.</p> <p>The Sub-Fund may invest up to 20% of its total value in money market instruments, certificates and fixed-term deposits, depending on the market situation and assessment by the Investment Manager. These certificates are for legally permitted underlying assets such as: shares, bonds, investment fund units, financial indices and currencies.</p> <p>The Sub-Fund may obtain indirect exposure to any permitted investment through the purchase of a Collective Investment Scheme, Exchange Traded Fund or an Exchange Traded Commodity. Investment via these vehicles will be limited to 10% of the Sub-Funds' total value and may include those operated and/or managed by the ACD or the Investment Manager.</p> <p>The Sub-Fund will invest in a broad range of companies by industry sector and size and its investment universe is not limited to the Target Benchmark components. The Sub-Fund's performance may therefore differ significantly from the performance of the Benchmark.</p>

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The Investment Manager will include, as part of its overall investment process, Environmental, Social, and Governance ("ESG") factors when considering whether or not to invest in or sell particular shares. The Investment Manager may not invest in a company that falls within the parameters of the Sub-Fund's Exclusion Policy as stated in Appendix 8. The Investment Manager emphasises company-specific positive selection criteria over broad-based negative screens in assessing a company's exposure to ESG factors.

The Sub-Fund may use derivatives for the purposes of reducing risk, cost or for generating extra income or growth (known as "efficient portfolio management"). Any use of derivatives is at the express prior permission of the ACD.

The Sub-Fund is actively managed meaning the Investment Manager uses their expertise to pick investments to achieve the Sub-Fund's objectives."

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SDR disclosures

Funds with sustainability features, but which do not use a UK sustainable investment label, are required under the ESG Sourcebook to provide certain information to investors on those features. The information below is provided to comply with those requirements and/or to demonstrate where this information is disclosed in the Prospectus.

- **Sustainability statement.**

Please see "Sustainability Statement" above the Investment Objective.

- **Investment policy and strategy and information on how the manager determines the assets in which the fund invests.**

The investment policy and strategy of the Company is set out above. The following information further explains how the Investment Manager uses its ESG framework to select assets for the Company.

The Investment Manager prefers to allocate capital to companies considered by the Investment Manager to operate in a sustainable way relative to peers and in particular who demonstrate efforts to minimise GHG emissions, energy and water use, who seek to minimise environmental and social harm and, where reasonable to do so, promote positive social influence on their surrounding communities.

The Investment Manager also seeks to promote the reduction of carbon emissions by allocating capital to companies whose products enable carbon reduction technologies to be adopted on a mass scale, such as lithium companies which enable electric vehicles to be built, rare earth companies for wind turbines and silver companies to enable mass adoption of solar power. The Investment Manager monitors this by assessing a company's scope 4 emissions profile.

To assess these factors and a company's overall sustainability, the Investment Manager collects, assesses and records a wide range of sustainability metrics and collates these into a proprietary ESG score. The primary metrics used are greenhouse gas emissions intensity (scope 1 and scope 2 GHG emissions in metric tonnes of CO<sub>2</sub> equivalent/revenue); water use intensity (cubic metres/revenue); energy use intensity (gigawatt hours/revenue); and health and safety performance (lost time injury frequency rate, LTIFR). This information is obtained either directly from the issuer or from reputable third party data providers. In order to qualify for inclusion in the portfolio, a company must have a minimum ESG score of 50%.

SDR disclosures contd.	<ul style="list-style-type: none"> <li>Details of any other metrics a retail investor may find useful in understanding the investment policy and strategy for the product.</li> </ul> <p>The ACD and the Investment Manager consider that a retail client may find the following metrics reasonably useful in understanding the Investment Manager's investment policy and strategy (as that relates to the sustainable elements of the Company's strategy):</p> <ul style="list-style-type: none"> <li>GHG intensity (Scope 1 and scope 2 GHG emissions in metric tonnes of CO<sub>2</sub> equivalent per £ million in revenue)</li> <li>Energy use intensity (energy consumed in gigawatt hours (GWh) per £ million in revenue)</li> <li>Percentage of Company (by net asset value) in compliance with the Company's exclusions policy</li> <li>Rate of Accidents (Lost-Time Injury Frequency Rate, weighted average)</li> </ul>
Benchmark	<p>The Sub-Fund's Target Benchmark (the price return of MSCI ACWI Metals &amp; Mining Index, Bloomberg ticker: MXWD0MM, in GBP) has been selected as a suitable benchmark because it represents a basket of companies involved in the metal and mineral extraction industries.</p> <p><a href="https://www.msci.com/notice-and-disclaimer-for-reporting-licenses">https://www.msci.com/notice-and-disclaimer-for-reporting-licenses</a></p>
Investor Profile	<p>The Funds may be marketed to all classes of investor. However, a typical investor will understand and appreciate the risks associated with investing in shares in the Funds.</p> <p>The Funds may be appropriate for investors who are seeking an increase in the value of their investment (known as capital growth) and may not be appropriate if the investor plans to withdraw their money within 5 years of making their investment.</p> <p>A typical investor should be aware that 100% of their capital is at risk and that the Funds are not appropriate for investors who seek a capital guarantee nor for those investors who can bear no capital loss including minor losses. The Funds are not designed to preserve or limit capital loss.</p>
Launch date:	29 April 2022
Type of Sub-Fund:	UCITS Scheme: Product Reference Number 973225
Investment Manager	Baker Steel Capital Managers LLP 34 Dover Street, London, W1S 4NG
Income Payments	Income will be calculated annually as at the last day of December and the appropriate allocation will be made within two months
Sub-Fund Specific Risks	Charges to Capital Risk, Concentration Risk, Counterparty and Custody Risk, Emerging Market Risk, Currency Risk, Default Risk, Over the counter (OTC) Derivatives risk, Derivatives Risk, Dilution Provisions Risk, Equity Securities Risk, Hedging Risk, Illiquid or Restricted Securities Risk, Investment in Collective Investment Schemes Risk, Liabilities of the Company Risk, Management Risk, Overseas Investments Risk, Small and Mid-Cap Stock Risk, Suspensions of Dealings in Shares Risk, Warrants Risk, Market Risk, Volatility Risk, Operational Risk, Regulatory and Government Policy, Single Swinging

	Price, Suspension and Termination, Taxation Risks, ESG Investing Risks, Investment in unregulated Collective Investment Schemes, Pandemic/Epidemics/Outbreaks Risks.																								
Final Accounting Date:	31 December																								
Interim Accounting Date:	30 June																								
Income Allocation Date:	28 February (or 29 February on a leap year)																								
Interim Allocation Date:	N/A																								
Available Share Classes:	Only accumulation shares are currently available in each of the classes																								
Charges: Initial/preliminary Charge/Redemption charge	<table><tr><th>AVAILABLE SHARE CLASSES</th><th>CLASS B SHARES</th><th>CLASS S SHARES</th><th>CLASS I SHARES</th><th>CLASS Z SHARES</th></tr><tr><td>Initial Charge %</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td></tr><tr><td>Redemption Charge</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td></tr><tr><td>Switching Charge</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td></tr></table>					AVAILABLE SHARE CLASSES	CLASS B SHARES	CLASS S SHARES	CLASS I SHARES	CLASS Z SHARES	Initial Charge %	0.00%	0.00%	0.00%	0.00%	Redemption Charge	0.00%	0.00%	0.00%	0.00%	Switching Charge	0.00%	0.00%	0.00%	0.00%
AVAILABLE SHARE CLASSES	CLASS B SHARES	CLASS S SHARES	CLASS I SHARES	CLASS Z SHARES																					
Initial Charge %	0.00%	0.00%	0.00%	0.00%																					
Redemption Charge	0.00%	0.00%	0.00%	0.00%																					
Switching Charge	0.00%	0.00%	0.00%	0.00%																					
Performance Fee	15% of Performance Fee is applicable on the I Share Class of the Sub-Fund if certain conditions are met.  No Performance Fee is applicable on all other Share Class of the Sub-Fund.																								

AVAILABLE SHARE CLASSES	CLASS B SHARES	CLASS S SHARES	CLASS I SHARES	CLASS Z SHARES
Share Class Options	B	S	I	Z
Currency	GBP	GBP	GBP	AUD
Investor Type	Retail	Institutional	Institutional	Institutional
Investment Management Fee	1.00%	0.50%	0.75%	0.00%
INVESTMENT CRITERIA	CLASS B SHARES	CLASS S SHARES	CLASS I SHARES	CLASS Z SHARES

Share Class Availability	Class B shares will be available to all eligible investors who are able to meet the Investment Criteria as set out below.	Class S shares will be available to all eligible investors who are able to meet the Investment Criteria as set out below.  Note: Class S Shares will be available to new investors for at least 12 months after launch or until the total net assets of Class S Shares reaches £50,000,000. Then the Class S Shares will be closed to new investors. Existing investors of Class S Shares will be able to make subsequent investments into the Class S Shares for at least another 12 months or until the total net assets of the Sub-Fund reaches £75,000,000. Subject to the requirements set out in Section 2 of this Prospectus.	Class I shares will be available to all eligible investors who are able to meet the Investment Criteria as set out below.	Class Z shares are available to eligible Institutional investors who have entered into a formal Fees Agreement with the Investment Manager.
Minimum initial investment	£500.00	£1,000,000.00	£100,000.00	AUD1,000,000.00
Minimum Subsequent Investment	£50.00	£50.00	£50.00	AUD0
Minimum Redemption Amount	£50.00	£50.00	£50.00	AUD0
Minimum Holding Amount	£500.00	£500.00	£500.00	AUD0

Expenses are to be deducted from income.

The ACD will include performance data of the previous target benchmark EMIX Global Mining Index (JCGMMG Index) and the performance data of the current target benchmark MSCI ACWI Metals & Mining Index (Bloomberg ticker: MXWD0MM, in GBP) within the 'Past Performance' section of the Sub-Fund's Key Investor Information Document (KIID), which is available on the ACD's website – <https://www.evelyn.com> - as well as Appendix 6, Past Performance of the Funds in the prospectus.

## **APPENDIX 2 – INVESTMENT POWERS AND RESTRICTIONS**

The Company possesses the full investment and borrowing powers applicable to a UK UCITS under the COLL. However, each Sub-Fund will be invested with the aim of achieving its investment objective, subject to the limits set out in the Sub-Fund's investment policy and those in Chapter 5 of the COLL and this Prospectus. In particular, the investment and borrowing powers of each Sub-Fund is subject to the restrictions set out below.

### **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 aims to provide a prudent spread of risk.

### **2. COVER**

- 2.1. Where the COLL allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of a Sub-Fund under any other of those rules has also to be provided for.
- 2.2. Where a rule in the COLL 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:
  - 2.2.1. 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
  - 2.2.2. no element of cover must be used more than once.

### **3. UCITS SCHEMES: GENERAL**

- 3.1. The scheme property of the Sub-Funds must, subject to the investment objective and policy of each Sub-Fund and except where otherwise provided in Chapter 5 of the FCA Rules, only consist of any or all of:
  - 3.1.1. transferable securities;
  - 3.1.2. approved money market instruments;
  - 3.1.3. derivatives and forward transactions;
  - 3.1.4. deposits;
  - 3.1.5. units in collective investment schemes;
- 3.2. It is not intended that the Sub-Funds will have an interest in any immovable property or tangible moveable property.

### **4. TRANSFERABLE SECURITIES**

- 4.1. A transferable security is an investment which is any of the following:
  - 4.1.1. a share;
  - 4.1.2. a debenture;
  - 4.1.3. a government and public security;
  - 4.1.4. a warrant; or
  - 4.1.5. a certificate representing certain securities.
- 4.2. 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.
- 4.3. In applying paragraph 4.2 above to an investment which is issued by a body corporate, and which is a share or a debenture, the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.

- 4.4. 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.

## **5. INVESTMENT IN TRANSFERABLE SECURITIES**

- 5.1. A Sub-Fund may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
- 5.1.1. the potential loss which the Sub-Fund may incur with respect to holding the transferable security is limited to the amount paid for it;
  - 5.1.2. its liquidity does not compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying shareholder;
  - 5.1.3. reliable valuation is available for it as follows:
    - 5.1.3.1. 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;
    - 5.1.3.2. 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;
  - 5.1.4. appropriate information is available for it as follows:
    - 5.1.4.1. 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;
    - 5.1.4.2. 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;
  - 5.1.5. it is negotiable; and
  - 5.1.6. its risks are adequately captured by the risk management process of the ACD.
- 5.2. Unless there is information available to the ACD that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:
- 5.2.1. not to compromise the ability of the ACD to comply with its obligation to redeem units at the request of any qualifying shareholder; and
  - 5.2.2. to be negotiable.

## **6. CLOSED ENDED FUNDS CONSTITUTING TRANSFERABLE SECURITIES**

- 6.1. A unit 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 5 and either:
- 6.1.1. where the closed end fund is constituted as an investment company or a unit trust:
    - 6.1.1.1. it is subject to corporate governance mechanisms applied to companies; and
    - 6.1.1.2. where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection;or
  - 6.1.2. where the closed end fund is constituted under the law of contract:
    - 6.1.2.1. it is subject to corporate governance mechanisms equivalent to those applied to companies; and
    - 6.1.2.2. it is managed by a person who is subject to national regulation for the purpose of investor protection.

## **7. TRANSFERABLE SECURITIES LINKED TO OTHER ASSETS**

- 7.1. 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:
- 7.1.1. fulfils the criteria for transferable securities set out in paragraph 5; and
  - 7.1.2. is backed by or linked to the performance of other assets, which may differ from those in which a Sub-Fund can invest.



- 7.2. Where an investment in paragraph 7.1 contains an embedded derivative component (see paragraph 20.2.7, the requirements of this section with respect to derivatives and forwards will apply to that component.

## **8. APPROVED MONEY MARKET INSTRUMENTS**

- 8.1. 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.
- 8.2. A money-market instrument shall be regarded as normally dealt in on the money market if it:
- 8.2.1. has a maturity at issuance of up to and including 397 days;
  - 8.2.2. has a residual maturity of up to and including 397 days;
  - 8.2.3. undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
  - 8.2.4. has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 8.2.1 or 8.2.2 or is subject to yield adjustments as set out in paragraph 8.2.3.
- 8.3. 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 units at the request of any qualifying shareholder.
- 8.4. 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:
- 8.4.1. enabling the ACD to calculate a net asset value in accordance with the value at which the instrument held in the portfolio could be exchanged between knowledgeable willing parties in an arm's length transaction; and
  - 8.4.2. based either on market data or on valuation models including systems based on amortised costs.
- 8.5. 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.

## **9. TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS**

- 9.1. Transferable securities and approved money-market instruments held within a Sub-Fund must be:
- 9.1.1. admitted to or dealt on an eligible market (as described in paragraph 10.3.1 or 10.3.2 or 10.4 ; or
  - 9.1.2. for an approved money-market instrument not admitted to or dealt in on an eligible market, within paragraph 10.3 or 10.4 or
  - 9.1.3. recently issued transferable securities provided that:
    - 9.1.3.1. the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
    - 9.1.3.2. such admission is secured within a year of issue.
- 9.2. However, a Sub-Fund may invest no more than 10% of the scheme property in transferable securities and approved money-market instruments other than those referred to in paragraph 9.1.

## **10. ELIGIBLE MARKETS REGIME: PURPOSE AND REQUIREMENTS**

- 10.1. To protect investors the markets on which investments of a Sub-Fund are dealt in or traded on should be of an adequate quality ("eligible") at the time of acquisition of the investment and until it is sold.
- 10.2. Where a market ceases to be eligible, investments on that market cease to be approved securities. The 10% restriction on investing in non-approved securities applies and exceeding this limit because a market ceases to be eligible will generally be regarded as a breach beyond the control of the ACD.
- 10.3. A market is eligible for the purposes of the rules if it is:
- 10.3.1. a regulated market as defined in the FCA Handbook; or
  - 10.3.2. a market in the UK or in an EEA State which is regulated, operates regularly and is open to the public.
- 10.4. A market not falling within paragraph 10.3 above is eligible for the purposes of COLL 5 if:
- 10.4.1. the ACD, after consultation with and notification to the Depositary, decides that market is appropriate for investment of, or dealing in, the Scheme Property;

- 10.4.2. the market is included in a list in the Prospectus; and
- 10.4.3. the Depositary has taken reasonable care to determine that:
  - 10.4.3.1. adequate custody arrangements can be provided for the investment dealt in on that market; and
  - 10.4.3.2. all reasonable steps have been taken by the ACD in deciding whether that market is eligible.
- 10.5. In paragraph 10.4.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or to the order of investors.

## **11. MONEY-MARKET INSTRUMENTS WITH A REGULATED ISSUER**

- 11.1. In addition to instruments admitted to or dealt in on an eligible market, the Sub-Fund may invest in an approved money-market instrument provided it fulfils the following requirements:
  - 11.1.1. the issue or the issuer is regulated for the purpose of protecting investors and savings; and
  - 11.1.2. the instrument is issued or guaranteed in accordance with paragraph 12.
- 11.2. 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 investors and savings if:
  - 11.2.1. the instrument is an approved money market instrument;
  - 11.2.2. 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 13; and
  - 11.2.3. the instrument is freely transferable.

## **12. ISSUERS AND GUARANTORS OF MONEY-MARKET INSTRUMENTS**

- 12.1. A Sub-Fund may invest in an approved money-market instrument if it is:
  - 12.1.1. issued or guaranteed by any one of the following:
    - 12.1.1.1. the UK or a central authority of an EEA State or, if the EEA State is a federal state, one of the members making up its federation;
    - 12.1.1.2. a regional or local authority of the UK or an EEA State;
    - 12.1.1.3. the Bank of England, the European Central Bank or a central bank of an EEA State;
    - 12.1.1.4. the European Union or the European Investment Bank;
    - 12.1.1.5. a non-EEA State or, in the case of a federal state, one of the members making up the federation;
    - 12.1.1.6. a public international body to which the UK or one or more EEA States belong; or
  - 12.1.2. issued by a body, any securities of which are dealt in on an eligible market; or
  - 12.1.3. issued or guaranteed by an establishment which is:
    - 12.1.3.1. subject to prudential supervision in accordance with criteria defined by EU law; or
    - 12.1.3.2. subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by EU law.
  - 12.1.4. An establishment shall be considered to satisfy the requirement in paragraph 12.1.3.2 if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
    - 12.1.4.1. it is located in the European Economic Area;
    - 12.1.4.2. it is located in an OECD country belonging to the Group of Ten;
    - 12.1.4.3. it has at least investment grade rating;
    - 12.1.4.4. 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 EU law.

## **13. APPROPRIATE INFORMATION FOR MONEY-MARKET INSTRUMENTS**

- 13.1. In the case of an approved money-market instrument within paragraph 12.1.2 or which is issued by an authority within paragraph 12.1.1.2 or a public international body within paragraph 12.1.1.6

but is not guaranteed by a central authority within paragraph 12.1.1.1, the following information must be available:

- 13.1.1. 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;
  - 13.1.2. updates of that information on a regular basis and whenever a significant event occurs; and
  - 13.1.3. available and reliable statistics on the issue or the issuance programme.
- 13.2. In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 12.1.3, the following information must be available:
- 13.2.1. 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;
  - 13.2.2. updates of that information on a regular basis and whenever a significant event occurs; and
  - 13.2.3. 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.
- 13.3. In the case of an approved money-market instrument:
- 13.3.1. within paragraphs 12.1.1.1, 12.1.1.4 or 12.1.1.5; or
  - 13.3.2. which is issued by an authority within paragraph 12.1.1.2 or a public international body within paragraph 12.1.1.6 and is guaranteed by a central authority within paragraph 12.1.1.1;

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.

#### **14. SPREAD: GENERAL**

- 14.1. This rule on spread does not apply to government and public securities.
- 14.2. For the purposes of this rule 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.
- 14.3. Not more than 20% in value of the property of a Sub-Fund is to consist of deposits with a single body.
- 14.4. With the exception of those instruments specified in paragraph 16 below, not more than 5% in value of the 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 property of a Sub-Fund. For these purposes certificates representing certain securities are treated as equivalent to the underlying security. Covered bonds need not be taken into account for the purpose of applying the limit of 40%.
- 14.5. The limit of 5% in 14.4 is raised to 25% in value of the property of a Sub-Fund 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 property of the Sub-Fund. The Sub-Funds are currently not permitted to invest in covered bonds.
- 14.6. The COLL provides that not more than 20% in value of the scheme property of an authorised fund is to consist of the units of any one collective investment scheme, although Shareholders should note, as set out in paragraph 17.1 below, that currently no more than 10% of the property of a Sub-Fund may be invested in other collective investment schemes.
- 14.7. Not more than 20% in value of the property of a Sub-Fund may consist of transferable securities or approved money-market instruments issued by the same group.
- 14.8. The exposure to any one counterparty in an Over-the-Counter ("OTC") derivative transaction must not exceed 5% in value of the property of a Sub-Fund; this limit being raised to 10% where the counterparty is an approved bank.
- 14.9. The COLL provides that in applying the limits in 14.4, 14.6 and 14.8, and subject to 14.5 not more than 20% in value of the property of a Sub-Fund is to consist of any combination of two or more of the following:
  - transferable securities (including covered bonds) or approved money market instruments issued by; or
  - deposits made with; or
  - exposures from OTC derivatives transactions made with; a single body.
- 14.10. Not more than 5% in value of the property of a Sub-Fund may consist of warrants.

## **15. COUNTERPARTY RISK AND ISSUER CONCENTRATION (DERIVATIVES AND FORWARDS)**

- 15.1. The ACD must ensure that counterparty risk arising from an OTC derivative is subject to the limits set out in COLL 5.2.11R(7) and COLL 5.2.11R(10).
- 15.2. When calculating the exposure of the Sub-Fund to a counterparty in accordance with the limits in COLL 5.2.11R(7) the ACD must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 15.3. The ACD may net the OTC derivative positions of the Sub-Fund with the same counterparty, provided it is able legally to enforce netting agreements with the counterparty on behalf of the Sub-Fund may have with that same counterparty.
- 15.4. The netting agreements in paragraph 15.3 above are permissible only with respect to OTC derivative positions with the same counterparty and not in relation to any other exposures the Sub-Fund may have with that same counterparty.
- 15.5. The ACD may reduce the exposure of a Sub-Fund's 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 presale valuation and must otherwise be eligible collateral which meets the requirements of the ESMA Guidelines on ETFs and other UCITS issues (ESMA/2014/937EN). The ACD must take collateral into account in calculating exposure to counter-party risk in accordance with the limits in COLL 5.2.11R(7) when it passes collateral to an OTC counterparty on behalf of a Sub-Fund. Collateral passed in accordance with the foregoing 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.
- 15.6. The ACD must calculate the issuer concentration limits referred to in COLL 5.2.11R on the basis of the underlying exposure created through the use of OTC derivatives pursuant to the commitment approach.
- 15.7. In relation to the exposure arising from OTC derivatives as referred to in COLL 5.2.11R(1) the ACD must include any exposure to OTC derivative counterparty risk in the calculation.
- 15.8. 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. A counterparty may be an associate of the ACD which may give rise to a conflict of interest.

## **16. SPREAD: GOVERNMENT AND PUBLIC SECURITIES**

- 16.1. The following section applies to government and public securities ("such securities").
- 16.2. Where no more than 35% in value of the property of a Sub-Fund is invested in respect of a transferable security or approved money-market instrument that is issued by (i) the UK or an EEA State; (ii) a local authority of the UK or an EEA State; (iii) a non-EEA State; or (iv) a public international body to which the UK or one or more EEA States belong ("such securities or government and public 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.
- 16.3. The Company may invest more than 35% in value of the Scheme Property in Such Securities issued by any one body provided that:
  - 16.3.1. 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 Sub-Fund;
  - 16.3.2. no more than 30% in value of the Scheme Property consists of Such Securities of any one issue;
  - 16.3.3. the Scheme Property includes Such Securities issued by that or another issuer, of at least six different issues; and
  - 16.3.4. the disclosures in COLL 3.2.6R(8) (Table: contents of the instrument constituting the fund) and COLL 4.2.5R(3)(i) (Table: contents of the prospectus) have been made.
- 16.4. In this paragraph in relation to Such Securities:
  - 16.4.1. issue, issued and issuer include guarantee, guaranteed and guarantor; and
  - 16.4.2. an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.
- 16.5. Notwithstanding COLL 5.2.11R (1) and subject to 16.2 and 16.3, in applying the 20% limit in COLL 5.2.11R (10) with respect to a single body, Such Securities issued by that body shall be taken into account.

## **17. INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES**

- 17.1. Up to 10% of the value of the property of a Sub-Fund may be invested in units or shares in other collective investment schemes ("Second Scheme") provided that Second Scheme satisfies all of the following conditions.
  - 17.1.1. The Second Scheme must:
    - 17.1.1.1. be a UCITS Scheme or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or
    - 17.1.1.2. be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR are met); or
    - 17.1.1.3. be authorised as a non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR are met); or
    - 17.1.1.4. be authorised in an EEA State provided the requirements of COLL 5.2.13AR are met; or
    - 17.1.1.5. be authorised by the competent authority of an OECD member country (other than another EEA State) which has: (a) signed the IOSCO Multilateral Memorandum of Understanding; and (b) approved the Second Scheme's management company, rules and depositary/custody arrangements;
    - 17.1.1.6. (provided the requirements of COLL 5.2.13AR are met).
  - 17.1.2. The Second Scheme must:
    - 17.1.2.1. comply where relevant with paragraphs 18 and 19 below; and
    - 17.1.2.2. have terms which prohibit more than 10% in value of the scheme property consisting of units in collective investment schemes;
  - 17.1.3. Each Sub-fund of an umbrella scheme is to be treated as if it were a separate scheme.
- 17.2. The Scheme Property attributable to a Sub-Fund may include shares in another Sub-Fund of the Company (the "Second Fund") subject to the requirements of paragraph 17.3 below.
- 17.3. A Sub-Fund may invest in or dispose of shares of a Second Fund provided that:
  - 17.3.1.1. The Second Fund does not hold shares in any other Sub-Fund;
  - 17.3.1.2. The requirements set out at paragraphs 18 and 19 below are complied with; and
  - 17.3.1.3. Not more than 10% in value of the Scheme Property of the investing or disposing Sub-Fund is to consist of shares in the Second Fund.

## **18. INVESTMENT IN ASSOCIATED COLLECTIVE INVESTMENT SCHEMES**

- 18.1. A Sub-Fund must not invest in or dispose of units in a Second Scheme where that Second Scheme is managed or operated by (or in the case of an OEIC, whose ACD is) the ACD of the Sub-Fund or an associate of the ACD unless:
  - 18.1.1. the prospectus of the Sub-Fund clearly states that the property of that Sub-Fund may include such units; and
  - 18.1.2. Paragraph 19 is complied with.

## **19. INVESTMENT IN OTHER GROUP SCHEMES**

- 19.1. Where:
  - 19.1.1. An investment or disposal is made under paragraph 18; and
  - 19.1.2. there is a charge in respect of such investment or disposal by the ACD of the Fund making the investment or disposal must pay the Fund the amounts referred to in 18.2 and 18.3 within four business days following the date of the agreement to invest or dispose.
- 19.2. When an investment is made, the amount referred to in 19.1.1 is either:
  - 19.2.1. any amount by which the consideration paid by the Sub-Fund for the units in the Second Scheme exceeds the price that would have been paid for the benefit of the Second Scheme had the units been newly issued or sold by it; or
  - 19.2.2. if such price cannot be ascertained by the ACD, the maximum amount of any charge permitted to be made by the seller of units in the Second Scheme;
- 19.3. When a disposal is made, the amount referred to in 19.1.1 is any charge made for the account of the authorised fund manager or operator of the Second Scheme or an associate of any of them in respect of the disposal.
- 19.4. In paragraphs 19.1 to 19.3 above:
  - 19.4.1. any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the Second Scheme and

- is, or is like, a dilution levy made is to be treated as part of the price of the units and not as part of any charge; and
- 19.4.2. any switching charge made in respect of an exchange of units in one Sub-Fund or separate part of the Second Scheme for units in another Sub-Fund or separate part of that scheme is to be included as part of the consideration paid for the units.

## **20. INVESTMENT IN NIL AND PARTLY PAID SECURITIES**

- 20.1. A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Sub-Fund, at the time when payment is required, without contravening the rules in COLL 5.
- 20.2. Derivatives: General
- 20.2.1. Under the FCA Handbook derivatives are permitted for UCITS schemes for investment purposes and derivative transactions may be used for the purposes of hedging or meeting the investment objectives or both.
- 20.2.2. All of the Sub-Funds currently intend to use their respective scheme property to invest in derivatives and forward transactions under the COLL Sourcebook for the purposes of efficient portfolio management ("EPM") techniques (as defined below), which is not expected to have a detrimental effect on the risk profile of the Sub-Funds.
- 20.2.3. Permitted EPM transactions are transactions in derivatives (i.e. options, futures, forward transactions or contracts for differences) dealt in or traded on an eligible derivatives market; off-exchange options or contracts for differences resembling options; or synthetic futures in certain circumstances. A transaction must be economically appropriate for the reduction of relevant risks, the reduction of relevant costs and/or be entered into with the purpose of generating additional capital or income for a Sub-Fund with an acceptably low level of risk. Subject to the FCA Handbook, the Company may enter into futures and options transactions and forward currency transactions for the purposes of EPM. Futures and options transactions may be on or off exchange, in accordance with the FCA Handbook. Exposure must be and remain fully 'covered' individually and globally by cash or other property within the meaning of the FCA Handbook. EPM transactions that are not currently permitted are stock or commodities lending or borrowing transactions, repurchase and reverse repurchase transactions, buy-sell back or sell-buy back transactions and margin lending transactions (each within the meaning of, and under the conditions set out in, applicable laws and regulations issued from time to time, in particular, but not limited to, the Regulation on Transparency of Securities Financing Transactions (EU) 2015/2365).
- 20.2.4. A transaction in derivatives or a forward transaction must not be effected for a Sub-Fund unless the transaction is of a kind specified in paragraph 31 and the transaction is covered, as required by COLL 5.3.
- 20.2.5. Where a Sub-Fund invests in derivatives, the exposure to the underlying assets must not exceed the limits set out in paragraphs 14 and 16 except for index based derivatives provided the relevant index falls within paragraph 20.2.9.
- 20.2.6. 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.
- 20.2.7. A transferable security or approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 20.2.7.1. 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;
- 20.2.7.2. its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
- 20.2.7.3. it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 20.2.8. A transferable security or approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or approved money-market instrument. That component shall be deemed to be a separate instrument.

- 20.2.9. Where a Sub-Fund invests in an index based derivative, provided the relevant index falls within COLL 5.2.33R (Relevant Indices), the underlying constituents of the index do not have to be taken into account for the purposes of the paragraphs 14 and 16. The relaxation is subject to the ACD continuing to ensure that the property of the Sub-Funds provides a prudent spread of risk.

## **21. PERMITTED TRANSACTIONS (DERIVATIVES AND FORWARDS)**

- 21.1. A transaction in a derivative must be in an approved derivative; or be one which complies with paragraph 34.
- 21.2. A transaction in a derivative must have the underlying consisting of any or all of the following to which the scheme is dedicated:
- 21.2.1. transferable securities,
  - 21.2.2. approved money market instruments,
  - 21.2.3. permitted deposits,
  - 21.2.4. derivatives permitted under this paragraph,
  - 21.2.5. collective investment scheme,
  - 21.2.6. financial indices which satisfy the criteria set out in paragraph 31,
  - 21.2.7. interest rates,
  - foreign exchange rates; and
  - 21.2.8. currencies.
- 21.3. A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market. A list of the current eligible derivatives markets for each Sub-Fund is set out in Appendix 3. Further derivatives markets may be added to the list following consultation with the Depositary in accordance with COLL.
- 21.4. A transaction in a derivative must not cause a Sub-Fund to diverge from its investment objectives as stated in the Instrument of Incorporation and the most recently published version of this Prospectus.
- 21.5. 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.
- 21.6. Any forward transaction must be with an Eligible Institution (as defined in the glossary of the FCA Handbook) or an Approved Bank (as defined in the glossary of the FCA Handbook).
- 21.7. A derivative includes an instrument which fulfils the following criteria:
- 21.7.1. it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
  - 21.7.2. it does not result in the delivery or the transfer of assets other than those referred to in paragraph 3 including cash;
  - 21.7.3. in the case of an OTC derivative, it complies with the requirements in paragraph 35.
  - 21.7.4. its risks are adequately captured by the risk management process of the ACD, and by its internal control mechanisms in the case of risks of asymmetry of information between the ACD and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 21.8. The Company may not undertake transactions in derivatives on commodities.

## **22. TOTAL RETURN SWAPS**

- 22.1. Total return swaps are agreements under which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the total return (including both the income it generates and any capital gains) of an underlying asset (for example, a commodity or stock market index). In this way, a party can gain the economic exposure of the underlying asset without actually owning that asset.
- 22.2. The specific types of total return swaps permitted in this section are swaps on options on equity securities and/ or indices.
- 22.3. The Sub-Funds are not permitted to use total return swaps, undertake stock or commodities lending or enter into borrowing transactions, or repurchase and reverse repurchase transactions, or buy-sell back or sell-buy back transactions, or margin lending transactions (each within the meaning of, and under the conditions set out in, applicable laws and regulations issued from time

to time, in particular, but not limited to, the Regulation on Transparency of Securities Financing Transactions (EU) 2015/2365).

22.4. The ACD's derivatives policy states that both exchange traded derivatives and over-the-counter derivatives must be traded with approved counterparties.

22.4.1. New counterparties are approved after a review that covers the legal status of the proposed counterparty, an assessment of the operational risk and credit risk associated with that counterparty and any other material considerations and it must have the minimum required credit rating.

22.4.2. Trading must occur in approved derivative instruments and the arrangements must be governed by appropriate legal documentation.

## **23. FINANCIAL INDICES UNDERLYING DERIVATIVES**

23.1. The financial indices referred to in paragraph 21.1.2.6 are those which satisfy the following criteria:

23.1.1. the index is sufficiently diversified;

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

23.1.3. the index is published in an appropriate manner.

23.2. A financial index is sufficiently diversified if:

23.2.1. 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;

23.2.2. where it is composed of assets in which the Scheme 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

23.2.3. where it is composed of assets in which the Scheme 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 10.

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

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

23.3.2. 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

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

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

23.4.1. 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

23.4.2. 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.

23.5. Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall where they satisfy the requirements with respect to other underlyings pursuant to paragraph 21 be regarded as a combination of those underlyings.

## **24. TRANSACTIONS FOR THE PURCHASE OF PROPERTY**

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

## **25. REQUIREMENT TO COVER SALES**

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

## **26. OTC TRANSACTIONS IN DERIVATIVES**



- 26.1. Any transaction in an OTC derivative under paragraph 21 must be:
  - 26.1.1. 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 FCA Register or whose Home State authorisation, permits it to enter into the transaction as principal off-exchange;
  - 26.1.2. 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;
  - 26.1.3. 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: on the basis on the basis of an up-to-date market value which the ACD and the Depositary have agreed is reliable; or, if that value is not available, on the basis of a pricing model which the ACD and the Depositary have agreed uses an adequate recognised methodology; and
  - 26.1.4. 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 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 a department within the ACD which is independent from the department in charge of managing the scheme property and which is adequately equipped for such a purpose.
- 26.2. For the purposes of 31.1.1.2, "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.
- 26.3. The eligible derivatives markets for the Funds are set out in Appendix 3.
- 26.4. The use of derivatives for EPM is not intended for speculative purposes.

## **27. VALUATION OF OTC DERIVATIVES**

- 27.1. For the purposes of clause 26, the ACD must:
  - 27.1.1. establish, implement and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposures of a Sub-Fund to the OTC derivatives; and
  - 27.1.2. ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.
- 27.2. Where the arrangements and procedures referred to above involve the performance of certain activities by third parties, the ACD must comply with the requirements in SYSC 8.1.13R (Additional requirements for a management company) and COLL 6.6A.4R(4) to (6) (Due diligence requirements of AFMs of UCITS schemes). The arrangements and procedures referred to above must be:
  - 27.2.1. adequate and proportionate to the nature and complexity of the OTC derivative concerned; and
  - 27.2.2. adequately documented.

## **28. RISK MANAGEMENT**

- 28.1. The ACD uses a risk management process in accordance with COLL 6.12, as reviewed by the Depositary and filed with the FCA, enabling it to monitor and measure at any time the risk of the Sub-Funds' positions and their contribution to the overall risk profile of the Sub-Fund.
- 28.2. The following details of the risk management process must be regularly notified to the FCA by the ACD in advance of the use of the process as above, and at least on an annual basis:
  - 28.2.1. a true and fair view of the types of derivatives and forwards to be used within a Sub-Fund together with their underlying risks and any relevant quantitative limits; and
  - 28.2.2. the methods for estimating risks in derivatives and forwards.
- 28.3. The ACD must notify the FCA in advance of any material alteration to the details in 28.2.1 and 28.2.2 above.

## **29. INVESTMENT IN DEPOSITS**

- 29.1. A Sub-Fund may invest in deposits if it:
- 29.1.1. is with an Approved Bank;
  - 29.1.2. is;
    - 29.1.2.1. repayable on demand; or
    - 29.1.2.2. has the right to be withdrawn; and
    - 29.1.2.3. matures in no more than 12 months.

## **30. CALCULATION OF GLOBAL EXPOSURE**

- 30.1. The ACD must calculate the global exposure of a Sub-Fund on at least a daily basis. The ACD must calculate the global exposure of any Sub-Funds either as:
- 30.1.1. the incremental exposure and leverage generated through the use of derivatives and forward transactions (including imbedded derivatives as referred to in the section above at clause 20.2 which may not exceed 100% of the net value of the Sub-Fund's property; or
  - 30.1.2. the market risk of the Sub-Fund.
- 30.2. 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.
- 30.3. The ACD must calculate the global exposure of a Sub-Fund by using:
- 30.3.1. the commitment approach; or
  - 30.3.2. the value at risk approach.
- 30.4. The ACD must ensure that the method selected above is appropriate, taking into account:
- 30.4.1. the investment strategy pursued by the Sub-Fund;
  - 30.4.2. types and complexities of the derivatives and forward transactions used; and
  - 30.4.3. the proportion of the Sub-Fund's property compromising derivatives and forward transactions.

## **31. CASH AND NEAR CASH**

- 31.1. Cash and near cash must not be retained except to the extent that this may reasonably be regarded as necessary in order to enable:
- 31.2. pursuit of the Sub-Funds investment objectives (at present none of the Sub-Funds are permitted to use cash or near cash for the pursuit of their investment objectives); or
  - 31.3. the redemption of Shares; or
  - 31.4. efficient management of the Sub-Funds in accordance with their investment objectives; or
  - 31.5. other purposes which may reasonably be regarded as ancillary to the investment objectives of the Sub-Funds.

## **32. BORROWINGS**

- 32.1. The Company may borrow money for each Sub-Fund repayable out of its scheme property in accordance with the Rules. 33.2 The ACD must ensure that the borrowing of the Company is on a temporary basis and not persistent, and in particular must ensure that no period of borrowing exceeds three months without the prior consent of the Depositary (who may give such consent only on conditions which appear to the Depositary to ensure that the borrowing does not cease to be temporary). The ACD must also ensure that borrowing by each Fund does not exceed 10% of the value of the Fund. However, this 10% limit does not apply in the case of back-to-back borrowing for currency hedging purposes entered into in the context of efficient portfolio management in accordance with the Rules.

## **33. SIGNIFICANT INFLUENCE**

- 33.1. 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:
- 33.1.1. 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
  - 33.1.2. the acquisition gives the Company that power.

- 33.2. For the purposes of paragraph 34.1, 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).

#### **34. CONCENTRATION**

The Company:

- 34.1. must not acquire transferable securities other than debt securities which:
- 34.1.1. do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and
  - 34.1.2. represent more than 10% of these securities issued by that body corporate;
- 34.2. must not acquire more than 10% of the debt securities issued by any single issuing body;
- 34.3. must not acquire more than 25% of the units in a collective investment scheme;
- 34.4. must not acquire more than 10% of the approved money market instruments issued by any single body; and
- 34.5. need not comply with the limits in paragraphs 35.2, 35.3 and 35.4 if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

#### **35. GENERAL**

- 35.1. It is envisaged that each 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 order to enable the redemption of units, efficient management of the Sub-Fund or any one purpose which may reasonably be regarded as ancillary to the investment objectives of the Sub-Fund.
- 35.2. Where the 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 the 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 the 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.

#### **36. UNDERWRITING**

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

## APPENDIX 3 – ELIGIBLE MARKETS

A market is eligible for the purposes of COLL if it is:

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

A market not falling within (a) or (b) above is eligible for these purposes if:

- (i) the ACD, after consultation with the Depositary, decides that market is appropriate for these purposes on the basis that it is regulated, operates regularly, is recognised, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors; and
- (ii) 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.

The additional eligible markets of the Company as agreed with the Depositary are as follows:

### Eligible Securities Markets

COUNTRY	MARKET EXCHANGE
All EEA	All
Australia	Australian Securities Exchange
	The International Stock Exchange
China	Hong Kong Stock Exchange
Canada	Montreal Stock Exchange
	Toronto Stock Exchange
	TSX Venture Exchange
United States of America	New York Stock Exchange (NYSE)
	American Stock Exchange
	Boston Stock Exchange
	National Stock Exchange
	NASDAQ
	NYSE American

	Pacific Stock Exchange
	Philadelphia Stock Exchange
Japan	Tokyo Stock Exchange (TSE)
South Africa	Johannesburg Stock Exchange (JSE)

#### Eligible Derivatives Markets

COUNTRY	MARKET EXCHANGE
N/A	N/A

## APPENDIX 4 – AUTHORISED SCHEMES OF WHICH THE ACD IS THE AUTHORISED FUND MANAGER

The following is a list of authorised collective investment schemes of which the ACD is the authorised corporate director or authorised fund manager.

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

Authorised Unit Trusts	Investment Companies with Variable Capital
	<p> The Dunninger Fund  The Folla Fund  The Galacum Fund  The Global Balanced Strategy Fund  The Gloucester Portfolio  The Headspring Fund  The Headway Fund  The Jake Fund  The Jay Fund  The Kingfisher Fund  The Loch Moy Fund  The Magpie Fund  The MF Fund  The Milne Fund  The Nectar Fund  The Norton Fund  The Princesdale Fund  The Rosslyn Fund  The SBB Fund  The Staffordshire Portfolio  The Stellar Fund  The SVS Levitas Funds  The Touchstone Investment Fund  The Tully Fund  The Westhill Investment Fund  TS Campana Fund  Vagabond Investment Fund  White Oak Fund </p>

## APPENDIX 5 – DELEGATES OF THE DEPOSITARY: SUB-CUSTODIANS

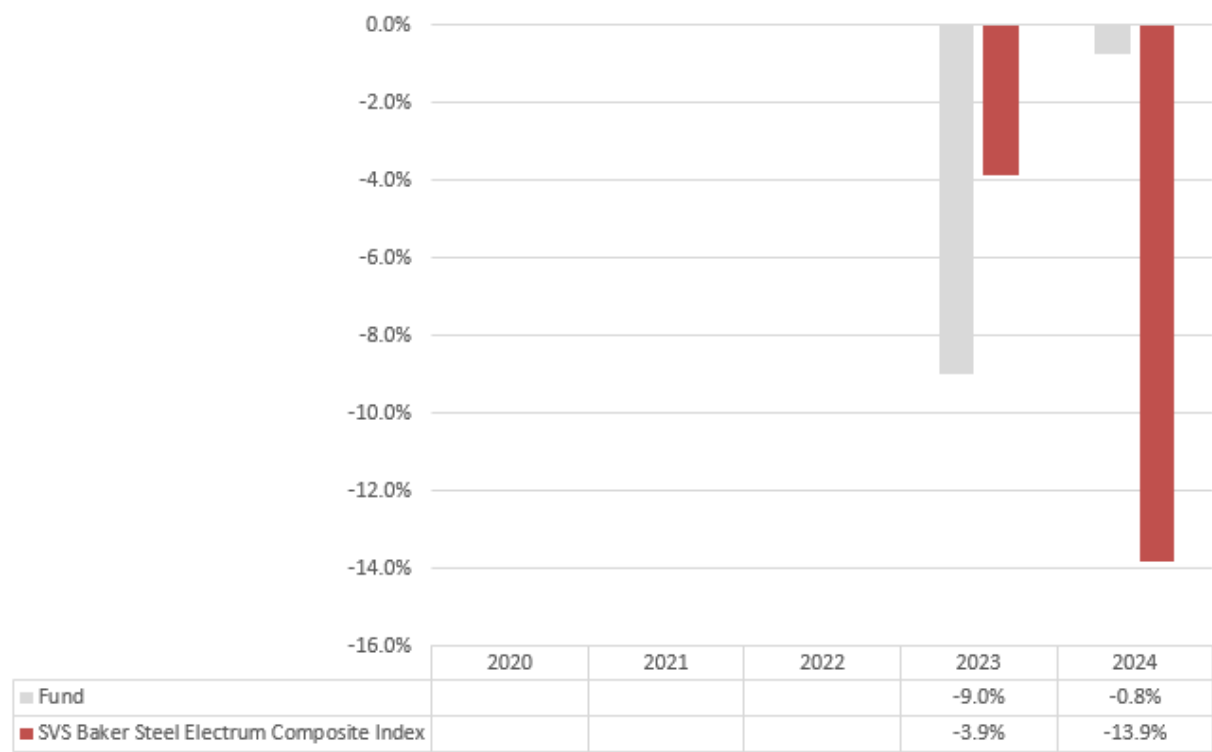
Region	COUNTRY	Sub-custodians
Western Europe & UK	Belgium	Caceis Bank
		Euroclear Bank
	Denmark	SEB
	Finland	SEB
	France	Caceis Bank
	Germany	Caceis Bank
	Greece	HSBC
	Iceland	Clearstream Lux
	Ireland	Euroclear
		HSBC
	Italy	Caceis Bank
	Luxembourg	Clearstream
	The Netherlands	Caceis Bank
	Norway	SEB
	Portugal	Santander
	Spain	Caceis Bank
	Sweden	SEB
	Switzerland	Caceis Bank
	UK	HSBC
Eastern Europe	Austria	Caceis Bank
	Bulgaria	Unicredit
	Czech Republic	Unicredit
	Estonia	SEB
	Latvia	SEB
	Lithuania	SEB
	Poland	Bank Pekao
Americas	Brazil	S3 CACEIS BRASIL DTVM SA
	Canada	CIBC Mellon
	USA	BBH
Asia	Hong Kong	HSBC
	Japan	HSBC
	Philippines	HSBC
	Singapore	HSBC
	Thailand	HSBC
Oceania	Australia	HSBC
	New Zealand	HSBC
Middle East	Israel	Hapoalim Bank
Africa	Botswana	Standard Chartered
	South Africa	Standard Chartered



## APPENDIX 6 – PAST PERFORMANCE OF THE FUNDS

Past performance should not be seen as an indication of future performance.

### SVS Baker Steel Electrum Fund B Accumulation



Source: Fund: FE fundinfo 2025

Benchmarks: Factset & Evelyn Partners Fund Solutions Limited

\* SVS Baker Steel Electrum Composite Index reflects the past performance data of the previous target benchmark, EMIX Global Mining Index (Total Return), until 31/07/2023 and the past performance data of the current target benchmark, MSCI ACWI Metals & Mining Index (Price Return) from 01/08/2023.

Performance is shown as Mid to Mid, income reinvested, net of charges. Performance does not include the effect of any initial or redemption charges.

## APPENDIX 7 – DIRECTORY OF CONTACT DETAILS

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**The Company and Head Office:**

SVS Baker Steel Electrum Fund,  
45 Gresham Street  
London  
EC2V 7BG

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**Authorised Corporate Director:**

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

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**Investment Managers:**

Baker Steel Capital Managers LLP  
34 Dover Street,  
London,  
W1S 4NG

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**Depository:**

NatWest Trustee & Depository Services Limited  
250 Bishopsgate  
London  
EC2M 4  
AA

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**Custodian:**

CACEIS UK Branch,  
Broadwalk House,  
5 Appold Street,  
London,  
EC2A 2DA

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**Administrator:**

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

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**Transfer Agent & Registrar:**

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

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**Auditors:**

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

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## APPENDIX 8 – SUB-FUND'S EXCLUSION POLICY

The Investment Manager shall not invest in companies with any turnover from the production and/or distribution of weapons. The Investment Manager acknowledges and supports the principles covered by the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (“Ottawa Treaty”), the Convention on the Prohibition of Cluster Munitions (“Oslo Convention”), and the UN Conventions regarding B- and C- Weapons (UN BWC and UN CWC).

The Investment Manager shall not invest in companies that are involved in uranium enrichment for weapons-grade material. For clarity, weapons-grade uranium refers to companies processing and enriching uranium for use in nuclear weapons. Baker Steel may invest in companies which mine, purchase and process uranium intended for use as a nuclear fuel and other uses (excluding weapons).

The Investment Manager shall aim not to invest in companies whose primary business is extracting fossil fuels. More specifically, Baker Steel shall aim not to invest in any company that has more than 30% of its revenues derived from the extraction, production or distribution of thermal coal. Exceptions may be granted to companies proactively reducing their dependence on revenues from thermal coal (e.g. through divestment plans).

The Investment Manager will not make new investments in companies which operate in certain ‘blacklisted’ jurisdictions, or in the event that existing investee companies have interests in countries which subsequent to initial investment are deemed to be ‘blacklisted’, will seek to exit those investments expeditiously, where possible, without prejudice to clients’ interests. These are regions where either sovereign risk or security concerns preclude responsible investment being effectively implemented as well as countries where the operating environment is unlikely to facilitate conducting business in accordance with either the ESG principles outlined in Section 2, or the UN PRI. This ‘blacklist’ shall be continually monitored and will be updated by the Investment Manager’s investment team as and when global events dictate.

Where possible, Baker Steel’s funds mandated to invest in listed stocks, shall only invest in listed companies ensuring an appropriate standard of transparency on governance. Furthermore, Baker Steel managed funds aim to invest only in listed companies which maintain a majority of independent directors so as to ensure a higher standard of corporate governance.

The Investment Manager shall not invest in any companies which commit serious violations of the UN Global Compact:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.
- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The Investment Manager shall aim to invest preferentially in companies which are actively working towards the UN SDG. Finally, the Investment Manager expects that all investee companies have a robust ESG policy in place. It is also expected that the company’s ESG policy has been approved and formally adopted via a resolution of the Board.

## **APPENDIX 9 - LIST OF DIRECTORS OF EVELYN PARTNERS FUND SOLUTIONS LIMITED**

### **Name of Director**

Andrew Baddeley

Brian McLean

Mayank Prakash

Neil Coxhead

Dean Buckley (Independent Non-Executive Director)

Linda Robinson (Independent Non-Executive Director)

Victoria Muir (Independent Non-Executive Director)

Sally Macdonald (Independent Non-Executive Director)

Guy Swarbreck (Non-Executive Director)

**None of the directors have any business activities of significance to the Company that are not connected with the business of the ACD.**